NEW ISSUE	**Ratings: Moody's: Aa1**
BOOK-ENTRY ONLY	**Standard & Poor's: AA+**
	Fitch: AA+
	(See "Ratings")

In the opinion of Bond Counsel, under current law and subject to the conditions described in the section "TAX EXEMPTION," interest on the 2024 Bonds (as defined herein) (1) is not included in gross income for federal income tax purposes, (2) is not an item of tax preference for purposes of the federal alternative minimum tax, (3) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")), for the alternative minimum tax imposed on such corporations, and (4) is exempt from income taxation by the Commonwealth of Virginia. See "TAX EXEMPTION" for certain provisions regarding the Code that may subject a holder to other federal tax consequences.

$284,735,000
ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF CHESTERFIELD (VIRGINIA) REVENUE BONDS (COUNTY MOBILITY PROJECTS), SERIES 2024

Dated: Date of Issuance **Due: April 1, as shown on the inside cover**

This Official Statement has been prepared by the County of Chesterfield, Virginia (the "County"), on behalf of the Economic Development Authority of the County of Chesterfield (the "Authority) to provide information on the 2024 Bonds, the security therefor, the County, the projects being financed with the proceeds of the 2024 Bonds and other relevant information. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the 2024 Bonds, a prospective investor should read this Official Statement in its entirety.

Security	**THE 2024 BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM CERTAIN PAYMENTS TO BE MADE BY THE COUNTY PURSUANT TO A FINANCING AGREEMENT DATED AS OF JUNE 1, 2024 (THE "FINANCING AGREEMENT"), BETWEEN THE COUNTY AND THE AUTHORITY AND FROM CERTAIN FUNDS AND THE INVESTMENT INCOME THEREFROM HELD BY THE TRUSTEE PURSUANT TO THE TRUST AGREEMENT DESCRIBED HEREIN. THE UNDERTAKING BY THE COUNTY TO MAKE PAYMENTS UNDER THE FINANCING AGREEMENT WILL BE SUBJECT TO APPROPRIATION BY THE COUNTY BOARD OF SUPERVISORS FROM TIME TO TIME OF SUFFICIENT FUNDS FOR SUCH PURPOSE, AND THE BOARD OF SUPERVISORS HAS NO LEGAL OBLIGATION TO DO SO. NEITHER THE 2024 BONDS NOR THE FINANCING AGREEMENT CONSTITUTES A DEBT OF THE COUNTY OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY. THE 2024 BONDS AND THE INTEREST ON THEM SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE 2024 BONDS OR OTHER COSTS INCIDENT TO THEM EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED FOR SUCH PURPOSE AND ASSIGNED THEREFOR. THE AUTHORITY HAS NO TAXING POWER.**
Issued Pursuant To	The 2024 Bonds will be issued pursuant to an Agreement of Trust dated as of June 1, 2024, as supplemented by a First Supplemental Agreement of Trust dated as of June 1, 2024, between the Authority and U.S. Bank Trust Company, National Association, as Trustee.
Trustee	U.S. Bank Trust Company, National Association.
Purpose	The proceeds of the 2024 Bonds will be used to finance the 2024 Project (as defined herein) and to pay the related costs of issuance.
Interest Payment Dates	April 1 and October 1, commencing October 1, 2024.
Regular Record Dates	March 15 and September 15.
Redemption	The 2024 Bonds are subject to redemption as set forth herein.
Denominations	$5,000 and integral multiples thereof.
Closing/Delivery Date	On or about June 27, 2024.
Registration	Full book-entry only; The Depository Trust Company, New York, New York.
Bond Counsel	Hunton Andrews Kurth LLP, Richmond, Virginia.
County Attorney	Jeffrey L. Mincks, Esquire.
Authority Counsel	Hunton Andrews Kurth LLP, Richmond, Virginia.
Underwriters' Counsel	Kaufman & Canoles, a Professional Corporation, Richmond, Virginia.
Financial Advisor	Davenport & Company LLC, Richmond, Virginia.
Conditions Affecting Issuance	The 2024 Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Hunton Andrews Kurth LLP, Bond Counsel, and to certain other conditions referred to herein.

Wells Fargo Securities

BofA Securities **J.P. Morgan** **Raymond James**

Dated: June 5, 2024

$284,735,000
ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF CHESTERFIELD (VIRGINIA)

REVENUE BONDS (COUNTY MOBILITY PROJECTS), SERIES 2024

April 1	Principal Amount	Interest Rate	Yield	CUSIP** 16639E
2026	$ 5,970,000	5.000%	3.320%	BB9
2027	6,270,000	5.000	3.180	BC7
2028	6,580,000	5.000	3.150	BD5
2029	6,910,000	5.000	3.120	BE3
2030	7,255,000	5.000	3.090	BF0
2031	7,620,000	5.000	3.110	BG8
2032	8,000,000	5.000	3.100	BH6
2033	8,400,000	5.000	3.130	BJ2
2034	8,820,000	5.000	3.140	BK9
2035	9,260,000	5.000	3.160*	BL7
2036	9,725,000	5.000	3.180*	BM5
2037	10,210,000	5.000	3.230*	BN3
2038	10,720,000	5.000	3.300*	BP8
2039	11,255,000	5.000	3.360*	BQ6
2040	11,820,000	5.000	3.460*	BR4
2041	12,410,000	5.000	3.550*	BS2
2042	13,030,000	5.000	3.610*	BT0
2043	13,685,000	5.000	3.660*	BU7
2044	14,370,000	5.000	3.710*	BV5
2045	15,085,000	5.000	3.760*	BW3

$49,935,000 5.000% Series 2024 Term Bond due April 1, 2048; Yield 3.890%*;
CUSIP No. 16639E BX1**

$37,405,000 4.000% Series 2024 Term Bond due April 1, 2050; Yield 4.210%;
CUSIP No. 16639E BY9**

* Yield reflects 2024 Bonds priced to first optional call date of April 1, 2034.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Authority, the County, the Underwriters nor their respective agents or counsel are responsible for the accuracy of such numbers. No representation is made as to their correctness on the 2024 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2024 Bonds.

The 2024 Bonds will be exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth of Virginia, the 2024 Bonds will also be exempt from registration under the securities laws of 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 representation should 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, and there shall be no sale of the 2024 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between the Authority and/or the County and the purchasers or owners of any of the 2024 Bonds.

All quotations from and summaries and explanations of provisions of law 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 opinion and not as representations of fact. This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the County or the Authority since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

This Official Statement, including, but not limited to information contained in Appendix A, contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," "plan," "budget" and similar expressions are intended to identify forward-looking statements. 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 differ materially from those stated in the forward-looking statements. A number of important factors affecting the County's operations and financial results could cause actual results to differ materially from those stated in the forward-looking statements. All such forward-looking statements are expressly qualified by the cautionary statements in the preceding sentences, as well as any other disclaimers set forth in this Official Statement. Neither the Authority nor the County plan to issue any updates or revisions to any such forward-looking statements.

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 Official Statement.

The Trustee has neither reviewed nor participated in the preparation of this Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT

$284,735,000
ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF CHESTERFIELD (VIRGINIA)
REVENUE BONDS (COUNTY MOBILITY
PROJECTS), SERIES 2024

SECTION ONE: INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to provide information in connection with the issuance by the Economic Development Authority of the County of Chesterfield (the "Authority"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), of its $284,735,000 Revenue Bonds (County Mobility Projects), Series 2024 (the "2024 Bonds"). The following introductory material is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement, reference to which is hereby made for all purposes. Certain capitalized terms used in this Official Statement are defined in Appendix C - "Definitions of Certain Terms."

The Issuer

The issuer of the 2024 Bonds is the Economic Development Authority of the County of Chesterfield, a political subdivision of the Commonwealth of Virginia.

The County

The County of Chesterfield, Virginia (the "County"), is located in east-central Virginia and encompasses a land area of approximately 437 square miles. Adjacent to the County are the cities of Richmond, Colonial Heights, Hopewell and Petersburg and the Counties of Dinwiddie, Amelia, Powhatan, Charles City, Prince George, Henrico and Goochland. Additional information regarding the County is provided in Appendix A to this Official Statement, entitled "COUNTY OF CHESTERFIELD, VIRGINIA." The audited financial statements for the County for the fiscal year ended June 30, 2023, are provided in Appendix B to this Official Statement.

Central Virginia Transportation Authority Funding for County Projects

In 2020, the General Assembly of Virginia adopted legislation creating the Central Virginia Transportation Authority ("CVTA"), comprising localities within Planning District 15 (which include the Counties of Charles City, Chesterfield, Goochland, Henrico, New Kent and Powhatan, the City of Richmond and the Town of Ashland), for the purpose of funding regional and local mobility improvements. In connection with the creation of CVTA, the General Assembly authorized an additional 0.7 percent sales and use tax, a 7.6 cents per gallon wholesale tax on gasoline and a 7.7 cents per gallon wholesale tax on diesel fuel to provide funding for such regional and local mobility improvements, which wholesale taxes on gasoline and diesel fuel are subject to adjustment on each July 1 based on the greater of (i) the change in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year, or (ii) zero. As provided for in the CVTA enabling legislation (Chapter 37, Title 33.2, Code of Virginia of 1950, as amended), the regional tax revenues (net of payment of CVTA's administrative and operating expenses) are allocated as follows: (1) 50 percent is distributed proportionately to the member localities, (2) 35 percent is retained by CVTA for transportation projects benefitting the localities within Planning District 15 and (3) 15 percent is dedicated to the Greater Richmond Transit Company (GRTC) for transit and mobility services in the region. The CVTA enabling legislation further requires that any such revenues returned to the County be deposited to a separate, special fund (the "County Mobility Improvements Fund") and used to improve local mobility, which may include construction, maintenance or expansion of roads, sidewalks, trails, mobility services or transit located in the County. For fiscal years 2022 and 2023, the County's share of such regional tax revenues totaled approximately $29,311,191 and $29,753,780, respectively. *Such historical average is provided for illustrative purposes only. There can be no guarantee that such revenues will continue to be made available pursuant to the CVTA legislation, and the County's share of any future revenues made available through CVTA may materially differ from the historical average.*

In connection with its approval of the issuance of the 2024 Bonds, the Board of Supervisors of the County (the "County Board") stated its non-binding intention to appropriate amounts on deposit in the County Mobility Improvements Fund for the purpose of satisfying the County's undertakings to make payments due under the Financing Agreement. However, the County may elect to satisfy such undertakings from any legally available funds appropriated by the Board of Supervisors for such purpose, and in no event shall the Board of Supervisors be obligated to appropriate any amounts from the County Mobility Improvements Fund or any other source for the purpose of fulfilling its undertakings pursuant to the Financing Agreement. Neither the revenues deposited to the County Mobility Improvements Fund nor the fund itself have been pledged to the payment of the 2024 Bonds, and neither the Bondholders nor the Trustee have any rights or interest in such revenues or such fund.

The 2024 Bonds

The proceeds of the 2024 Bonds will be used to finance the 2024 Project (as defined herein) and to pay the related costs of issuance.

The 2024 Bonds will consist of $284,735,000 Revenue Bonds (County Mobility Projects), Series 2024, dated the date of issuance and maturing on April 1 in the years and in the amounts set forth on the inside cover of this Official Statement. Interest on the 2024 Bonds will be payable on each April 1 and October 1, beginning October 1, 2024, until the earlier of maturity or redemption, at the rates set forth on the inside cover of this Official Statement.

The 2024 Bonds will be issued in accordance with the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), and pursuant to an Agreement of Trust dated as of June 1, 2024 (the "Master Trust Agreement"), as supplemented by a First Supplemental Agreement of Trust dated as of June 1, 2024 (the "First Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), both between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Pursuant to the terms of the Trust Agreement, the Authority has determined to issue from time to time revenue bonds or notes and use the proceeds thereof to finance certain "authority facilities" (as defined in the Act), as requested by the County of Chesterfield, Virginia (the "County"). The Authority and the County have entered into a Financing Agreement dated as of June 1, 2024 (the "Financing Agreement"), pursuant to which the County has requested the Authority to loan the proceeds of the 2024 Bonds to the County to finance the 2024 Project, and the County has agreed, subject to appropriation by the Board of Supervisors of the County (the "County Board") from time to time of sufficient amounts for such purpose, to support such requests by paying to or on behalf of the Authority amounts sufficient to pay the principal of and interest due on the 2024 Bonds (the "Basic Payments") and other amounts due under the Financing Agreement, including, but not limited to, the Trustee's fees and expenses, the Authority's fees and expenses and any arbitrage rebate amount owed in connection with the 2024 Bonds (collectively, the "Additional Payments").

The 2024 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 Financing Agreement, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Trust Agreement. The 2024 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 County. Neither the Commonwealth nor any of its political subdivisions, including the Authority and the County, shall be obligated to pay the principal of and interest on the 2024 Bonds or other costs incident to them except from the revenues and receipts pledged for such purpose 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 2024 Bonds or other costs incident thereto. The Authority has no taxing power.

A more complete description of the Trust Agreement and the Financing Agreement is provided in Appendix D - "Summary of the Financing Documents."

Redemption

The 2024 Bonds will be subject to optional redemption and mandatory sinking fund redemption as set forth in "THE 2024 BONDS - Redemption" in Section Two.

Delivery

The 2024 Bonds are offered for delivery when, as and if issued, subject to the approval of validity by Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, and to certain other exceptions referred to herein. Certain legal matters will be passed upon for the County by the County Attorney, Jeffrey L. Mincks, Esquire, for the Authority by Hunton Andrews Kurth LLP, general counsel to the Authority, and for the Underwriters by their counsel, Kaufman & Canoles, a Professional Corporation, Richmond, Virginia.

Ratings

The 2024 Bonds have been rated as shown on the cover page hereto by Fitch Ratings, Moody's Investors Service, Inc., and S&P Global Ratings. A more complete description of each rating is provided in the section "RATINGS" in Section Three.

Financial Advisor

Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the County in connection with the issuance of the 2024 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the 2024 Bonds is contingent upon the issuance and delivery of the 2024 Bonds.

Continuing Disclosure

For purposes of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission ("SEC"), the County is an obligated person with respect to the 2024 Bonds. The County has agreed to execute a Continuing Disclosure Agreement at closing to assist the Underwriters in complying with the provisions of the Rule as in effect on the date hereof, by providing annual financial information and material event notices required by the Rule. See "CONTINUING DISCLOSURE" in Section Three.

Additional Information

Any questions concerning the content of this Official Statement should be directed to Gerard H. Durkin, Director of Budget and Management, Chesterfield County, 9901 Lori Road, Chesterfield, Virginia 23832 (804-748-1600), or the County's Financial Advisor, Davenport & Company LLC (804-697-2900).

SECTION TWO: THE 2024 BONDS

THE AUTHORITY

The Authority is a political subdivision of the Commonwealth of Virginia created pursuant to the Act. The Act empowers the Authority to finance the acquisition, construction, remodeling, renovation and equipping of public facilities. The County Board has requested the Authority to issue the 2024 Bonds and loan the proceeds thereof to the County to finance the 2024 Project and to pay the related costs of issuance.

The Authority is not obligated to pay the principal of or interest on the 2024 Bonds or other costs incident thereto except from amounts received therefor under the Financing Agreement. **The Authority has no taxing power.**

THE 2024 BONDS

General

The 2024 Bonds will be dated the date of issuance, will bear interest from their date, payable semiannually on each April 1 and October 1, beginning October 1, 2024, at the rates, and will mature on April 1 in the years and amounts as set forth on the inside cover of this Official Statement. If such interest payment date is not a Business Day, such payment will be made on the next succeeding Business Day with the same effect as if made on the interest payment date and no additional interest will accrue. Interest on the 2024 Bonds will be payable by check or draft mailed to the registered owner at its address as it appears on the registration books kept by the Trustee as of the March 15 and September 15 preceding each respective payment date.

The 2024 Bonds will be issued as fully registered bonds, in denominations of $5,000 or integral multiples thereof, initially in book-entry form only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial ownership in the 2024 Bonds will be made in principal amounts of $5,000 and multiples of $5,000. Individual purchasers of beneficial ownership in the 2024 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. So long as the Series 2024 Bonds are in book-entry form, transfer of the 2024 Bonds and payment of principal of and interest on the 2024 Bonds will be effected as described in Appendix G - "Book-Entry Only System." If the book-entry system is discontinued, bond certificates will be delivered as described in the Trust Agreement, and Beneficial Owners will become registered owners of the 2024 Bonds. Registered owners of the 2024 Bonds, whether Cede & Co. or, if the book-entry system is discontinued, the Beneficial Owners, will be defined in this Official Statement as the "Bondholders." **So long as Cede & Co. is the sole Bondholder, as nominee for DTC, reference in this Official Statement to Bondholders means Cede & Co. and does not mean the Beneficial Owners.** See Appendix G - "Book-Entry Only System."

The 2024 Bonds will be limited obligations of the Authority as described more fully in the section "SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS."

Redemption

Optional Redemption. The 2024 Bonds maturing on and before April 1, 2034, will not be subject to optional redemption prior to maturity. The 2024 Bonds maturing on and after April 1, 2035, will be subject to redemption prior to maturity, at the option of the County, on behalf of the Authority, on or after April 1, 2034, in whole or in part (in $5,000 integral multiples) at any time, upon payment of 100% of the principal amount to be redeemed, plus interest accrued but unpaid to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The 2024 Bonds maturing on April 1, 2048, will be required to be redeemed prior to maturity in part upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date on April 1 in years and amounts, as follows:

Year (April 1)	Amount
2046	$15,840,000
2047	16,630,000
2048*	17,465,000

*Final maturity

The 2024 Bonds maturing on April 1, 2050, will be required to be redeemed prior to maturity in part upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date on April 1 in years and amounts, as follows:

Year (April 1)	Amount
2049	$18,335,000
2050*	19,070,000

*Final maturity

Selection of Bonds for Redemption

If less than all of the 2024 Bonds are called for optional redemption, the maturities or sinking fund installments of the 2024 Bonds to be redeemed will be selected by the County. If less than all of the 2024 Bonds of a maturity or a sinking fund installment thereof are called for optional redemption, the specific 2024 Bonds within such maturity or sinking fund installment to be redeemed will be selected by the Securities Depository or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, will be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any 2024 Bond to be redeemed will be in the principal amount of $5,000 or some multiple thereof. In selecting 2024 Bonds for redemption, each Series 2024 Bond will be considered as representing that number of 2024 Bonds that is obtained by dividing the principal amount of such 2024 Bond by $5,000. If a portion of a 2024 Bond will be called for redemption, a new 2024 Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

Notice of Redemption

Notice of redemption will be given by the Trustee by facsimile transmission or other electronic means, registered or certified mail, overnight express delivery or such other means acceptable to the Bondholders not less than 30 nor more than 60 days before the date fixed for redemption to DTC, or, if DTC is no longer serving as securities depository for the 2024 Bonds, to the substitute securities depository, or, if none, to the respective registered owner of each 2024 Bond to be redeemed at the address shown on the registration books maintained by the Trustee. This notice of redemption will also be given to certain securities depositories and certain national information services which disseminate redemption notices. During the period that DTC or its nominee is the registered owner of the 2024 Bonds, the Trustee will not be responsible for mailing notices of redemption to the Beneficial Owners.

In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee (or, if applicable, such other escrow agent as may be appointed by the Authority or the County) no later than the date fixed for redemption or (2) the County, on behalf of the Authority, retains the right to rescind such notice of redemption on or prior to the date fixed for redemption (in either case, a "Conditional Redemption"), and such notice of redemption and optional redemption will be of no effect if such moneys are not so deposited or if the notice of redemption is rescinded as described herein. Any Conditional Redemption in (2) above may be rescinded at any time prior to the date fixed for redemption if the County, on behalf of the Authority, delivers a written direction to the Trustee directing the Trustee to rescind the notice of redemption and any funds deposited with the Trustee in connection with such rescinded redemption will be returned to the County. The Trustee will give prompt notice of such rescission to the affected Bondholders. Any 2024 Bonds subject to Conditional Redemption where redemption has been rescinded will remain outstanding, and the rescission will not constitute an event of default under the Trust Agreement or the Financing Agreement. Further, in the case of a Conditional Redemption, the failure of the Authority or the County to make funds available on or before the date fixed for redemption will not constitute an event of default under the Trust Agreement or the Financing Agreement, and the Trustee will give prompt notice to all organizations registered with the Securities and Exchange Commission as securities depositories or the affected Bondholders that the redemption did not occur and that the 2024 Bonds called for redemption and not so paid remain outstanding.

Effect of Redemption

On the date on which any 2024 Bonds have been called for redemption and sufficient funds for their payment on the date are held by the Trustee, interest on such 2024 Bonds will cease to accrue and their registered owners will be entitled to receive payment only from the Trustee from funds available for that purpose.

2024 Project

The County expects to use the 2024 Bond proceeds to (a) finance the costs of various local mobility improvements, including but not limited to (i) Powhite Parkway Extension Phase I and II, (ii) Upper Magnolia Access Improvements, (iii) Center Pointe Parkway Extension, (iv) Woolridge Road (Route 360 – Old Hundred Road) Extension, (v) Woolridge Road (Lacoc Road – Genito Road) Widening, (vi) Nash Road (Beach Road – Route 10) Extension and (vii) Otterdale Road/Swift Creek Crossing Drainage Improvements (collectively, the "2024 Project"), and (b) pay the related costs of issuing the 2024 Bonds. On May 15, 2024, the County Board adopted a resolution approving the issuance of the 2024 Bonds to finance the 2024 Project and expressing its intent to appropriate sufficient funds for such purposes and to recommend to future County Boards to do likewise.

Estimated Sources and Uses of Funds

The proceeds received from the sale of the 2024 Bonds are expected to be applied as follows:

Sources of Funds

Principal Amount of 2024 Bonds	$284,735,000.00
Plus Net Original Issue Premium	26,296,763.50
Total Sources	$311,031,763.50

Uses of Funds

Deposit to Project Fund for 2024 Project	$309,782,077.91
Costs of Issuance (Including Underwriters' Discount)	1,249,685.59
Total Uses	$311,031,763.50

Estimated Debt Service Requirements

The following table shows for each bond year, which is any 12 month period ending on April 1, amounts required for payment of principal (either at maturity or upon mandatory sinking fund redemption) of and interest on the 2024 Bonds.

Bond Year	Principal	Interest	Total Debt Service on 2024 Bonds
2025	-	$ 10,551,055	$ 10,551,055
2026	$ 5,970,000	13,862,700	19,832,700
2027	6,270,000	13,564,200	19,834,200
2028	6,580,000	13,250,700	19,830,700
2029	6,910,000	12,921,700	19,831,700
2030	7,255,000	12,576,200	19,831,200
2031	7,620,000	12,213,450	19,833,450
2032	8,000,000	11,832,450	19,832,450
2033	8,400,000	11,432,450	19,832,450
2034	8,820,000	11,012,450	19,832,450
2035	9,260,000	10,571,450	19,831,450
2036	9,725,000	10,108,450	19,833,450
2037	10,210,000	9,622,200	19,832,200
2038	10,720,000	9,111,700	19,831,700
2039	11,255,000	8,575,700	19,830,700
2040	11,820,000	8,012,950	19,832,950
2041	12,410,000	7,421,950	19,831,950
2042	13,030,000	6,801,450	19,831,450
2043	13,685,000	6,149,950	19,834,950
2044	14,370,000	5,465,700	19,835,700
2045	15,085,000	4,747,200	19,832,200
2046	15,840,000	3,992,950	19,832,950
2047	16,630,000	3,200,950	19,830,950
2048	17,465,000	2,369,450	19,834,450
2049	18,335,000	1,496,200	19,831,200
2050	19,070,000	762,800	19,832,800
	$284,735,000	$221,628,405	$506,363,405

SECURITY AND SOURCES OF PAYMENT FOR THE 2024 BONDS

The following is a summary of the sources of security and sources of payment for the 2024 Bonds. The references to the 2024 Bonds, the Financing Agreement and the Project Fund are qualified in their entirety by reference to such documents and the provisions relating to the Project Fund contained in the Trust Agreement.

Security for the 2024 Bonds

The 2024 Bonds will be equally and ratably secured by (1) Basic Payments, which will be assigned by the Authority to the Trustee and will be applied to the payment of principal of and interest on the 2024 Bonds and any additional Bonds as set forth in the Trust Agreement, without preference, priority or distinction of any Bond over any other Bond, and (2) certain funds established under the Trust Agreement and the investment income therefrom. The 2024 Bonds will be equally and ratably secured under the Trust Agreement with any additional Bonds that may hereafter be issued under the Trust Agreement; provided that (a) any series of Bonds may have other security pledged to its payment, (b) moneys in any account or subaccount of the Bond Fund relating to a particular series of Bonds will secure only such Bonds, (c) moneys in any account or subaccount of the Project Fund relating to a particular series of Bonds will secure only such Bonds and (d) moneys in any account or subaccount of the Debt Service Reserve Fund relating to one or more series of Bonds will secure only such Bonds and any additional Bonds issued to refund such Bonds if and as provided in the respective Supplemental Trust Agreement(s).

The 2024 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 Financing Agreement, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Trust Agreement and the investment income therefrom. The undertaking by the County to make payments under the Financing Agreement is subject to appropriation from time to time by the County Board of sufficient amounts for such purpose. The County Board has no legal obligation to make any such appropriations. See the section "BONDHOLDERS' RISKS" in Section Three.

The 2024 Bonds and the interest thereon will 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 County. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, will be obligated to pay the principal of or interest on the 2024 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 2024 Bonds or other costs incident thereto. The Authority has no taxing power.

In connection with its approval of the issuance of the 2024 Bonds, the current County Board stated its non-binding intention to appropriate amounts on deposit in the County Mobility Improvements Fund for the purpose of satisfying the County's undertakings to make payments due under the Financing Agreement. Notwithstanding this expression of intent on the part of the current Board of Supervisors, the County may elect to satisfy such undertakings from any legally available funds appropriated by the Board of Supervisors for such purpose, and in no event shall the Board of Supervisors be obligated to appropriate any amounts from the County Mobility Improvements Fund or any other source for the purpose of fulfilling its undertakings pursuant to the Financing Agreement. Neither the tax revenues received from CVTA and deposited to the County Mobility Improvements Fund nor the fund itself shall be pledged to the payment of the 2024 Bonds, and neither the Bondholders nor the Trustee shall have any rights or interest in such revenues or such fund.

Financing Agreement

The Authority is issuing the 2024 Bonds for the purpose of loaning the proceeds thereof to the County to finance the costs of the 2024 Project and to pay the related costs of issuance. The Financing Agreement provides for the County to make payments on behalf of the Authority that will be sufficient to pay the principal of and interest on the outstanding Bonds (currently consisting of only the 2024 Bonds) as the same shall become due in accordance with their terms and provisions and the terms of the Trust Agreement. The undertaking by the County to make payments under the Financing Agreement will constitute a current expense of the County, subject to appropriation by the County

Board from time to time of sufficient funds for such purpose. The County will not be liable for any such payments due under the Financing Agreement unless and until funds have been appropriated by the County Board for payment and then only to the extent of such appropriation.

The Financing Agreement provides for the County to pay to the Trustee, as assignee of the Authority, Basic Payments in amounts calculated to be sufficient to pay principal of and interest when due on the 2024 Bonds and any additional Bonds issued under the Trust Agreement. Basic Payments will be due at least 14 calendar days prior to the respective principal or interest payment date on the 2024 Bonds and any additional Bonds. The Financing Agreement also provides for the County to pay certain Additional Payments, including any redemption premium that may be payable on any additional Bonds.

Failure to make any payment due or to perform any covenant under the Financing Agreement that results from a failure of the County Board to appropriate moneys for such purposes will not constitute an Event of Default under the Financing Agreement.

The undertaking by the County to make payments under the Financing Agreement constitutes neither 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 has any obligation or liability to the Bondholders with respect to the County's undertaking to make payments under the Financing Agreement or with respect to the performance by the County of any other covenant contained therein.

Other provisions of the Financing Agreement are summarized in Appendix D - "Summary of the Financing Documents."

No Series Debt Service Reserve Account Established for the 2024 Bonds

The Trust Agreement provides for the establishment of a Debt Service Reserve Fund to be held by the Trustee and, if funded, a separate Series Debt Service Reserve Account for a particular Series of Bonds. No Series Debt Service Reserve Account will be established for the 2024 Bonds.

Bond Fund

Under the Trust Agreement, the Authority pledges to the Trustee all right, title and interest to the Financing Agreement (except the right of the Authority to the payment of fees, costs and expenses and the right to receive notices as provided in the Financing Agreement and the right of the Trustee to the payment of its reasonable fees and expenses), the Basic Payments made by the County pursuant thereto and all other revenues and receipts derived by the Authority from any of the foregoing and the security therefor. Such Basic Payments under the Financing Agreement, along with funds on deposit in the Bond Fund, are pledged to the payment of principal of and premium, if any, and interest on the Bonds.

The Trust Agreement provides that the Trustee will deposit in the Bond Fund all Basic Payments received by the Trustee from the County under the Financing Agreement, together with any amounts transferred from the 2024 Project Account. From the amounts received by the Trustee from the County, the Trustee will deposit in the subaccount in the Interest Account an amount equal to the interest due and payable on the next interest payment date for the 2024 Bonds and will deposit in the subaccount established for the 2024 Bonds in the Principal Account an amount equal to the principal due and payable on the next principal payment date for the 2024 Bonds. For additional information concerning the Bond Fund, see Appendix D - "Summary of the Financing Documents – THE TRUST AGREEMENT."

Project Fund

The Trust Agreement establishes within the Project Fund a 2024 Project Account into which the Trustee will deposit a portion of the proceeds of the 2024 Bonds. The Trustee will use money in the 2024 Project Account solely to finance the 2024 Project. The Trustee will make payments from the 2024 Project Account upon receipt of requisitions signed on behalf of the County providing required information with respect to the use of the amounts being requisitioned. For additional information concerning the Project Fund, see Appendix D - "Summary of the Financing Documents – THE TRUST AGREEMENT."

Additional Bonds

The Authority may issue from time to time Additional Bonds secured on an equal and ratable basis with the 2024 Bonds (a) to finance or refinance the Cost of a Project, (b) to refund any Bonds previously issued or (c) for a combination of such purposes. Any such Additional Bonds will be issued under a Supplemental Trust Agreement and an amendment to the Financing Agreement providing for modification of the amount of Basic Payments to provide for a new amount of Basic Payments sufficient to pay principal of and interest on all Bonds then Outstanding under the Trust Agreement.

SECTION THREE: MISCELLANEOUS

COUNTY OF CHESTERFIELD, VIRGINIA

Appendix A contains financial and demographic information concerning the County. The County's audited financial statements for the Fiscal Year ended June 30, 2023, are contained in Appendix B. These financial statements, along with the related notes to financial statements, are intended to provide a broad overview of the financial position and operating results of the County's government-wide and various fund financial statements and account groups. The County's outside auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The County's outside auditor has not performed any procedures relating to this Official Statement.

The County's financial statements and the accountants' reports thereon are attached to this Official Statement as Appendix B and are available for inspection at the Chesterfield County Accounting Department, 9901 Lori Road, Room 203, Chesterfield, Virginia 23832.

BONDHOLDERS' RISKS

The purchase of the 2024 Bonds involves a degree of risk; therefore, prospective purchasers of the 2024 Bonds should review this Official Statement in its entirety in order to identify risk factors and make an informed investment decision. A number of factors, including those set forth below, may affect the County's ability or willingness to make timely payments sufficient for the Trustee to pay debt service on the 2024 Bonds:

(1) Source of Payments. The 2024 Bonds are not general obligations of the Authority or the County but are payable only from revenues received by the Trustee on behalf of the Authority from payments made by the County under the Financing Agreement and other moneys held by the Trustee and pledged to the payment of the 2024 Bonds. The ability of the Authority to make timely payments of principal and interest on the 2024 Bonds depends solely on the ability of the County to make timely payments under the Financing Agreement. The undertaking by the County to make payments under the Financing Agreement is subject to and dependent upon amounts being lawfully appropriated from time to time by the County Board for such purpose. The undertaking by the County to make payments under the Financing Agreement is neither a debt of the County within the meaning of any constitutional or statutory limitation nor a pledge of the faith and credit or the taxing power of the County. **The County Board is not legally obligated to appropriate the funds necessary to meet the County's financial undertaking pursuant to the Financing Agreement.**

While the current County Board has stated its non-binding intention to appropriate amounts on deposit in the County Mobility Improvements Fund for the purpose of satisfying the County's undertakings to make payments due under the Financing Agreement, the County may elect to satisfy such undertakings from any legally available funds appropriated by the County Board for such purpose, and in no event shall the County Board be obligated to appropriate any amounts from the County Mobility Improvements Fund or any other source for the purpose of fulfilling its undertakings pursuant to the Financing Agreement. Neither the tax revenues received from CVTA and deposited to the County Mobility Improvements Fund nor the fund itself have been pledged to the payment of the 2024 Bonds, and neither the Bondholders nor the Trustee have any rights or interest in such revenues or such fund. Furthermore, the availability of any such revenues is generally dependent on uncontrollable economic factors. Such revenues tend to fluctuate significantly based on economic variables, including, but not limited to, the condition of the economies of CVTA's member localities in which such taxes are collected (including the County), the Commonwealth and the United States, economic growth or recessions, population growth, income and employment levels, levels of tourism, public health conditions, weather conditions, fuel prices, road conditions, and the availability of alternate modes of transportation.

(2) Non-Appropriation and Limited Remedies. The County Administrator or other officer charged with the responsibility for preparing the County's annual budget (collectively, the "County Officer") is required to include in the proposed County budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments coming due during such Fiscal Year.

Throughout the term of the Financing Agreement, the County Officer is required to deliver to the Trustee and the Authority within 10 calendar days after its adoption, but not later than 10 calendar days after the beginning of each Fiscal Year, a copy of the County's adopted annual budget and a certificate stating whether an amount equal to, or credited to the payment of, the scheduled Basic Payments and estimated Additional Payments that will come due during the such Fiscal Year has been appropriated by a resolution adopted by the County Board.

If any adopted annual budget does not include an approval of funds sufficient to pay the scheduled Basic Payments and estimated Additional Payments coming due for the relevant Fiscal Year, the County Board will take a roll call vote immediately after adoption of such annual budget acknowledging the impact of its failure to approve such funds. In addition, the County Officer is required to deliver to the Trustee and the Authority within 10 calendar days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to, or credited to the payment of, the scheduled Basic Payments and estimated Additional Payments that will come due during such Fiscal Year has been appropriated by a resolution adopted by the County Board. If, by 15 calendar days after the beginning of the Fiscal Year, the County Board has not appropriated funds for the payment of the scheduled Basic Payments and estimated Additional Payments coming due for the then current Fiscal Year, the County Officer is required to give written notice to the County Board of the consequences of such failure to appropriate and request the County Board to consider a supplemental appropriation for such purposes.

If, during any Fiscal Year, the County Officer determines that the actual costs to be paid from Additional Payments in such Fiscal Year will exceed the amount appropriated by the County Board, the County Officer is required (1) within 15 calendar days of making such determination, to notify the Authority and the Trustee of such deficiency and (2) within 30 calendar days of making such determination, to request the County Board to consider a supplemental appropriation for such purposes. If the County Board fails to make a supplemental appropriation of a sufficient amount within 60 calendar days of such determination by the County Officer, the County Board will take a roll call vote immediately after such failure acknowledging the impact of its failure to approve such funds. In addition, the County Officer is required to deliver to the Authority and the Trustee no later than 15 calendar days after such action by the County Board, a certificate stating whether an amount sufficient to make payment in full of such additional costs has been appropriated by a resolution adopted by the County Board.

In the event of non-appropriation of funds by the County Board, neither the County nor the Authority may be held liable for the principal of and interest payments on the 2024 Bonds following the last Fiscal Year in which funds to make payment under the Financing Agreement were appropriated by the County Board. In the event of non-appropriation, moneys already on deposit in the Bond Fund will be used for the payment of principal of and interest on the 2024 Bonds, but these moneys may not be sufficient to pay the 2024 Bonds in full.

Upon an Event of Default under the Trust Agreement, the Trustee has no right to accelerate the payment of the 2024 Bonds by declaring the entire principal of and interest on the 2024 Bonds to be due and payable. Similarly, upon an Event of Default under the Financing Agreement, the Authority has no right to accelerate the payment of Basic Payments by declaring the Basic Payments to be due and payable.

(3) Political Risk. The current County Board has evidenced in its resolution adopted in connection with the 2024 Bonds a present intent to make future appropriations of such funds as may be necessary to make payments due under the Financing Agreement as and when such payments become due. There can be no guarantee, however, that the County Board will retain its current constituency in the future, and there can be no guarantee that a future County Board will continue the current County Board's policy with respect to the 2024 Bonds.

(4) Limitation on Enforceability of Remedies. The realization of any rights upon a default will depend upon the exercise of various remedies specified in the Trust Agreement and the Financing Agreement. Any attempt by the Trustee to enforce such remedies may require judicial action, which is often subject to discretion and delay. Under current law, certain of the legal and equitable remedies specified in the Trust Agreement and the Financing Agreement may not be readily available or may not be enforced to the extent such remedy may contravene public policy.

(5) Project Cost Overruns. As a result of any change orders with respect to design and material costs of the 2024 Project, the total expenditures actually incurred by the County may be in excess of the amount of available 2024 Bond proceeds. Any such additional costs of acquiring, constructing and equipping the 2024 Project are not expected to materially impact the County's ability to complete the 2024 Project.

(6) Taxation of Interest on the 2024 Bonds. The opinion of Bond Counsel as described in the section "TAX EXEMPTION" will state that, under the conditions set forth therein, interest on the 2024 Bonds is excluded from gross income for federal income tax purposes. Bond Counsel's opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is neither a guarantee of a result nor binding on the Internal Revenue Service (the "IRS") or the courts.

RATINGS

Fitch Ratings ("Fitch") has assigned a rating of "AA+" to the 2024 Bonds; Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa1" to the 2024 Bonds; and S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. ("S&P"), has assigned a rating of "AA+" to the 2024 Bonds. Such ratings reflect only the respective views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same.

The Authority and the County furnished to such rating agencies the information contained in this Official Statement and certain publicly available materials and information about the Authority and the County. Generally, rating agencies base their ratings on such materials and information, as well as their own investigations, studies and assumptions. There is no assurance that a rating will continue for any given period of time or that such rating will not be revised, suspended or withdrawn if, in the judgment of the applicable rating agency, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the 2024 Bonds.

BONDS ELIGIBLE FOR INVESTMENT AND SECURITY FOR PUBLIC DEPOSITS

The Act provides that bonds issued pursuant thereto shall be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees and guardians and for all public funds of the Commonwealth or other political corporations or subdivisions of the Commonwealth. No representation is made as to the eligibility of the 2024 Bonds for investment or any other purchase under any law of any other state. The Act also provides that bonds, such as the 2024 Bonds, issued pursuant thereto may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations of the Commonwealth is now or may hereafter be authorized by law.

LITIGATION

To the best information, knowledge and belief of the Authority and the County, there is no litigation of any kind now pending or threatened to restrain or enjoin the issuance or delivery of the 2024 Bonds, in any manner questioning the proceedings and authority under which the 2024 Bonds are being issued, or affecting the power and authority of the Authority, the County or the County Board to execute or perform their obligations under the Financing Agreement or the Trust Agreement or to make payments due under the Financing Agreement. In addition, to the best information, knowledge and belief of the County, there is no litigation presently pending or threatened against the County that, in the event of an unfavorable decision, would have a material adverse effect upon the financial condition of the County.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the 2024 Bonds will be subject to the approving opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, in substantially the form set forth as Appendix E (the "Bond Opinion"), which will be furnished at the expense of the County upon delivery of the 2024 Bonds. The Bond Opinion will be limited to matters relating to the authorization and validity of the 2024 Bonds and to the tax-exempt status of interest thereon as described in the section "TAX EXEMPTION." Bond Counsel has not been engaged to investigate the financial resources of the County or the Authority or their ability to provide for payment of the 2024 Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase Bonds.

Certain legal matters will be passed upon for the Authority by Hunton Andrews Kurth LLP, Richmond, Virginia, general counsel to the Authority, the County by the County Attorney, Jeffrey L. Mincks, Esquire, and the Underwriters by Kaufman & Canoles, a Professional Corporation, Richmond, Virginia.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Bond Counsel, under current law and in accordance with customary opinion practice, interest, including any accrued original issue discount ("OID"), on the 2024 Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder (the "Code")) for the alternative minimum tax imposed on such corporations, and (d) is exempt from income taxation by the Commonwealth. Except as discussed below regarding OID, no other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the 2024 Bonds. Further, no opinion will be expressed by Bond Counsel as to the treatment for federal income tax purposes of any interest paid on the 2024 Bonds in the event of non-appropriation or default by the County.

The Bond Opinion is given in reliance upon certifications by representatives of the Authority and the County as to certain facts relevant to both the opinion and requirements of the Code and is subject to the condition that there is compliance subsequent to the issuance of the 2024 Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The Authority and the County have covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the 2024 Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the 2024 Bonds. Failure by the County or the Authority to comply with such covenants, among other things, could cause interest, including accrued OID, on the 2024 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. The Authority and the County may in their sole discretion, but have not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that the interest on the 2024 Bonds remains excludable from gross income for federal income tax purposes.

The Bond Opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is not a guarantee of a result or binding on the IRS or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

Customary practice in the giving of legal opinions includes not detailing in the opinion all of the assumptions, conditions, limitations and exclusions that are a part of the conclusions therein. *See "Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions," 63 Bus. Law. 1277 (2008), and "Legal Opinion Principles," 53 Bus. Law. 831 (May 1998), updated by "Statement of Opinion Practices", 74 Bus. Law. 801, 807 (2019)*. Purchasers of the 2024 Bonds should seek advice of counsel concerning such matters as they deem prudent in connection with their purchase of 2024 Bonds.

Alternative Minimum Tax

Individuals – The Bond Opinion states that under current law interest on the 2024 Bonds is not an item of preference and is not subject to the alternative minimum tax on individuals.

Applicable Corporations – The Bond Opinion also states that under current law interest on the 2024 Bonds is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. Under current law, an "applicable corporation" generally is a corporation with average annual adjusted financial statement income for a three-taxable-year period ending after December 31, 2021, that exceeds $1 billion.

Original Issue Discount

The initial public offering price of the 2024 Bonds maturing in 2050 (the "OID Bonds") will be less than their stated principal amount. In the opinion of Bond Counsel, under current law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of such OID Bonds is sold will constitute OID. The offering prices set forth on the inside cover of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of such OID Bonds will be sold.

Under the Code, for purposes of determining a holder's adjusted basis in an OID Bond, OID treated as having accrued while the holder holds such OID Bond will be added to the holder's basis. OID will accrue on a constant yield-to-maturity method. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the calculation of accrued OID and the state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium

2024 Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder's basis in such a 2024 Bond must be reduced by the amount of premium that accrues while such 2024 Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the 2024 Bonds while so held. Purchasers of such 2024 Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such 2024 Bonds.

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the 2024 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the 2024 Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the 2024 Bonds should consult their own tax advisors with respect to the status of interest on the 2024 Bonds under the tax laws of any state other than Virginia.

The IRS has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the 2024 Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer, and the owners of the 2024 Bonds will have only limited rights, if any, to participate.

From time to time, proposed legislation is considered by the United States Congress that, if enacted, would affect the tax consequences of owning tax-exempt obligations such as the 2024 Bonds. Consequently, prospective purchasers should be aware that future legislation may have an adverse effect on the tax consequences of owning the 2024 Bonds.

There are many events that could affect the value, liquidity and/or marketability of the 2024 Bonds after their issuance, including but not limited to public knowledge of an audit of the 2024 Bonds by the IRS, a general change in interest rates for comparable securities, a change in federal or state income tax rates, federal or state legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of current law. In addition, certain tax considerations relevant to owners of 2024 Bonds who purchase 2024 Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the Bond Opinion nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations, and purchasers of the 2024 Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of 2024 Bonds.

FINANCIAL ADVISOR

Davenport & Company LLC, Richmond, Virginia, serves as financial advisor to the County and has no underwriting responsibility to the Authority or the County with respect to this transaction. As financial advisor, Davenport & Company LLC has advised the County in matters relating to the planning, structuring and issuance of the 2024 Bonds, assisted the County with the preparation of this Official Statement and provided to the County other advice with respect to the issuance and sale of the 2024 Bonds. The financial advisor's fee will be paid from legally available funds of the County. Although the Financial Advisor has assisted in the preparation of the Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

UNDERWRITING

The 2024 Bonds are being purchased by Wells Fargo Bank, National Association, BofA Securities, Inc., J.P. Morgan Securities LLC and Raymond James & Associates, Inc. (collectively, the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to purchase the 2024 Bonds from the Authority at a price of $310,547,077.91, which includes net original issue premium of $26,296,763.50 and is net of an Underwriters' discount of $484,685.59 (approximately 0.170223% of the principal amount of the 2024 Bonds). The Underwriters' obligation is subject to certain conditions precedent to closing, and the Underwriters will be obligated to purchase all of the 2024 Bonds if any 2024 Bonds are purchased. The 2024 Bonds may be offered and sold to certain dealers (including the Underwriters and other dealers depositing such 2024 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriters.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), the senior underwriter of the 2024 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the 2024 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2024 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the 2024 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

BofA Securities, Inc., one of the Underwriters of the 2024 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc., may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc., may compensate MLPF&S as a dealer for their selling efforts with respect to the 2024 Bonds.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the 2024 Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co."), and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2024 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2024 Bonds that such firm sells.

RELATIONSHIP OF THE PARTIES

Hunton Andrews Kurth LLP is serving as Bond Counsel in connection with the issuance of the 2024 Bonds and serves as general counsel to the Authority and represents or has represented the Underwriters and the Trustee in unrelated matters. Kaufman & Canoles, a Professional Corporation, is serving as counsel to the Underwriters in connection with the issuance of the 2024 Bonds and represents or has represented the Trustee in unrelated matters. Haneberg Hurlbert PLC is serving as counsel to the Trustee in connection with the issuance of the 2024 Bonds and represents or has represented each of the Underwriters in unrelated matters.

CONTINUING DISCLOSURE

To permit compliance by the Underwriters with the continuing disclosure requirements of the Rule, the County will execute a Continuing Disclosure Agreement (the "CDA") at closing agreeing to provide certain annual financial information and material event notices required by the Rule. Such information will be filed through the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.msrb.org. As described in Appendix F, the CDA requires the County to provide only limited information at specific times, and the information provided may not be all the information necessary to value the 2024 Bonds at any particular time. The County may from time to time disclose certain information and data in addition to that required by the CDA. If the County chooses to provide any additional information, the County will have no obligation to continue to update such information or to include it in any future disclosure filing.

Failure by the County to comply with the CDA is not an event of default under the 2024 Bonds, the Trust Agreement or the Financing Agreement. The sole remedy for a default under the CDA is to bring an action for specific performance of the County's covenants thereunder, and no assurance can be provided as to the outcome of any such proceeding.

The County has complied in all material respects with its prior continuing disclosure undertakings under the Rule during the last five years.

MISCELLANEOUS

All summaries in this Official Statement of provisions of the Constitution of the Commonwealth, the statutes of the Commonwealth, the Trust Agreement, the Financing Agreement, the resolutions of the County and the Authority, the 2024 Bonds, the CDA and other documents and instruments are subject to the detailed provisions and judicial interpretations to which reference is hereby made for further information. Such summaries do not purport to be complete statements of any or all of such provisions.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not representations of fact. No representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with any holder of the 2024 Bonds.

The attached Appendices are an integral part of this Official Statement and must be read together with the balance of this Official Statement.

The execution of this Official Statement has been duly authorized by the Authority and duly approved by the Board of Supervisors of the County. The Authority and the County have deemed this Official Statement "final" as of its date within the meaning of the Rule.

ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF CHESTERFIELD

By *\/s/ Terri Cofer Beirne*
Terri Cofer Beirne, Chair

BOARD OF SUPERVISORS OF THE COUNTY OF CHESTERFIELD, VIRGINIA, ON BEHALF OF THE COUNTY OF CHESTERFIELD, VIRGINIA

By *\/s/ Dr. Joseph P. Casey*
Dr. Joseph P. Casey, County Administrator

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APPENDIX A

COUNTY OF CHESTERFIELD, VIRGINIA

[The inclusion of this information does not imply that the County of Chesterfield, Virginia, is legally obligated to make payments on any Bonds outstanding under the Trust Agreement, including the 2024 Bonds.]

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APPENDIX A

COUNTY OF CHESTERFIELD, VIRGINIA
SECTION ONE: COUNTY INDEBTEDNESS

ISSUANCE AND AUTHORIZATION OF BONDED INDEBTEDNESS

Pursuant to the Constitution of Virginia and the Public Finance Act of 1991, the County 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 the County is required to levy, if necessary, an *ad valorem* tax on all property in the County subject to local taxation. The County has never defaulted on a note or a bond. Although the issuance of bonds by the County is not subject to any limitation on amount, the County is prohibited from issuing general obligation bonds (other than refunding bonds and under certain other circumstances) unless the issuance of such bonds has been approved by public referendum. Revenue bonds, which are secured solely by the revenues generated by the system for which the bonds were issued, may be issued in any amount without public referendum.

Payment of County (primary government) general government and School Board (component unit) bonded indebtedness is provided for in the General Fund of the County. Water and Sewer Revenue Bonds, issued for water and wastewater treatment purposes, are revenue bonds of the County payable from the Utilities Enterprise Funds of the County. Utilities Enterprise Funds gross revenues of $164.4 million in fiscal year 2023 were sufficient to cover debt service on Utilities Enterprise Funds bonds by 1,454 percent.

TAX AND REVENUE ANTICIPATION NOTE BORROWING

Revenue and tax anticipation note borrowing was not necessary in fiscal years 2019-2024 and is not planned in fiscal year 2025. The County's debt issuance policies include a commitment to manage operations so that such borrowings will not be necessary.

DEBT

The County is autonomous from any city, town, or other political subdivision of the Commonwealth of Virginia. There are no jurisdictions with overlapping general obligation debt incurring power.

Title 15.2 Chapter 51, Article 6, Section 15.2.5152 *et seq.*, of the Code of Virginia, 1950 Act, authorizes the County to create community development authorities (each a "CDA") as political subdivisions of the Commonwealth of Virginia. A CDA is authorized to issue revenue or "special assessment" bonds to finance the costs of infrastructure improvements within its boundaries payable solely from the revenues received by the CDA and to request the County to levy and collect annually a special tax or "special assessment" on taxable property within its jurisdiction to finance the services and facilities provided by the CDA. Revenue bonds issued by a CDA shall not be deemed to constitute a debt, liability, or obligation of the County. For further information regarding County CDAs, see the "NO COMMITMENT DEBT" section of this Appendix A.

To date, three CDAs have been created by the County. The Watkins Centre Community Development Authority was created by the County on August 23, 2006 to provide transportation infrastructure at a key economic development site and issued revenue bonds in the amount of $20,000,000 on November 6, 2007. The final principal and interest payment on the bonds was made in March 2020 and the Authority was dissolved in fiscal year 2021. The Lower Magnolia Green Community Development Authority was created by the County on August 22, 2007 to provide road improvements needed to serve a 3,000+ home master planned community. The Lower Magnolia Green CDA issued Special Assessment Revenue Bonds, Series 2015 in the amount of $28,070,000 on April 9, 2015. The proceeds of this issue were used to finance certain public roadway improvements and related infrastructure serving the district, as well as to fund a debt service reserve fund and related debt service payments. The Chippenham Place Community Development Authority was created by the County on June 25, 2008, to facilitate the redevelopment of the former Cloverleaf Mall property. The Chippenham Place CDA issued its Special Assessment Revenue Note, Series 2011 (the 2011 Note) to finance site improvements in support of the redevelopment. In December 2014, the Chippenham Place CDA refunded the outstanding principal of the 2011 Note through the issuance of its Special Assessment Revenue Note, Series 2014 (the 2014 CDA Note), in the principal amount $12,577,548, to the Economic Development Authority of Chesterfield County (EDA), which the EDA facilitated through the issuance of its Tax-Exempt Revenue Note, Series 2014B (the 2014B Note). In May 2017, the EDA refinanced its 2014B Note through the issuance of its

Tax-Exempt Revenue Refunding Bond, Series 2017, and applied the proceeds to refinance the outstanding principal of the 2014 CDA Note. To evidence the refinancing, the Chippenham Place CDA issued its Special Assessment Revenue Note, Series 2017, in the principal amount of $11,774,028. The Chippenham Place CDA dissolved on June 29, 2023, and conveyed all of its assets to the EDA in exchange for which the EDA discharged the CDA's 2017 Special Assessment Revenue Note. As a result of the dissolution, the County assumed full responsibility, subject to annual appropriation by the Board of Supervisors of sufficient amounts for such purpose, for repayment of the outstanding principal of the 2017 Bond ($7,639,543) that was previously secured by the CDA's 2017 Special Assessment Revenue Note.

DEBT STATEMENT

The following chart details the general obligation and revenue debt of the County as of June 30, 2023.

NET TAX-SUPPORTED DEBT
JUNE 30, 2023

General Obligation Bonds	$627,375,000
Public Facility Revenue Bonds	113,060,000
Water and Sewer Revenue Bonds	16,970,000
Certificates of Participation[(1)]	1,940,000
Direct borrowing[(2)]	56,284,426
Financed Purchase Agreements[(3)]	3,889,470
Subfund Revenue Bonds[(4)]	38,240,000
Revolving fund loan - Airport[(5)]	1,476,800
Gross Direct Debt	859,235,696
Less:	
Water and Sewer Revenue Bonds[(6)]	16,970,000
Certificates of Participation-Airport[(7)]	72,974
Subfund Revenue Bonds-Airport[(7)]	18,479
Revolving fund loan - Airport[(5)]	1,476,800
Net Tax-Supported Debt	$840,697,443

(1) Issued to finance the acquisition, construction, installation, furnishing and equipping of an additional Airport Hangar at the County Airport, the Community Development Building, the Chester House (a daytime rehabilitative service facility for individuals with serious mental illness), and the acquisition and installation of a Financial/Human Resource System. These obligations are liquidated by the General Fund and are subject to annual appropriation by the Board of Supervisors.

(2) Information regarding direct borrowings can be found on page B-82 of the County's Annual Comprehensive Financial Report included as Appendix B to the Official Statement. These obligations are liquidated by the General Fund and are subject to annual appropriation by the Board of Supervisors.

(3) Includes financed purchase agreements executed principally to finance the acquisition of chromebooks. These obligations are liquidated by the Schools Operating fund and are subject to annual appropriation by the Board of Supervisors.

(4) Issued through the Virginia Resource Authority to finance the renovations of the Smith Wagner Building, to refund a portion of the obligations for the 2003B, 2005B, 2006B and 2007 Certificates of Participation, and to finance the building currently occupied by the Richmond Volleyball Club. This obligation is to be liquidated by the General Fund and the Airport Fund, subject to annual appropriation.

(5) Includes a Virginia Airports Revolving Fund loan to design and replace the existing fuel farm at the County Airport. As of December 31, 2019, all funds had been drawn on the loan. This obligation is to be liquidated by revenues generated by the Airport.

(6) All outstanding Utilities bonds are revenue bonds of the County. The County pays such bonds from its Enterprise Funds, the revenues of which include Utilities system revenues.

(7) The County pays certificates of participation commitments and subfund revenue bonds for Enterprise purposes from the Enterprise Funds of the County.

Source: Chesterfield County Accounting Department

DEBT INFORMATION

Information on the County's indebtedness is presented in the following tables. Included is information on key debt ratios, rapidity of principal retirement, debt service to expenditure ratios, and selected debt service schedules. The subsections "Financial Policies" and "Debt-Related Financial Policies" under "FINANCIAL AND CAPITAL FACILITIES FUNDING POLICIES" further describe debt matters of the County.

KEY DEBT RATIOS
FISCAL YEARS 2019 TO 2023

Fiscal Year	Estimated Population	Total Personal Income	Assessed Value of Taxable Property Fiscal Year Ended June 30	Net Tax-Supported Indebtedness at June 30[1]	Ratio of Net Tax-Supported Indebtedness: Per Capita	Ratio of Net Tax-Supported Indebtedness: Assessed Value	Net Tax-Supported Indebtedness As a Percent of Personal Income
2019	349,000	$18,703,417,000	$45,515,188,410	$524,484,215	$1,503	1.15%	2.80%
2020	353,000	19,428,723,000	48,284,475,464	620,084,223	1,757	1.28	3.19
2021	365,000	20,524,360,625	51,787,479,112	708,485,196	1,941	1.37	3.45
2022	371,000	21,341,502,547	59,573,554,295	772,663,038	2,083	1.30	3.63
2023	378,000	22,232,979,563	64,224,533,890	840,697,443	2,224	1.31	3.78

(1) Includes general obligation bonds, revenue bonds, special subfund revenue bonds, certificates of participation, direct borrowings, and obligations under financed purchase agreements of the governmental activities of the primary government and the component unit – School Board. Excludes Utilities revenue bonds, certificates of participation, revolving loans and obligations under financed purchase agreements paid for from the Enterprise Funds of the County.

Sources: Assessed value: Chesterfield County Assessor's Office
Net tax-supported indebtedness: Chesterfield County Accounting Department
Population data: U. S. Bureau of Census
Personal income data: U. S. Bureau of Economic Analysis (BEA) (prior years' estimates are updated periodically). Per Capita Income for 2023 is based on a trend average of 2014 – 2021. Personal income amounts for 2022-2023 are calculated by multiplying the population estimates by the Per Capita Personal Income estimates for each year.

RAPIDITY OF PRINCIPAL RETIREMENT
NET TAX-SUPPORTED DEBT
AS OF JUNE 30, 2023

Maturing Within	Cumulative Amount Maturing[1]	Percent of Total Debt Outstanding
5 years	$316,901,487	37.7%
10 years	558,721,443	66.5
15 years	750,847,443	89.3
20+ years	840,697,443	100.0

(1) Includes general obligation bonds, revenue bonds, special subfund revenue bonds, certificates of participation, direct borrowings, and obligations under financed purchase agreements of the governmental activities of the primary government and the component unit – School Board. Excludes Utilities revenue bonds, certificates of participation, revolving loans and obligations under financed purchase agreements paid for from the Enterprise Funds of the County.

Source: Chesterfield County Accounting Department

RATIO OF ANNUAL DEBT SERVICE ON NET TAX-SUPPORTED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES FISCAL YEARS 2019 TO 2023

Fiscal Year	Principal	Interest	Total Debt Service(1)	Total General Governmental Expenditures(2)	Ratio of Debt Service to Expenditures
2019	$52,665,143	$20,862,569	$73,527,712	$1,136,994,881	6.5%
2020	58,369,992	23,939,108	82,309,100	1,151,822,527	7.1
2021	59,884,390	26,115,152	85,999,542	1,235,353,756	7.0
2022	64,044,196	26,213,232	90,257,428	1,378,749,656	6.5
2023	67,405,138	27,802,183	95,207,321	1,483,974,352	6.4

(1) Includes general obligation bonds, revenue bonds, development agreements, support agreements, special subfund revenue bonds, certificates of participation, direct borrowings, and obligations under financed purchase agreements, and subscriptions obligations of the governmental activities of the primary government and the component unit – School Board. Excludes Utilities revenue bonds, certificates of participation, revolving loans and obligations under financed purchasing agreements paid for from the Enterprise Funds of the County.

(2) Includes all governmental fund types of the primary government and component unit – School Board, excluding expenditures for capital outlay, school activity funds and payments between primary government and component unit – School Board.

Source: Chesterfield County Accounting Department

DEBT SERVICE REQUIREMENTS NET TAX-SUPPORTED DEBT(1)

	Net Tax-Supported Debt as of June 30, 2023			PLUS: Current Issue (2024 EDA Bonds)			EQUALS:
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total	Total Debt Service
2024	$ 70,648,913	$ 29,157,226	$ 99,806,139	$ 0	$ 0	$ 0	$ 99,806,139
2025	68,587,597	28,630,753	97,218,350	0	10,551,055	10,551,055	107,769,405
2026	62,636,959	25,725,821	88,362,780	5,970,000	13,862,700	19,832,700	108,195,480
2027	59,332,103	23,053,346	82,385,449	6,270,000	13,564,200	19,834,200	102,219,649
2028	55,695,915	20,468,828	76,164,743	6,580,000	13,250,700	19,830,700	95,995,443
2029	51,878,998	18,006,455	69,885,453	6,910,000	12,921,700	19,831,700	89,717,153
2030	50,187,170	15,754,605	65,941,775	7,255,000	12,576,200	19,831,200	85,772,975
2031	48,339,070	13,756,495	62,095,565	7,620,000	12,213,450	19,833,450	81,929,015
2032	47,591,718	11,870,276	59,461,994	8,000,000	11,832,450	19,832,450	79,294,444
2033	43,823,000	10,076,995	53,899,995	8,400,000	11,432,450	19,832,450	73,732,445
2034	42,915,000	8,640,544	51,555,544	8,820,000	11,012,450	19,832,450	71,387,994
2035	41,286,000	7,352,152	48,638,152	9,260,000	10,571,450	19,831,450	68,469,602
2036	39,115,000	6,024,637	45,139,637	9,725,000	10,108,450	19,833,450	64,973,087
2037	37,091,000	4,810,104	41,901,104	10,210,000	9,622,200	19,832,200	61,733,304
2038	31,719,000	3,677,709	35,396,709	10,720,000	9,111,700	19,831,700	55,228,409
2039	29,209,000	2,713,469	31,922,469	11,255,000	8,575,700	19,830,700	51,753,169
2040	21,837,000	1,855,723	23,692,723	11,820,000	8,012,950	19,832,950	43,525,673
2041	18,918,000	1,197,132	20,115,132	12,410,000	7,421,950	19,831,950	39,947,082
2042	12,822,000	669,492	13,491,492	13,030,000	6,801,450	19,831,450	33,322,942
2043	7,064,000	251,560	7,315,560	13,685,000	6,149,950	19,834,950	27,150,510
2044	0	0	0	14,370,000	5,465,700	19,835,700	19,835,700
2045	0	0	0	15,085,000	4,747,200	19,832,200	19,832,200
2046	0	0	0	15,840,000	3,992,950	19,832,950	19,832,950
2047	0	0	0	16,630,000	3,200,950	19,830,950	19,830,950
2048	0	0	0	17,465,000	2,369,450	19,834,450	19,834,450
2049	0	0	0	18,335,000	1,496,200	19,831,200	19,831,200
2050	0	0	0	19,070,000	762,800	19,832,800	19,832,800
	$840,697,443	$233,693,322	$1,074,390,765	$284,735,000	$221,628,405	$506,363,405	$1,580,754,170

(1) Includes general obligation bonds, revenue bonds, special subfund revenue bonds, certificates of participation, direct borrowings and obligations under financed purchase agreements of the governmental activities of the primary government and the component unit – School Board. Excludes Utilities revenue bonds, certificates of participation, revolving loans and obligations under financed purchasing agreements paid for from the Enterprise Funds of the County.

PLANNED INCURRENCE OF ADDITIONAL NET TAX-SUPPORTED DEBT

As described in the Official Statement, the EDA will issue its Revenue Bonds (County Mobility Projects), Series 2024 (the "2024 EDA Bonds"), and loan the proceeds thereof to the County to finance the 2024 Project. In return, the County will make certain loan repayments, subject to annual appropriation by the Board of Supervisors, in amounts sufficient to pay the principal of and interest on the 2024 EDA Bonds. The debt service requirements for the 2024 EDA Bonds will be set forth in the final Official Statement under "THE 2024 BONDS – Estimated Debt Service Requirements" in Section Two and incorporated into the table "DEBT SERVICE REQUIREMENTS NET TAX-SUPPORTED DEBT" above.

In addition, the County intends to issue approximately $90,000,000 principal amount of general obligation bonds to finance various capital improvements for county and school purposes in or around July 2024.

OTHER LEASE OBLIGATIONS

At June 30, 2023, the County and School Board were party to multiple non-cancellable lease agreements of land, buildings and equipment. The lease agreements are contingent on the Board of Supervisors appropriating funds for each year's payments. These payment obligations are summarized below:

Year Ending	Future Lease Payments	
June 30	County	School Board
2024	$2,044,225	$322,410
2025	1,839,666	245,823
2026	1,558,207	207,341
2027	1,160,691	206,975
2028	561,568	213,239
2029-2032	1,331,388	717,509
Total	$8,495,745	$1,913,297

CERTIFICATES OF PARTICIPATION

The County is a party to a Real Property Lease and Purchase Agreements that are structured with certificates of participation. In these leases, the County acts as the lessor's agent for the construction and furnishing of the capital acquisitions. The County is required, subject to annual appropriations by the Board of Supervisors, under the Real Property Lease and Purchase Agreements to make lease payments to a trustee, as assignee of the lessor. These payments will be sufficient for the trustee to pay debt service on the Certificates of Participation, as and when due. At the expiration of the lease terms, title to the assets will vest in the County if the County has made all lease payments required under the Agreements.

Under an agreement dated March 1, 2004, the County leases real property incorporating a Community Development Building, a replacement Chester House Rehabilitative Facility, and an additional Airport Hangar. Certificates of Participation, Series 2005B and 2006B were issued to finance a portion of the cost of the acquisition, construction, installation, furnishing and equipping of these buildings, as well as an Emergency Systems Integration Project. In addition, Certificates of Participation, Series 2005A and 2005B were used to finance the acquisition of a financial/human resources information management system. The outstanding Certificate of Participation, Series 2005B was refunded with Virginia Resource Authority Bonds, Series 2016A. Certificate of Participation, Series 2006B was partially refunded with Certificate of Participation, Series 2012 and with Virginia Resource Authority Bonds, Series 2016A. As of June 30, 2023, the 2012 Certificates of Participation had an outstanding balance of $1,940,000, of which $1,867,026 will be liquidated by the General Fund. The remaining $72,974 is to be liquidated by the Airport Fund.

OTHER AGREEMENTS

On August 21, 2015, the Economic Development Authority (the "EDA"), the County and the Chesterfield Center for the Arts Foundation (Foundation), a private 501(c)(3) organization, entered into a development agreement setting forth the terms and conditions under which the parties developed a community performing and visual arts center (Arts Center) in Chesterfield County. The two-story Arts Center building is approximately 23,000 square feet and consists of a theater, multiple purpose rooms, display areas and other spaces. In accordance with an amended agreement, the Foundation contributed towards construction costs and is leasing the Arts Center for a term of 20 years with two renewable 10-year options. The County and the EDA have obligations in connection with this development agreement which are discussed in the "Sub-fund Revenue Bonds" and "Direct Borrowing" sections below.

REVENUE AND SUBFUND REVENUE BONDS

In May 2016, the County participated in the Virginia Resources Authority (VRA) Infrastructure and Moral Obligation Bonds, Series 2016A, sale in the amount of $19,805,000 to finance renovations to the Social Services and Health department building, the Smith Wagner Building, and to refund portions of the obligations for the 2003B, 2005B, 2006B and 2007 Certificates of Participation. The obligation for these bonds is to be liquidated by the General

Fund and non-major Airport Fund and is subject to annual appropriation with debt service payments being deposited into a special fund within the General Fund. The obligation is secured through the state-aid intercept program. As of June 30, 2023, $10,090,000 remained outstanding on these bonds, of which $10,071,521 is to be liquidated by the General Fund.

In May 2017, the County issued a $6,550,000 subfund revenue bond through the VRA pooled financing program. Amounts required for debt service are deposited into a special fund within the General Fund and are pledged to secure the local bonds. The obligation for this bond is to be liquidated by the General Fund, subject to annual appropriation. The 2017A VRA Bond was issued to finance a portion of the indoor sports facility at Stonebridge. As of June 30, 2023, $5,320,000 remained outstanding on these bonds.

In November 2017, the County participated in the VRA Infrastructure and Moral Obligation Bond, Series 2017C, sale in the amount of $7,185,000 to finance certain capital infrastructure improvements for parks, recreation, and cultural and public health purposes. Obligations for these bonds is to be liquidated by the General Fund. As of June 30, 2023, $5,290,000 remained outstanding on this bond.

In November 2017, additional funding of $2,675,000 was issued for the Chesterfield Center for the Arts by the County through the Virginia Resources Authority (VRA) pooled financing, Series 2017C. Obligation for this bond is to be liquidated by the General Fund. As of June 30, 2023, $1,965,000 remained outstanding on this bond.

In November 2018, the County participated in the VRA Infrastructure and Moral Obligation Bond, Series 2018C, sale in the amounts of $19,485,000 of which $14,775,000 proceeds are Tax-Exempt and $4,710,000 proceeds are Taxable. The Tax-Exempt bond proceeds are being spent for campus administrative space, the Magnolia Green Fire Station, the Midlothian Library and the Harrowgate Park replacement project. The Taxable bond proceeds were used for the Arts Center. Obligation for these bonds is to be liquidated by the General Fund. As of June 30, 2023, $11,815,000 and $3,760,000, respectively, remained outstanding on these bonds.

In August 2019, the County issued Public Facility Revenue Bonds through the EDA in the amount of $45,705,000. The bond proceeds are being spent to finance the costs of certain capital improvements for general government purposes, including an animal control and pet adoption facility, a new Midlothian fire station and library, the renovation and conversion of a school building into a Parks and Recreation facility and design and construction of road improvements. As of June 30, 2023, $36,560,000 remained outstanding on these bonds.

In October 2020, the County issued Public Facility Revenue Bonds through the EDA in the amount of $85,000,000. The bond proceeds are being spent to finance the costs of certain capital improvements for general government purposes, including but not limited to major maintenance for school buildings and other school system facilities, major maintenance for County facilities and road and drainage improvements. As of June 30, 2023, $76,500,000 remained outstanding on these bonds.

DIRECT BORROWINGS

On December 1, 2015, the County and the EDA entered into a support agreement under which the EDA acquired financing for the County to fund the County's portion of the costs of the acquisition, development, construction and equipping of the Arts Center. On December 18, 2015, the EDA issued a tax-exempt bond in the amount of $6,899,800 to finance the building of the Arts Center, which was secured by the EDA Support Agreement revenues. Repayment of the bond by the County is subject to annual appropriation by the Board of Supervisors. As of June 30, 2023, the outstanding balance was $4,139,883.

On May 22, 2019, the County entered into an arrangement with the EDA to provide for the financing of the acquisition and construction of the Tomahawk Creek Trunk Sewer Line. In accordance with this arrangement, the EDA issued a $15,000,000 revenue bond to finance the costs of the project, and the County has agreed to pay debt service on the bond, subject to annual appropriation of sufficient amounts by the Board of Supervisors. As of June 30, 2023, $11,457,000 remained outstanding on this bond.

In September 2020, the EDA issued revenue refunding bonds to refund or defease certain outstanding obligations for the EDA and the County. The County has agreed to pay the debt service on each of these refunding bonds, subject to annual appropriation of sufficient amounts by the Board of Supervisors. Revenue Refunding Bond, Series 2020C (Federally Tax-Exempt), was issued to refund the balance of the Taxable Recovery Zone Economic Development Revenue, Series 2010B Bonds. As of June 30, 2023, $3,606,000 remained outstanding on this bond. Revenue Refunding Bond, Series 2020D (Federally Taxable), was issued to refund the balance of the Variable Rate

Revenue Bonds, Series 2005A and Series 2005B. As of June 30, 2023, $1,280,000 remained outstanding on this bond. The Revenue Refunding Bond, Series 2020E, proceeds, along with $456,292 from an existing debt service reserve fund, were used to defease the outstanding balance of the 2014 Taxable Revenue Note that was due on October 1, 2020. As of June 30, 2023, $5,162,000 remained outstanding on this bond.

In December 2022, the County entered into an agreement with the EDA to provide for the financing of infrastructure improvements related to the Spring Rock Green Development. In accordance with the agreement, the EDA issued a $23,000,000 revenue bond to finance the costs of the project, and the County has agreed to pay debt service on the bond, subject to annual appropriation of sufficient amounts by the Board of Supervisors. As of June 30, 2023, $23,000,000 remained outstanding on this bond. The Chippenham CDA issued its Special Assessment Revenue Note, Series 2011 (the "2011 Note") to finance site improvements in support of the redevelopment of the former Cloverleaf mall site. In December 2014, the Chippenham Place CDA refunded the outstanding principal of the 2011 Note through the issuance of its Special Assessment Revenue Note, Series 2014 (the "2014 CDA Note"), in the principal amount $12,577,548, to the EDA, which the EDA facilitated through the issuance of its Tax-Exempt Revenue Note, Series 2014B (the "2014B Note"). The 2014B Note was a limited obligation payable from special assessments imposed and collected, at the request of the Authority, by Chesterfield County, against the taxable real property in the Chippenham Place Development Authority District and the incremental tax revenues collected by Chesterfield County. In May 2017, the EDA refinanced its 2014B Note through the issuance of its Tax-Exempt Revenue Refunding Bond, Series 2017(the "2017 Refunding Bond") and applied the proceeds to refinance the outstanding principal of the 2014 CDA Note. To evidence the refinancing, the CDA issued its Special Assessment Revenue Note, Series 2017, in the principal amount of $11,774,028. The Chippenham Place CDA dissolved on June 29, 2023, and conveyed all of its assets to the EDA in exchange for which the EDA discharged the CDA's 2017 Special Assessment Revenue Note. As a result of the dissolution, the County assumed full responsibility, subject to annual appropriation by the Board of Supervisors of sufficient amounts for such purpose, for repayment of the outstanding principal of the 2017 Bond ($7,639,543) that was previously secured by the CDA's 2017 Special Assessment Revenue Note.

FINANCED PURCHASE AGREEMENTS

The School Board has acquired equipment under financed purchase agreements. Financed Purchases are liquidated by the School Operating Fund. In the event of default, the lessor may declare the entire unpaid principal and interest on the agreements due and payable or take repossession of the financed equipment.

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REVENUE AND SUBFUND REVENUE BONDS, CERTIFICATES OF PARTICIPATION AND DIRECT BORROWINGS – DEBT SERVICE REQUIREMENTS[1]

The following is a summary of the County's future tax-supported commitments as of June 30, 2023, under revenue and subfund revenue bonds, certificates of participation and direct borrowings:

Fiscal Year	Revenue and Subfund Revenue Bonds	Certificates of Participation	Direct Borrowings	Total
2024 …...................…	$15,900,907	$1,583,700	$6,672,254	$24,156,861
2025 …......……..........	15,714,119	333,755	6,710,847	22,758,721
2026 …......……..........	14,322,814	-	5,682,595	20,005,409
2027 ……........….........	13,857,847	-	5,656,372	19,514,219
2028 …….........................	13,396,583	-	5,630,724	19,027,307
2029 ……….……...............	12,201,106	-	5,603,562	17,804,668
2030 ……….……...............	11,786,645	-	5,575,821	17,362,466
2031 ……….……...............	11,391,056	-	5,168,422	16,559,478
2032 ……….……...............	10,991,830	-	4,361,469	15,353,299
2033 ……….……...............	10,630,754	-	2,219,453	12,850,207
2034 ……….……...............	10,351,325	-	2,218,558	12,569,883
2035 ……….……...............	10,073,288	-	2,219,335	12,292,623
2036 ……….……...............	9,803,978	-	1,730,655	11,534,633
2037 ……….……...............	9,580,000	-	1,731,190	11,311,190
2038 ……….……...............	8,043,113	-	1,731,251	9,774,364
2039 ……….……...............	7,848,888	-	1,730,751	9,579,639
2040 ……….……...............	4,420,000	-	1,730,582	6,150,582
2041 ……….……...............	4,335,000	-	1,730,614	6,065,614
2042 ……….……...............	-	-	1,730,717	1,730,717
2043 ……….……...............	-	-	1,730,760	1,730,760
Total debt service payments	194,649,253	1,917,455	71,565,932	268,132,640
Less amount representing interest	43,367,732	50,429	15,281,506	58,699,667
Total principal payments	$151,281,521	$1,867,026	$56,284,426	$209,432,973

[1] Excludes debt service payable from Enterprise Funds.

LONG-TERM AGREEMENTS

Capital Region Airport Commission

The County, together with the City of Richmond and the Counties of Henrico and Hanover, participates in an intergovernmental joint venture, the Capital Region Airport Commission (Commission). The Commission owns and operates the Richmond International Airport (Airport). The Commission is comprised of a fourteen-member board of directors, with four members each being appointed by the City of Richmond, County of Henrico and County of Chesterfield governing bodies and two members being appointed by the County of Hanover governing body. The Commission generates revenues from service charges to users of the Airport facilities to recover the costs of maintaining, repairing and operating the Airport. Virginia law requires that the Commission submit an annual budget showing estimated revenues and estimated expenditures to the governing bodies of the localities for their approval. The Commission's budget submittal must identify any deficits and the proportion of the deficit to be borne by, or requested of, each participating locality's governing body. Allocation of the Commission's deficit among the participating localities shall be proportionate to their respective populations. If a participating locality's governing body approves the Commission's operating and capital budgets with deficits, the locality shall appropriate to the Commission its share of the deficit. If during any fiscal year the Commission shall receive general fund revenues in excess of those estimated in its approved operating budget, the budgeted deficit shall be reduced and so shall the proportionate appropriation of the participating localities unless otherwise agreed upon by the parties. No contribution was made by the County in fiscal year 2023 and no contribution is expected to be made in fiscal year 2024.

Greater Richmond Convention Center Authority

The Greater Richmond Convention Center Authority (the Convention Authority) is a political subdivision of the Commonwealth of Virginia and was created by the City of Richmond and the Counties of Chesterfield, Hanover and Henrico for the purpose of expanding, owning and operating a regional convention center facility. The Convention Authority is governed by a five-member commission comprised of the chief administrative officer of each of the four incorporating political subdivisions and the President/CEO of the Retail Merchants Association of Greater Richmond.

Each participating jurisdiction is authorized to levy an 8.0 percent transient occupancy tax and has agreed in the Hotel Tax Payment Agreement to appropriate and to pay to the Convention Authority an amount equal to the total amount of transient occupancy tax collected. The County recorded an expenditure of $7,070,316 for transient occupancy tax payments to the Convention Authority during the year ended June 30, 2023.

Each participating jurisdiction intends that its respective tax payment will be sufficient to fund its allocated share of total annual costs of the Convention Authority as defined in the Interlocal Agreement (including debt service on the bonds issued by the Convention Authority). The County received $5,755,425 from the Convention Authority for tax payments made in excess of its allocated share of total annual costs during the year ended June 30, 2023.

On May 19, 1998, the Convention Authority entered into a fiscal services agreement with the County. The agreement specifies that the County provide services to the Convention Authority to (1) direct and monitor the investment and disbursement of funds from future revenue bonds held by the trustee; (2) receive and manage revenues transferred on behalf of the Convention Authority to the Treasurer of Chesterfield County; (3) maintain accounting records in accordance with generally accepted accounting principles and coordinate with outside independent auditors; (4) monitor and control the Convention Authority's budget; and (5) secure arbitrage reporting and financial advisory services. In accordance with the terms of the fiscal agent agreement, the Convention Authority made payments of $134,890 to the County for the year ended June 30, 2023. The agreement is effective until the Convention Authority or the County gives written notice to the other of its desire to terminate the agreement.

Greater Richmond Transit Company

The Greater Richmond Transit Company (GRTC) is a public service corporation organized to provide mass transportation services to the Richmond metropolitan area. GRTC is owned jointly by the County and the City of Richmond, each owning a 50.0 percent share of the corporation. The County does not have an explicit or measurable claim to the resources of GRTC.

The Board of Directors is comprised of nine members, with three members each representing the jurisdictions of the City of Richmond, Chesterfield County and Henrico County. The majority of the capital, operating and liability costs are paid by fare revenue, state and federal grants, and when necessary, route subsidies. Each locality participates in GRTC's cost only to the extent that the locality chooses to have GRTC operate routes within its jurisdiction. The County's ongoing financial responsibility in GRTC is due to this commitment. A $250,057 contribution was made by the County in fiscal year 2023.

Riverside Regional Jail Authority

The Riverside Regional Jail Authority (RRJA) was created by Chapter 726 of the 1990 Acts of the General Assembly and was formed on June 21, 1990. RRJA is comprised of the Cities of Colonial Heights, Hopewell and Petersburg and the Counties of Charles City, Chesterfield, Prince George and Surry. A fourteen-member board comprised of one appointed member and the sheriff from each participating jurisdiction governs RRJA. Each member must reside in and be appointed by the governing body of his political subdivision.

The regional jail is located in the County of Prince George adjacent to the Federal Correctional Institution and is used to hold prisoners primarily from each member jurisdiction. In accordance with the Jail Authority Service Agreement, each participating locality is required to commit a determined percentage of its inmates, paying per diem rates, to the jail. The County retains an ongoing financial responsibility for this joint venture due to this requirement of the agreement. The County's per diem payments for the year ended June 30, 2023, were $7,289,434.

NO COMMITMENT DEBT

The Board of Supervisors of the County created the Economic Development Authority of the County of Chesterfield (EDA), previously known as the Industrial Development Authority, by adoption of an ordinance on December 2, 1968. The EDA is a political subdivision of the Commonwealth of Virginia governed by a seven-member- Board of Directors appointed by the Board of Supervisors of the County. The EDA 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 the same from time to time through the issuance of its revenue bonds. Bonds issued by the EDA are issued pursuant to the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49, Code of Virginia, 1950, as amended. Bonds and other debt issued by the EDA do not constitute a debt of the County. However, the County is also a party to multiple support agreements with the EDA securing the issue of the EDA's revenue bonds, the proceeds of which financed the acquisition and construction of certain infrastructure improvements. The payments of the County under the support agreements, which are subject to annual appropriation by the Board of Supervisors of the County, are discussed under "OTHER AGREEMENTS" above and "NET TAX-SUPPORTED DEBT".

Lower Magnolia Green Community Development Authority (LMGCDA) was established by an ordinance adopted by the County's Board of Supervisors on August 22, 2007 at the request of the owner of the property at that time, and pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Section 15.2-5152 of the Code of Virginia. The sole purpose of the LMGCDA is to finance, construct and maintain certain public improvements within LMGCDA District. The operating revenue of LMGCDA is primarily from Special Assessments collected by the County on behalf of LMGCDA against the taxable real property in the LMGCDA District. The County agreed to manage the construction of road improvements to be paid for by LMGCDA. The total cost of the project is estimated to be $25,000,000. In fiscal year 2023, the County received reimbursements for expenditures relating to LMGCDA road projects in the amount of $25,200.

The LMGCDA is authorized to issue a total of $35,000,000 in special assessment bonds for road improvements within the development. Of this amount, $28,070,000 was issued as Special Assessment Revenue Bonds, Series 2015, on April 8, 2015. The bonds are limited obligations payable from special assessments imposed and collected, at the request of the LMGCDA, by the County, against the taxable real property in the LMGCDA District. Neither the faith and credit of the Commonwealth nor the faith and credit of the LMGCDA, any county, city, town, or other subdivision of the Commonwealth, including the County, are pledged to the payment of the principal or interest on the bonds. The Commonwealth, and any county, city, town, or other subdivision of the Commonwealth, including the County, are expressly precluded from paying the principal or interest on the bonds except from the special assessments. The property is currently under the control of Star Holdings, who is developing and marketing the community, which is consistently one of the region's most active neighborhoods in terms of sales and construction activity.

CAPITAL IMPROVEMENT PROGRAM

The County's Capital Improvement Program (CIP) is its primary planning tool for scheduling capital projects in response to the changing demands on the infrastructure brought about by residential and commercial growth and the changing needs of the community.

The CIP serves as a guide for the efficient and effective provision of capital facilities. It is a dynamic document revised annually to propose the acquisition, development, enhancement, or replacement of the County's public facilities. The CIP, a reflection of the physical development policies of the County, typically encompasses a minimum five-year period and generally includes projects in excess of $100,000. The CIP depicts the arrangement of selected projects in priority order and establishes cost estimates and anticipated funding sources. The CIP reflects difficult decisions in the allocation of resources among competing demands. Development of the CIP occurs in conjunction with the County's budget process. Availability of funds is driven by the County's adherence to established financial and debt management policies.

The County's CIP is funded primarily by two major sources: annual *pay-as-you-go* capital appropriations or funds reserved from County operating revenues, and long-term financing consisting of general obligation bonds, revenue bonds, subfund revenue bonds, certificates of participation, direct borrowings and financed purchase transactions. A number of other sources contribute to the plan including state and federal revenue, donations, cash proffers and grants. In fiscal year 2021, the Virginia General Assembly created a new transportation funding source, the Central Virginia Transportation Authority (CVTA). CVTA provides additional funding for transportation projects by way of a regional sales and use, gas, and diesel tax. *See "SECTION ONE: INTRODUCTION – Central Virginia Transportation Authority Funding for County Projects" of the Official Statement.*

The County's CIP is, in part, based on the County's Public Facilities Plan (the Plan). The Plan is a form of *needs assessment* which precedes the preparation of the CIP and supports the establishment of specific project priorities in the CIP. The Plan is an element of the County Comprehensive Plan and was last revised and adopted by the Board of Supervisors in May 2019. The update includes amendments and revisions to several chapters to modernize and enhance its guidance to future growth and development decisions. Following adoption, several implementation actions were undertaken to further align County processes, programs and ordinances with the Plan's vision. The Plan comprehensively assesses County public facility needs in relation to existing and future growth patterns. Its principal goal is to forecast where existing facilities should be expanded, and new facilities located to best serve the County's growing population. The Plan considers population growth, projected density, economic development, and service levels in the evaluation of the need for public facilities. The Plan does not specify exact locations for future facilities but rather designates general locations which allows for flexibility when fundamental conditions change, or analysis based on new data reaches differing conclusions.

On an annual basis the County Administrator recommends a CIP which is then adopted by the Board of Supervisors. The fiscal year 2025-2029 CIP totals $1,525,370,600 for the County, Schools, and Utilities, and was adopted by the Board of Supervisors on April 10, 2024. The fiscal year 2025-2029 Transportation CIP also includes continued funding through CVTA local revenues (with a portion of such revenues to be applied for pay-as-you-go projects and a portion to be dedicated to bond-financed projects). FY2025 planned projects utilizing this funding include, without limitation, Phases I and II of the Powhite Parkway extension, Upper Magnolia access improvements, Woolridge Road extension, Woolridge Road widening, Nash Road extension, and Otterdale Road/Swift Creek Crossing drainage improvements. All or a portion of the costs of such projects are expected to be financed with proceeds of the EDA's Revenue Bonds (County Mobility Projects), Series 2024, as described in "SECTION TWO: THE 2024 BONDS – THE 2024 BONDS – 2024 Project" of the Official Statement.

On November 8, 2022, County voters approved a $540.0 million general obligation bond referendum for School, Public Safety, Public Library and Parks and Recreation projects. Approval ratings for the referendum question was 77 percent. As of June 30, 2023, the County issued $104,800,000 of general obligation bonds pursuant to the referendum approval, with plans to issue $90,000,000 of such authorization on or around July 2024.

FINANCIAL AND CAPITAL FACILITIES FUNDING POLICIES

The County has established financial and capital facilities funding policies in order to meet its fiduciary responsibilities to manage the community's development and the delivery of governmental services. These policies have been developed and amended to reflect changing community needs and the fiscal condition of the County.

Financial Policies

Specific County policies and practices have been established in key fiscal areas. These range from the approval of annual budgets with multi-year projections and tax rates to the establishment of long-range fiscal goals and objectives. In April 2017, the Board of Supervisors comprehensively reviewed the County's key financial, revenue, operating, capital planning, and debt management policies. Based on the review, a mix of policy amendments and several new policy additions were adopted as add-ons to the existing fiscal policies. In addition, annually at budget preparation, staff reviews the policies to determine if amendments should be brought before the Board for consideration. The intent of this review is to validate the County's commitment to be "exemplary stewards of the public trust."

April 2017 policy revisions included three amendments to the Operating Budget Policy: an addition to the maintenance of capital assets that outlines a goal to reinvest 2.5 percent of the calculated replacement value of County facilities into major maintenance each year, an addition of a statement reflecting the County's commitment to adequately fund defined pension benefits, and an update that indicates budget performance monitoring as an ongoing effort not limited to quarterly updates. At the time of the revised policy additions, the County anticipated achieving the 2.5 percent major maintenance reinvestment policy over a five-year window, however with the adoption of the FY2020 budget the County achieved the 2.5 percent major maintenance reinvestment goal two years ahead of schedule. Additionally, in April 2018, the Operating Budget Policy was updated to include the annual pursuit of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award, an award received by the County Budget office for the past 38 consecutive years with its FY2024 budget.

At April 2019, with the adoption of the FY2020 budget, a Financial Policy review resulted in three additional amendments. The revision included an amendment to the Operating Budget Policy to include an addition of an annual vacant position review; an amendment to the Debt Ratio Policy to no longer include the Debt per Capita ratios, and the Long-Term Debt Policy was amended to include two additional parameters – a statement reflecting the County's position on not using debt to fund current operations, and a statement to confine long-term borrowing as a funding source for projects or equipment, only when current sources are not available. The amendment to the Debt Ratio Policy, eliminating reporting on the Debt per Capita ratio, eliminates reporting on a less meaningful/relevant indicator, as it does not properly account for inflation and is no longer a focus of the rating agencies in their credit analysis. At the comprehensive review in April 2017, a better indicator, Debt to Personal Income, was added as a policy revision. This ratio measures the County's outstanding tax-supported debt divided by total reported personal income for County citizens.

With the adoption of the FY2021 budget in April 2020, a Financial Policy review resulted in two amendments to the Revenue Policies. The first amendment pertains to personal property tax related to the Airport. An amount equal to no less than the five-year average of airport personal property tax collections will be dedicated to airport maintenance and capital asset acquisition. The Revenue Policies were further refined for clarification of the use of legally restricted revenues. A statement was added to reflect legally restricted reserves must be used for their intended purpose whether a one-time use or not.

With the adoption of the FY2024 budget in April 2023, a Financial Policy review resulted in an amendment to the Operating Budget Policy to include an addition of an annual Shared Services review. This amendment officially outlined the long-standing practice for managing and reviewing charges for services between County departments as well as the School system. Included in this policy is language on the timeline for submitting shared services costs as part of the budget process, documented policies and procedures for the program/service provided, as well as backup documentation and clear and measurable results for which the program/service is provided.

With adoption of the FY2025 budget in April 2024, a Financial Policy review resulted in amendments to the Unassigned General Fund Balance as a Percentage of General Fund Expenditures policy. Amendments to this policy include adjusting the County's target and floor levels from six percent and eight percent to eight percent and 10 percent respectively, with the stated aim of reaching 10 percent by FY2029.

The County maintains a self-insurance program for the County and Public Schools. The County accounts for property, casualty and liability claims, other than workers' compensation in the Risk Management Fund, an Internal Service Fund. At June 30, 2023, assets of approximately $21.5 million were available to fund an estimated liability recorded for property, casualty and liability claims of $4.1 million. Revenues are generated by charges to departments for management's estimate of losses, the cost for administering these losses, a pro rata share of insurance premiums and the Fund's administrative cost. The County and Public Schools are self-insured for workers' compensation, automobile liability, automobile physical damage, general, professional, medical, public officials and law enforcement liability risks. The self-insured retention for workers' compensation for Public Schools and for non-public safety County employees is $750,000 per occurrence and for public safety employees is $1,000,000 per occurrence. For automobile liability and other liability, the County has maintained a specific self-insured retention of $2,000,000 per occurrence since the program's inception. Excess liability coverage of $10,000,000 over the $2,000,000 self-insured retention is maintained through States Self-Insurers Risk Retention Group, Inc. Cyber liability coverage of $5,000,000 per occurrence with a $150,000 deductible is maintained through a third-party insurer. Third party insurance policies are maintained for property losses with a deductible of $250,000. Environmental liability to County property is self-insured and not recorded or funded in the Risk Management Fund. Commercial insurance policies are maintained on the Fire Department for real, personal property and certain liability risks. Workers' compensation expenses are paid as incurred through direct charges to the departments and other funds. At June 30, 2023, the recorded estimated workers' compensation liability for the County and Public Schools was $12.9 million. The workers' compensation outstanding liabilities are reported in the annual financial report but are not funded.

Since January 1, 2014, the County has been self-insured for employee healthcare coverage. An internal service fund was established to account for both employer and employee contributions as well as claims expense. The County maintains stop-loss coverage that will protect the County and Schools from single large claims greater than $300,000 per member covering both medical and pharmacy claims.

The County annually prepares a Financial Plan with four-year revenue projections and expenditure forecasts. These forecasts use historical County revenue data as well as regional and national economic and demographic information. Trend analysis is the primary technique used in preparing the multi-year revenue projections.

As part of its fiscal policies, the County has approved land use policies and procedures for new development which have resulted in developers offering to pay for some public improvements in connection with proposed new residential developments through cash proffers. While cash proffers are offered during the zoning process, the payment of cash proffers is not accepted until after final inspection and prior to the issuance of a certificate of occupancy, unless otherwise allowed by law. As of June 30, 2023, approximately $129.3 million in cash proffers had been received to be applied toward capital facilities across five categories – roads, schools, parks, libraries, and fire stations. Effective July 1, 2016, the General Assembly approved new cash proffer legislation creating a more restrictive environment that places a greater burden of proof on localities with regards to loosely defined concepts such as the "reasonableness" of cash proffers and the capacity of existing capital facilities. To that end, the Board of Supervisors revised its cash proffer policy in fiscal year 2017, focusing primarily on transportation improvements. Under the Board's revised policy, existing zoning cases may request an amendment down to the current policy maximum of $9,400, or some lower amount, depending on the calculated traffic impact, or other relevant factors in the case. All new zoning cases are reviewed based on the current policy. While it appears that the policy revisions have reduced this revenue source, it is important to note that many applicants are proffering in-kind improvements valued equal to or greater than what the County could have collected. In addition, developers pay utility connection fees for each new commercial or residential project.

In the development of the CIP, the County establishes its long-range plan for the financing of its entire CIP. In determining the level of capital projects to be financed and the method of financing the projects, the County considers its financial capability to undertake these projects. The financial capability analysis includes a review of debt capacity factors and the impact of the proposed CIP on the debt capacity factors. Financial Policies were reviewed, and several new policy additions and amendments were adopted with the FY2020 Financial Plan. Additions and amendments include practices to strengthen the County's financial standing such as reinvesting 2.5 percent of calculated replacement value of County facilities into major maintenance and adding debt metrics such as debt to personal income and ten-year payout ratio. In addition, annually at budget preparation, staff reviews the policies to determine if amendments should be brought before the Board for consideration. With the adoption of the FY2020 plan, the policy was also amended to no longer include the Debt per Capita ratio as this ratio does not account for inflation and is a less meaningful indicator than the debt to personal income indicator which has been used since FY2018. Additionally, the policy was amended to include two additional parameters reflecting the County's position on not using debt to fund current operations and to confine long-term borrowing as a funding source for projects or equipment, only when current sources are not available. The County is committed to funding a significant portion of capital improvements with current revenues. The Board of Supervisors' established policy annually allocates an amount greater than or equal to 5.0 percent of general fund departmental expenditures (excluding transfers, grants, unassigned fund balance, debt service, and respective flow-through expenditures) to capital improvements. Additionally, this policy further enhances debt management. Annually, some portion of the assignment is not allocated to specific projects and remains available to deal with unforeseen circumstances for future capital projects.

Debt-Related Financial Policies

In order to continue a strategy of maintaining the County's creditworthiness, the County has enhanced and reaffirmed its financial policies related to debt issuance and key debt-related ratios. Additionally, as part of the Board of Supervisor's Financial Policy review, amendments were made to the Debt Ratio Policy in the continued effort to strengthen the County's financial standing. In 2018, two metrics were added to the previously existing ratios: Debt to Personal Income provides a more comprehensive assessment of the County's debt portfolio, and the 10-Year Payout Ratio ensures continued responsible debt management practices. As a result of adding the Debt to Personal Income ratio, the Debt per Capita ratio is no longer included in the policy as this ratio does not account for inflation and is no longer a focus of the rating agencies in their credit analysis. Additionally, in an effort to strengthen the Debt as a Percentage of Assessed Value metric, the planning cap and ceiling (as hereinafter described) were reduced by 50 basis points each to 2.5 percent and 3.0 percent, respectively. Further, the Debt Policy was formally updated to add practices already in place for debt refundings and debt structure. The policy now states that debt will be periodically reviewed for refunding opportunities when conditions are favorable for producing savings, generally, only if the present value savings of a particular issue will exceed 3.0 percent of the refunded principal. The policy also states that the County will strive for a level principal repayment structure over the life of the issue in order to help maintain stated payout ratio goals. The Long-Term Debt Policy was amended to include two additional parameters – a statement reflecting the County's position on not using debt to fund current operations; as well as a statement to confine long-term borrowing, as a funding source for projects or equipment, only when current sources are not available. By using these debt-related financial policies, the County is able to develop the framework for establishing a realistic, usable, and financially achievable CIP.

Financial Management Policies Impacting Debt Issuance:

As part of its policy, the County has established planning caps and ceiling or floor numbers for certain ratios. The planning cap is the ratio the County intends to achieve through a prudent program of debt management, while the ceiling (or floor) establishes an upper (or lower) limit.

Below is a listing of the County's key debt ratios:

Ratio(1)	Actual June 30, 2023	Planning Cap	Planning Ceiling
Debt as a Percentage of Assessed Value	1.31%	2.50%	3.00% (ceiling)
Debt to Personal Income	3.47%	5.00%	6.00% (ceiling)
Debt Service as a Percentage of General Government Expenditures	6.42%	10.00%	11.00% (ceiling)
Unassigned General Fund Balance as a Percentage of General Fund Expenditures(2)	8.71%	8.00%	6.00% (floor)
10-Year Payout Ratio	66.46%	65.00%	60.00% (floor)

(1) Ratio calculations include general obligation bonds, other bonds and notes paid from standard General Fund or School revenues, and obligations under capital leases. Excludes issuance premium or discount, Economic Development Authority special assessment revenue notes, Enterprise Fund obligations and self-supporting obligations paid from dedicated revenues or sources other than standard General Fund revenues.
(2) Policies as of FY2024, is not reflective of the new FY2025 policy.
Source: Chesterfield County Budget Department

Debt Issuance Policies: The guidelines listed below are prudent financial management policies used to guide debt issuance and operations. Adherence to these guidelines allows the County to plan for the necessary financing of capital projects while maintaining creditworthiness. The County's financial policies set forth guidelines for the County's overall fiscal planning and management. These broad policies set forth guidelines against which current budgetary performance can be measured and proposals for future programs can be evaluated. Below are the financial management policies and guidelines most directly tied to the development and management of the County's CIP.

The County does not intend to issue tax or revenue anticipation notes to fund governmental operations. Chesterfield County intends to manage its cash in a fashion that will prevent any borrowing to meet working capital needs.

The County does not intend to issue bond anticipation notes for a period of longer than two years. If the County issues a Bond Anticipation Note (BAN) for a capital project, the BAN will be converted to a long-term bond or redeemed at its expiration.

The County does not intend to establish a trend of using General Fund equity (Unassigned Fund Balance) to finance current operations. The County's General Fund equity balance has been built over the years to provide the County with sufficient working capital to enable it to finance unforeseen emergencies without borrowing. To conserve the General Fund equity and to avoid reliance on this balance, the County will not finance operations from the General Fund equity balance.

The County each year will prepare a minimum five-year capital improvement program. In accordance with the County Charter and in order to meet the debt ratio targets, to schedule debt issuance and to systematically improve the County's capital infrastructure, each year the County will prepare and adopt a minimum five-year capital improvement program.

The County each year will prepare a four-year projection of revenues and expenditures. In order to improve financial planning and decisions, the County will prepare an annual budget with a four-year projection of General Fund revenues and expenditures for a total of five years of information. The projections will assume that the percentage of capital improvements financed with current revenues is maintained at the County's goal of approximately 20 percent over the multi-year capital improvement program.

The County will increase its reliance on current revenue to finance its capital improvements. The County is committed to funding a significant portion of capital improvements with current revenues. 72.0 percent of the County's general government fiscal year 2024-2028 CIP is funded with current revenues. The Board of Supervisors' established policy annually allocates an amount equal to 5.0 percent of general fund departmental expenditures (excluding transfers, grants, unassigned fund balance, debt service, and respective flow-through expenditures) to capital improvements. The percentage of County general fund expenditures allocated as the pay-as-you-go contribution towards capital improvements averages in excess of 5.0 percent over the five-year period.

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SECTION TWO: FINANCIAL INFORMATION
REPORTING ENTITY

The financial statements of Chesterfield County present the County (primary government) and its component units. The Chesterfield County School Board (School Board), the Economic Development Authority (EDA), and the Chippenham Place Community Development Authority are component units of the County and are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. See "Notes to Financial Statements" in Appendix B for a more detailed discussion of the County's reporting entity and component units.

AWARDS

The County has received numerous workplace awards over the last couple of years. In 2021, the County was awarded the Forbes Best-in-State Employers. This is awarded to employers with over 500 employees who are among the highest-ranked based on an anonymous survey of 80,000 US employees across 29 industries. Additionally in 2021, the County received the Top Workplaces Culture Excellence Award for Diversity, Equity, and Inclusion Initiatives – awarded to employers with exceptional diversity, equity, and inclusion practices based on employee engagement surveys. In 2022-2024, the County was awarded the National Top Workplaces Award. This award is given to organizations with the greatest employee engagement among employers within the same size band. Locally, the County was awarded the Richmond Times-Dispatch Top Workplaces Award. Similar to the National Top Workplaces Award, this award is presented to employers in the Richmond region with the highest overall employee engagement ratings compared to other organizations in the same size band. Of these Top Workplaces Awards, the County also received recognition for Cultural Excellence in the following categories: Leadership; Innovation; Compensation and Benefits; Work-Life Flexibility; and Purpose and Values.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the County for its ACFR for the fiscal year ended June 30, 2022. This was the 42nd consecutive year that the County has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The award for fiscal year 2023 is currently pending.

The GFOA presented an award for Distinguished Budget Presentation to Chesterfield County for the annual budget for the fiscal year beginning July 1, 2023. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The FY2024 budget represents the 38th consecutive year that Chesterfield County has received this award. This is the highest form of recognition for excellence in local government budgeting.

The GFOA presented Chesterfield County with an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for its Popular Annual Financial Report for the Fiscal Year ended June 30, 2022. The FY2022 PAFR represents the third-consecutive year the County has received this award. The report is reviewed by judges who evaluate the report based on reader appeal, understandability, distribution methods, creativity and other elements. The County's award for fiscal year 2023 is currently pending.

The GFOA named Chesterfield County a Triple Crown winner for fiscal year 2021. The Triple Crown is designated to localities who receive the Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting, and the Distinguished Budget Presentation Award in the same fiscal year. The County is one of only 331 government entities that received the Triple Crown for 2021. While the 2022 Triple Crown winners have yet to be announced, the County expects to receive this award given that each document for fiscal year 2022 has achieved its respective award.

For the 14th consecutive year, the County continued to set an example for the innovative use of technology in local government, earning a fourth-place spot in the 2023 Digital Counties Survey among counties nationwide with populations between 250,000 and 499,000. The County has placed in the top ten of that survey each year since 2010, with eight consecutive years in the top five. The Digital Counties Survey is conducted by the Center for Digital Government and the National Association of Counties. The survey looks at the best technology practices among US counties, including initiatives that enhance cybersecurity, streamline delivery of government services, promote open data, collaboration, shared services, and contribute to disaster response and recovery efforts. This honor affirms the County's commitment to providing innovative, safe, and efficient technology-enabled services.

During fiscal year 2023, the County's Fleet Services Division received multiple honors from industry associations. National Association of Fleet Administrators (NAFA), the world's largest fleet management association, named the division as a Top 100 Fleet and Top 50 Green Fleet. The division has been recognized with the Green Fleet award for the third consecutive year, at its highest ranking to date, and also received special recognition for "Best Fuel Technology Integration." In addition to these accolades, the division has been named the number 16 Leading Fleet by Government Fleet Magazine and the American Public Works Association marking its second appearance in the Top 20 within the last three years. The division is just one of eleven public fleets and only two in Virginia to be a Top 20 Leading Fleet and one of the Top 50 Best Fleets in 2023. This honor recognizes organizations that execute groundbreaking and inventive programs for their green initiatives.

The County received 36 National Association of Counties (NACo) 2023 Achievement Awards, recognizing the ways the County provides better, more innovative services to residents and strengthens its communities. Departments receiving Achievement Awards include Community Engagement and Resources, Constituent and Media Services, Economic Development, Fire and EMS, Information Systems and Technology, Internal Audit, Libraries, Mental Health Support Services, Parks and Recreation, Police, the Sheriff's Office, Social Services and Utilities, as well as CCPS and the Chesterfield Health District. Community Engagement and Resources received recognition for "Leveraging Organic and Locally Grown Community Partnerships" program to identify a new approach to ensure the County is truly reaching all segments of our population. The County established a strategic communications framework with the help of community partnerships creating opportunities for organic community engagement as we tackle complex topics.

The County received 5 Virginia Association of Counties (VACo) 2023 Achievement Awards, including the program's highest recognition, the "Best Large County Achievement Award" for "Chesterfield Recovery Academy", a regional school to support students in recovery from substance abuse. This is the 7th consecutive year that Chesterfield County has received one of the top honors. In addition to this top honor, the County received awards recognizing the "Boots on the Ground" program, the "Davis Child Advocacy Center Multidisciplinary Team" program, "RECON (Rapid Engagement Correctional Outreach Navigators)' and the program "Third Party Notification Program for Chesterfield County Utilities Customers." The VACo Achievement Awards highlight innovative programs focused on addressing high priority issues presently challenging counties. The County tops the all-time Achievement Awards list with 49 and has won an award in each year of the 21-year history of the program.

The National Institute of Governmental Purchasing (NIGP) established an agency accreditation program that recognizes excellence in public purchasing, by establishing a body of standards that should be in place for a quality purchasing operation. Chesterfield was the eighth agency to obtain the Outstanding Agency Accreditation Achievement Award (OA4) for demonstrating excellence in public purchasing. This designation is now referred to as the Quality Public Procurement Departments (QPPD) accreditation. Chesterfield re-accredited under the QPPD program in 2023 and is one of only 38 out of over 3,000 NIGP governmental agency members to currently hold this distinction.

In 2021, the Chesterfield County Parks and Recreation Department was named national Gold Medal Grand Plaque Award Finalists for Class II localities – populations of 150,001 to 400,000. The National Gold Medal Award honors public park and recreation agencies and state park systems throughout the United States and armed forces recreation programs worldwide that demonstrate excellence in long-range planning, resource management and innovative approaches to delivering superb park and recreation services with fiscally sound business practices. The County was one of four Class II finalists.

The Chesterfield County Police Department has been accredited through the Virginia Law Enforcement Professional Standards Commission (VLEPSC) since 1998. To receive this accreditation, the Department must undergo a rigorous on-site inspection every four years by multiple independent assessors, to ensure compliance with all applicable professional standards set forth by the commission. Additionally, the Police department has been internationally accredited through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA®) since March 2017.

The Sheriff's Office has been accredited through the Virginia Law Enforcement Professional Standards Commission (VLEPSC) since 2003. To receive this accreditation, the Department must undergo a rigorous on-site inspection every four years by multiple independent assessors, to ensure compliance with all applicable professional standards set forth by the commission. Of the more than 360 law enforcement agencies in Virginia, the Sheriff's Office is among only 82 having earned the distinction.

Chesterfield County has once again gained recognition as being a certified V3, or Virginia Values Veterans, organization. The general government, Police Department, Sheriff's Office, Fire and EMS, and school system are all listed as V3 organizations and have been recognized as such continuously since 2013.

In 2021, the Utilities Department received two additional awards: the Water Environment Federation Utility of the Future Award and the Water Environment Federation Water Heroes Award. The former seeks to recognize entities which engage in advancing resource efficiency and recovery, develop proactive relationships with stakeholders, and establish resilient, sustainable, and livable communities. The latter award recognizes individuals or municipalities who performed duties above and beyond the usual call of duty during an emergency situation to continue to protect the public and the environment – recognizing Chesterfield's emergency response to severe flooding in 2020. Additionally in 2022, the department received the National Association of Clean Water Agencies' National Environmental Achievement Award for outstanding environmental leadership within Chesterfield County, the state, and the national level. Lastly, in 2023, the Addison-Evans Water Production and Laboratory facility received the 25-Year Director's Award for maintaining the Partnership for Safe Drinking Water Program standards.

Chesterfield County's Department of General Services' Waste and Resource Recovery Division has continued to achieve Exemplary Environmental Enterprise (E3) status in the Virginia Department of Environmental Quality's Environmental Excellence Program. Chesterfield advocates, along with Central Virginia Waste Management Authority (CVWMA) and its regional partners, for reduction and reuse strategies to lower solid waste generated. The County recognizes the importance of recycling and its effectiveness in reducing the volume of household waste that ends up in landfills.

In May 2019, the Chesterfield County Arboretum was awarded a Level I accreditation by the ArbNet Arboretum Accreditation Program and the Morton Arboretum. As a countywide arboretum, its goal is to increase canopy coverage, provide an educational experience for employees and citizens on the benefits of trees and plants, improve water quality, and decrease the area of managed turf. The arboretum is centered around the Chesterfield government complex and is a vehicle for education on trees in the urban environment. The arboretum has continued to receive the Level I accreditation each year since the initial accreditation.

In 2023, multiple public safety personnel received Valor RVA awards for acts of service that go above and beyond. Out of the 28 honored across the Richmond region, nine were from Chesterfield. Three Fire and EMS personnel received a Bronze valor award for their efforts in rescuing four individuals stranded in the rapids of the Appomattox River. Four additional Fire and EMS personnel were recognized for their life-saving efforts in rescuing not only one individual who had slipped into Falling Creek and had not resurfaced, but also two family members of the individual who had attempted their own search and rescue. These actions resulted in two Silver and two Bronze awards. Two police officers were also awarded Silver Valor awards for their life-saving actions during a gunfight with an individual.

FUND ACCOUNTING

The accounts of the County are organized on the basis of funds, each of which constitutes a separate entity for accounting purposes. For fund reporting, the County's Annual Comprehensive Financial Report organizes the various County funds into three major types: governmental funds, proprietary funds, and fiduciary funds. For government-wide reporting, the activities of the County are reported as governmental activities or business-type activities with component unit information being reported in separate rows/columns.

Governmental Funds

The County maintains nine individual governmental funds. Information for the General Fund, County Capital Projects Fund, and School Capital Projects Fund, all reported as major funds, is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. Data for the six non-major governmental funds are combined in a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of the annual financial report.

General Fund

The General Fund is the primary operating fund of the County and receives most of the revenue derived by the County from local sources, including general real estate and personal property taxes, other local taxes, licenses, permits, and privilege fees. Other sources of revenue to the General Fund include monies from the state representing the County's share of state-derived non-school revenue and reimbursement of County expenses shared by the state. In addition, revenue is received by the General Fund from the federal government to pay a portion of the costs of County programs.

Major General Fund expenditures include the costs of general County government (administration, police, fire, community development, housing, economic development, parks and recreation, public works, human services, public safety, etc.), payments for the debt service on County's long-term debt obligations, payments to component units, and transfers to other funds.

County Capital Projects Fund

This fund accounts for the resources used for the acquisition or construction of major capital facilities used for County operations which are not financed by proprietary funds. These projects are financed primarily through appropriations from the General Fund, long-term financing consisting of general obligation bonds, revenue bonds, direct borrowings, and external funding sources such as federal and state awards and distributions from CVTA.

School Capital Projects Fund

This fund accounts for the resources used for the acquisition or construction of major school capital facilities, which are financed primarily through capital appropriations from the General Fund and long-term financing consisting of general obligation bonds and public facility revenue bonds.

Grants Fund-Special Revenue Fund

This fund primarily reflects revenues and expenditures related to various federal and state award programs such as the Department of Housing and Urban Development grants, Community Corrections and Supervision grants, Fire and EMS Revenue Recovery Program and the Virginia Juvenile Community Crime Control Act grant.

Children's Services Fund-Special Revenue Fund

This fund reflects revenues and expenditures related to providing child centered, family focused, and locally based services for at-risk youth.

Stormwater Fund-Special Revenue Fund

This fund reflects revenues collected for stormwater utility fees and expenditures related to meeting initiatives related to the County's stormwater management program.

Mental Health Fund-Special Revenue Fund

This fund reflects revenues and expenditures for providing mental health, development disabilities and substance abuse disorder services for children and adults in the County.

Jail Canteen-Special Revenue Fund

This fund reflects commissions received from sales of snacks, toiletries, and other sundries. Commissions are used to fund expenses that benefit inmates within the facility.

Central Virginia Transportation Authority – Local – Special Revenue Fund

This fund was established to receive sales and vehicle fuel tax distributed by the CVTA, which is restricted for use to fund transportation projects. Transfers are, or will be, made to (a) the County Capital Projects Fund to fund eligible transportation project expenditures or (b) the EDA or its assignee for the purpose of paying debt service on bonds issued to finance eligible transportation project expenditures.

Tourism Improvement Fund

Established with the FY2024 budget, this fund will account for the collection and pass-through of transient occupancy taxes to Greater Richmond Convention Center Authority (previously reported through the General Fund), the collection and pass-through of Tourism Improvement District Fees to the Tourism Improvement District, and appropriations for tourism related expenditures that were previously reported in the General Fund. The newly established Tourism Improvement District, enacted under state law with the support of 51% of hotels with 41+ rooms in each jurisdiction, will be governed by hotels and localities in the district with the collected fees expended primarily for sales, marketing, promotions, and special events to promote hotel occupancy within the region.

Debt Service Fund

The FY2025 budget establishes the Debt Service Fund to consolidate and accumulate resources to fund payments of interest and principal previously paid from the General Fund and School Operating Fund. The Debt Service Fund acquires all of its financial resources from the transfers from the General Fund, which are dedicated to interest and principal payments on all County and Schools debt. This does not include financed purchases, lease obligations, or accrued compensation absences as they are paid by the fund incurring the expenditures.

Proprietary Funds

Water and Wastewater Funds-Enterprise Funds

The Water and Wastewater Funds account for the operation, maintenance, and construction of the County's water and wastewater systems. Revenues of the systems consist principally of charges for services. Debt service on revenue bonds issued to construct water and wastewater facilities is accounted for through the Water and Wastewater Funds.

Airport Fund-Enterprise Fund

The Airport Fund accounts for the operations of the County Airport. Revenues of the Airport consist primarily of rental fees and fees from the Fixed Base Operators who provide aviation services to the public. Debt service on the certificates of participation, subfund revenue bonds and revolving fund loan issued to construct the airport hangar buildings and other airport capital projects are accounted for through the Airport Fund.

Internal Service Funds

The Internal Service Funds of the County account for the operations of fleet management, radio shop, general self-insurance services and self-insured healthcare. Resources to meet the cost of operations are derived from interfund charges on a cost-reimbursement basis. These funds are reported in a separate aggregated column on the proprietary fund statements but are consolidated with governmental funds on the government-wide statements.

Fiduciary Funds

Trust and Custodial Funds

The Pension Trust Fund accounts for financial transactions of the County's pension plan. The Other Postemployment Benefits (OPEB) Trust Funds account for financial transactions of the County and School's OPEB plans. Custodial Funds account for monies received and disbursed by the County on behalf of various individuals and other governmental units and include the Greater Richmond Convention Center Authority, the Central Virginia Transportation Authority, the Appomattox Regional Governor's School for the Arts and Technology as well as the Special Welfare, Mental Health Support Services Social Security Administration Fund, Police Safekeeping and Inmate Trust Funds.

Component Units

School Board

The School Board is responsible for elementary and secondary education within the County's jurisdiction. Complete financial statements of the School Board are included as a discretely presented component unit on the government-wide financial statements as well as individual fund statements in the supplementary information section.

Economic Development Authority – Enterprise Fund

The Economic Development Authority (EDA) of the County of Chesterfield is a legally separate political subdivision established to issue tax exempt and taxable revenue bonds to acquire, improve, maintain, equip, own, lease, or dispose of properties by inducing manufacturing and industrial enterprises to locate or remain in the County. The Economic Development Authority is accounted for as a non-major enterprise fund and reported as a blended component unit of the County. The EDA publishes complete financial statements in a separate report.

Chippenham Place Community Development Authority

The Chippenham Place Community Development Authority (Chippenham Place CDA) was a legally separate political subdivision established to finance public infrastructure improvements at the former Cloverleaf Mall site owned by the County. The improvements are part of a mixed-use development project that includes residential, retail and commercial office components. The Chippenham Place CDA is accounted for as an enterprise fund and reported as a discretely presented component unit of the County. The Chippenham Place CDA publishes complete financial statements in a separate report. After completing the purposes for which it was established, the Chippenham CDA was dissolved effective June 29, 2023. For additional information on the Chippenham Place CDA, see "SECTION ONE: COUNTY INDEBTEDNESS –DEBT" above.

BASIS OF ACCOUNTING AND ACCOUNTING STRUCTURE

The accounting records of the County are maintained on the modified accrual basis of accounting for the General Fund, Special Revenue Funds, and Capital Projects Funds and on the accrual basis of accounting for the Enterprise Funds, the Internal Service Funds, Trust Funds and Custodial Funds. Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when susceptible to accrual, i.e. both measurable and available. Generally, revenues are considered available only if the monies are received within 45 days after the end of the accounting period and are due on or before the last day of the accounting period. Expenditures are recorded in the periods in which the liability is incurred. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when liabilities are incurred without regard to receipts or disbursements of cash. For the government-wide financial statements all the funds are converted to the accrual basis of accounting. See "Notes to Financial Statements" in Appendix B for a more detailed discussion of the County's accounting policies.

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FIVE-YEAR SUMMARY OF GENERAL FUND BALANCE

At the end of fiscal year 2023, the General Fund balance was $554,286,729, or 65.5 percent of General Fund expenditures. General Fund's unassigned balance was $73,800,400 at June 30, 2023, or 8.7 percent of General Fund expenditures. The floor and the planning minimum for this ratio, set out in the County's financial policies, are 6.0 percent and 8.0 percent, respectively.

GENERAL FUND BALANCE
FISCAL YEARS 2019-2023

	Fiscal Year Ended June 30				
	2019	**2020**	**2021**	**2022**	**2023**
Restricted	$23,244,157	$24,120,378	$25,281,349	$29,440,785	$33,249,401
Committed	1,694,052	1,735,315	1,933,701	2,149,815	2,393,360
Assigned to:					
Construction	80,006,922	87,016,857	108,883,283	146,549,465	204,206,773
Future Revenue Shortfall - County	121,461,749	162,463,947	205,790,896	132,549,594	112,820,264
Future Revenue Shortfall - Schools	10,640,422	15,086,134	30,429,102	35,978,203	19,071,166
Education – School Board	7,055,674	6,161,092	5,122,811	5,090,994	5,090,994
Next Fiscal Year Adopted Budget	9,626,300	14,310,900	19,625,000	31,458,500	30,380,900
Public Safety	2,739,123	4,825,887	15,296,941	18,272,379	16,606,854
Other	64,107,826	60,618,816	71,077,532	57,846,605	56,666,617
Unassigned	63,004,400	63,004,400	64,800,400	70,800,400	73,800,400
Total General Fund Balance	$383,580,625	$439,343,726	$548,241,015	$530,136,740	$554,286,729
Unassigned General Fund Balance as a Percent of General Fund Expenditures	9.5%	9.5%	9.2%	8.8%	8.7%

Source: Summaries for fiscal years 2019 to 2023 are compiled from the Annual Comprehensive Financial Report prepared by the General Accounting Department from County records.

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FIVE-YEAR SUMMARY OF GENERAL FUND REVENUES AND EXPENDITURES

The financial data shown below presents a summary of revenues and expenditures of the County's General Fund for fiscal years 2019-2023.

General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
Fiscal Years 2019 to 2023
($ in 000's)

	2019	2020	2021	2022	2023
Revenues:					
Taxes	$595,658	$624,280	$677,303	$737,596	$781,012
Licenses and Permits	9,264	8,911	10,005	10,773	9,601
Fines and Forfeitures	2,274	1,885	2,933	2,237	2,465
Use of Money and Property	9,263	11,420	2,343	(10,315)	15,735
Charges for Services	15,840	16,338	15,057	16,115	15,739
Other	12,750	12,265	7,843	7,644	15,755
From the Commonwealth	77,132	77,718	77,526	78,843	81,108
From the Federal Government	10,135	15,986	67,079	11,839	11,414
Total Revenues	732,316	768,803	860,089	854,732	932,829
Other Financing Sources:					
Operating Transfers In	1,823	2,219	3,630	2,374	3,177
Proceeds from Bonds and Refunding Bonds	209	327	20,987	-	265
Total Other Financing Sources	2,032	2,546	24,617	2,374	3,442
Total Revenues and Other Financing Sources	734,348	771,349	884,706	857,106	936,271
Expenditures:					
General Government	55,235	57,014	65,087	66,824	72,723
Administration of Justice	10,130	10,480	10,675	11,174	13,146
Public Safety	181,066	184,508	203,478	215,470	244,669
Public Works	20,465	21,284	21,580	22,648	25,019
Health and Welfare	32,411	35,087	36,011	39,783	44,413
Parks, Recreation and Cultural	22,821	22,160	21,016	24,112	28,136
Community Development	23,148	23,728	39,192	48,883	27,061
Non-departmental	178	1	597	36	-
Debt Service	23,334	28,160	28,702	29,002	27,207
Total Expenditures	368,788	382,422	426,338	457,932	482,374
Other Financing Uses:					
Operating Transfers Out:					
County Capital Projects Fund	28,124	24,403	16,679	24,560	34,490
Other	15,865	20,821	17,038	20,519	23,491
Total Operating Transfers Out	43,989	45,224	33,717	45,079	57,981
Transfers to School Board Component Unit	295,632	287,940	294,822	372,199	371,766
Payments to Refunded Bond Escrow Agent	-	-	20,932	-	-
Total Other Financing Uses	339,621	333,164	349,471	417,278	429,747
Total Expenditures and Other Financing Uses	708,409	715,586	775,809	875,210	912,121
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	25,939	55,763	108,897	(18,104)	24,150
Fund Balance, Beginning of Year	357,642	383,581	439,344	548,241	530,137
Fund Balance, End of Year	$383,581	$439,344	$548,241	$530,137	$554,287
General Fund Balance to General Fund Expenditures and Other Uses	54.1%	61.4%	70.7%	60.6%	60.8%

Source: Fiscal years 2019 to 2023 Annual Comprehensive Financial Reports

CURRENT OPERATING BUDGET

On April 10, 2024, the Board of Supervisors adopted a general fund budget for fiscal year 2025 of $998.9 million, a five percent increase from the fiscal year 2024 adopted budget. The balanced plan continues the County's focus on promoting a high quality of life for residents and businesses, while maintaining Chesterfield's longstanding reputation for excellent fiscal stewardship. The FY2025 financial plan continues to focus on customer input and community priorities as established through Blueprint Chesterfield engagement and community meetings. That said, the FY2025 plan, similar to prior years, was built around several core goals: growth in contractual obligations; continuing commitment to public safety; emphasis on customer service and community outreach; and strengthening core services. Highlights of the FY2025 plan include historic investments in education, targeted increases for Public Safety agencies, expansion of the Tax Relief for Elderly and Disabled program, as well as additional tax relief for qualifying businesses and citizens alike. The plan includes increased infrastructure maintenance funding through operating maintenance, capital equipment, and personnel to support the workload requirements. In support of remaining customer focused and investing in the workforce, the plan includes workload staffing funding, a four percent merit increase for all qualifying employees, as well as career development funding to further employee development. On the school operating side, the plan is highlighted by a historic $20 million increase in the County's recurring transfer to Schools, helping to fund across-the-board salary increases for over 6,000 employees.

Regarding the County's Capital Improvement Program, the FY2025-2029 plan focuses on maintaining existing infrastructure and the communities they support with heavy emphasis on transportation, increased funding for major maintenance efforts, and remaining attentive to the need to replace/renovate older facilities throughout the County. The five-year capital plan includes $220.2 million in road and sidewalk projects using various funding sources including the Central Virginia Transportation Authority (CVTA) local revenues, vehicle registration fees (VRF), cash proffers, matching state funding, grants, and General Fund revenues. Additionally, the plan moves forward with the next year of projects approved through the 2022 bond referendum. Referendum projects in FY2025 include replacement of the Ettrick Fire and Rescue Station, construction of a police station in the western Hull Street Road area, conservation area access improvements for Atkins Acres and Swift Creek conservation areas, as well as both Horner Park and Falling Creek Park development. The final debt issuance for referendum projects is slated to be completed in FY2029. Furthermore, the plan maintains the five percent pay-as-you-go contribution level in all years, remains compliant with all debt affordability measures, and limits operating impacts on future budgets.

GENERAL FUND BUDGETED REVENUES AND EXPENDITURES

	Fiscal Year 2025	Fiscal Year 2024	% Change
Revenues			
Local Sources	$884,993,700	$828,224,500	6.9%
Other Agencies	92,784,200	90,754,700	2.2
Other Financing Sources	21,158,400	32,799,600	(35.5)
Total	**$998,936,300**	**$951,778,800**	**5.0%**
Expenditures			
General Government	$87,576,000	$83,017,300	5.5%
Administration of Justice	13,683,200	13,093,400	4.5
Public Safety	270,227,200	249,320,800	8.4
Public Works	28,477,100	28,442,800	0.1
Health and Welfare	66,732,200	67,464,800	(1.1)
Parks, Recreation, Cultural	34,587,000	31,855,800	8.6
Community Development	22,193,800	19,068,000	16.4
Debt Service	38,069,100	29,775,600	27.9
Education	398,844,300	383,844,300	3.9
Transfers	38,100,800	44,421,800	(14.2)
Program Contingencies	445,600	1,474,200	(69.8)
Total	**$998,936,300**	**$951,778,800**	**5.0%**

Source: Chesterfield County 2024 and 2025 Financial Plans

Year-To-Date Performance of the General Fund. The financial performance of the County's General Fund for the year-to-date in FY 2024 remains in line with previous years, showing a forecasted surplus of approximately 3-4 percent of the FY 2024 General Fund Budget. This projection aligns closely with budget expectations and maintains the pattern of stable operational and financial planning. Actual results may vary, and such variances may be material. No assurance can be given that actual results will not be materially different from historical results or current projections.

FIVE-YEAR SUMMARY OF GENERAL FUND BUDGET AND ACTUAL RESULTS

The following table presents a comparison of budget versus actual revenues, expenditures and transfers in the County's General Fund as well as changes in fund balance for fiscal years 2019 to 2023.

GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Budgetary Basis)
FISCAL YEARS 2019 TO 2023
($ in 000's)

	2019		2020		2021		2022		2023	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:										
Taxes	$577,905	$595,658	$604,189	$624,280	$605,671	$677,303	$674,474	$737,596	$763,197	$781,012
Licenses and Permits	7,907	9,264	8,389	8,911	9,372	10,005	10,689	10,773	9,591	9,601
Fines and Forfeitures	2,872	2,274	1,910	1,885	2,025	2,933	1,534	2,237	2,068	2,465
Use of Money and Property	5,521	9,263	6,587	11,420	3,141	2,343	4,388	(10,315)	8,827	15,735
Charges for Services	13,954	15,840	16,474	16,338	16,134	15,057	15,608	16,115	17,707	15,739
Other	7,818	12,750	6,702	12,265	4,764	7,843	6,782	7,644	7,787	15,756
From the Commonwealth	75,992	77,132	76,135	77,718	73,800	77,526	77,337	78,843	78,566	81,108
From the Federal Government	8,604	10,135	15,093	15,986	66,396	67,079	10,485	11,839	10,969	11,414
Total Revenues	700,573	732,316	735,479	768,803	781,303	860,089	801,297	854,732	898,712	932,829
Other Financing Sources:										
Operating Transfers In	1,823	1,823	2,356	2,219	3,982	3,630	2,919	2,374	3,176	3,177
Proceeds from Bonds and Refunding Bonds	-	209	327	327	2,673	20,987	-	-	-	265
Total Other Financing Sources	1,823	2,032	2,683	2,546	6,655	24,617	2,919	2,374	3,176	3,442
Total Revenues and Other Financing Sources	702,396	734,348	738,162	771,349	787,958	884,706	804,216	857,106	901,888	936,271
Expenditures:										
General Government	58,014	55,235	60,384	57,014	84,959	65,087	70,334	66,824	75,904	72,723
Administration of Justice	10,525	10,130	10,820	10,480	11,325	10,675	11,742	11,174	13,476	13,146
Public Safety	185,665	181,066	194,467	184,508	209,736	203,478	222,829	215,470	251,809	244,669
Public Works	21,227	20,465	22,093	21,284	22,381	21,580	23,641	22,648	26,774	25,019
Health and Welfare	34,184	32,411	38,209	35,087	39,821	36,011	40,889	39,783	46,163	44,413
Parks, Recreation and Cultural	23,443	22,821	23,551	22,160	22,436	21,016	24,687	24,112	28,997	28,136
Community Development	24,099	23,148	24,978	23,728	49,966	39,192	50,343	48,883	26,023	27,061
Non-departmental	729	178	763	1	863	597	195	36	474	-
Debt Service	23,789	23,334	28,557	28,160	31,002	28,702	29,103	29,002	27,155	27,207
Total Expenditures	381,675	368,788	403,822	382,422	472,489	426,338	473,763	457,932	496,775	482,374
Other Financing Uses:										
Operating Transfers Out:										
County Capital Projects Fund	108,031	28,124	111,668	24,403	125,023	16,679	171,110	24,560	238,696	34,490
Other	24,416	15,865	29,854	20,821	25,449	17,038	26,704	20,519	30,242	23,491
Total Operating Transfers Out	132,447	43,989	141,522	45,224	150,472	33,717	197,814	45,079	268,938	57,981
Transfers to School Board Component Unit	306,250	295,632	304,812	287,940	336,865	294,822	393,528	372,199	390,838	371,766
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	20,932	-	-	-	-
Total Other Financing Uses	438,697	339,621	446,334	333,164	487,337	349,471	591,342	417,278	659,776	429,747
Total Expenditures and Other Financing Uses	820,372	708,409	850,156	715,586	959,826	775,809	1,065,105	875,210	1,156,551	912,121
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(117,976)	25,939	(111,994)	55,763	(171,868)	108,897	(260,889)	(18,104)	(254,663)	24,150
Fund Balance, Beginning of Year	357,642	357,642	383,581	383,581	439,344	439,344	548,241	548,241	530,137	530,137
Fund Balance, End of Year	$239,666	$383,581	$271,587	$439,344	$267,476	$548,241	$287,352	$530,137	$275,474	$554,287

Source: Fiscal year 2019 to 2023 Annual Comprehensive Financial Reports

GENERAL FUND REVENUES AND EXPENDITURES

The General Fund is the primary operating fund maintained by the County to account for revenue derived from County-wide *ad valorem* taxes, other local taxes, licenses, fees, permits and certain revenue from the federal and State governments. General Fund expenditures include the cost of general County government, payments to the School Board to pay the local share of operating Chesterfield County public schools, and transfers to the County Capital Projects Fund. The following is a discussion of the General Fund revenue structure and major classifications of General Fund expenditures.

REVENUES

The following table shows the County's principal tax revenues by source for each of the fiscal years ended June 30, 2019 through 2023.

PRINCIPAL TAX REVENUES BY SOURCE FISCAL YEARS 2019 TO 2023

Source	2019	2020	2021	2022	2023
Real Property Taxes	$361,831,920	$382,068,118	$410,058,691	$445,063,655	$474,244,405
Personal Property Taxes(1)	120,556,841	124,656,488	137,105,307	158,630,244	168,733,969
Real and Personal Public Service Corporation Taxes	15,436,481	17,807,558	16,980,324	16,240,147	16,072,822
Machinery and Tools	4,950,362	4,670,316	6,094,602	5,857,184	3,348,088
Local Sales and Use Tax	52,482,114	54,993,090	62,870,360	69,052,751	73,115,207
Business License Taxes	22,538,092	24,487,081	24,184,161	26,756,039	30,575,045
Other Taxes(2)(3)	46,477,865	44,673,450	50,180,157	46,701,396	45,893,543
Total	$624,273,675	$653,356,101	$707,473,602	$768,301,416	$811,983,079

(1) Includes reimbursement to the County by the Commonwealth for personal property as defined in the Personal Property Tax Relief Act of 1998 for consistency and comparative purposes. Amount is recorded as non-categorical aid from the Commonwealth in financial statement presentation.
(2) Includes special purpose taxes.
(3) Includes penalties and interest on delinquent property taxes.

Source: Chesterfield County Accounting Department

Real Estate and Personal 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. State property assessment law requires real property assessments throughout the State to be made at a ratio of 100 percent of fair market value. Real property is assessed as of January 1 of the calendar year and the taxes are due on June 5 and December 5 of the same year. In cases of real estate on which delinquent taxes are not paid after two years, the County may sell the property at public auction to pay the amounts due. The assessment ratio of personal property is 100 percent of fair market value except for certain classes of public service corporation property. Personal property taxes are due on June 5 of the calendar year in which the tax is levied. The penalty for late payment is 10 percent of the tax due. Interest charges on unpaid balances commence on the first day of the following month at a rate of 10 percent per annum. In April 2022, the real property tax rate in the County was reduced from $0.95 to $0.92 per $100 assessed value. With adoption of the FY2024 budget in April 2023, the Board of Supervisors further reduced the real property tax rate to $0.91 per $100 assessed value.

The Personal Property Tax Relief Act of 1998 (PPTRA) provided for the Commonwealth to reimburse a portion of the personal property tax levied on the first $20,000 of assessed value of personal use cars, motorcycles and trucks. During the 2005 Special Session I, the Virginia General Assembly passed Senate Bill 5005. Effective for the tax year 2006 and future tax years, the bill provides for the Commonwealth to reimburse a portion of the tangible personal property tax levied based on a fixed relief amount. The fixed relief amount was capped at $950 million in total for all localities with the County's share capped at $41,092,048. The Commonwealth requires localities to record the revenues from PPTRA as received from other governments, not as property taxes. In the fiscal year ended June 30, 2023, general property taxes (excluding penalties and interest for late payment of taxes) represented $623,647,805, or 66.9 percent, of total General Fund revenues on a budgetary basis.

The personal property tax rate varies for property such as airplanes, motor vehicles that use special fuels, motor vehicles of voluntary personnel, and for wild or exotic animals; however, the majority of personal property is taxed at the rate of $3.60 per $100 assessed value. The machinery and tools tax rate is $1.00 per $100 assessed value. In 2020, an additional tax rate classification was added for computer equipment and peripherals in data centers. The tax rate for this type of property is $0.24 per $100 of assessed value, a decrease from the previous rate of $3.60 per $100 of assessed value. The reduction is intended to incentivize data center business in the County.

The following table sets forth information concerning the County's property tax collections for fiscal years 2019 to 2023.

PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2019 TO 2023

Fiscal Year	Taxes levied for the fiscal year (original levy)	Adjustments	Total adjusted levy
2019	$495,525,767	$5,641,530	$501,167,297
2020	518,633,584	6,886,406	525,519,990
2021	556,501,159	6,079,510	562,580,669
2022	638,365,382	(24,909,368)	613,456,014
2023	666,465,095	-	666,465,095

	Collected within the fiscal year of the levy			Total collections to date	
Fiscal Year	Amount	Percentage of original levy	Collections in subsequent years	Amount	Percentage of adjusted levy(1)
2019	$ 479,959,172	96.86 %	$ 19,572,042	$ 499,531,214	99.67 %
2020	502,242,424	96.84	21,191,992	523,434,416	99.60
2021	538,928,836	96.84	20,481,033	559,409,869	99.44
2022	612,576,241	95.96	(6,145,232)	606,431,009	98.85
2023	642,375,617	96.39	-	642,375,617	96.39

(1) Percentage of adjusted levy increases with each additional year of collection

Source: Chesterfield County Treasurer's Office

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The following table depicts total delinquent real estate taxes as of June 30 for each of the last five years. Under Virginia law, an automatic lien is attached to the property when real estate taxes become delinquent. Accordingly, the amount of delinquent real estate taxes presented below corresponds to the value of the County's liens against such properties. The County has several collection procedures available to collect delinquent real estate taxes. For example, the County may attach wages and bank accounts and if real estate taxes are delinquent for more than two years, the property may be sold through a bill in equity (Code of Virginia, Title 58.1-3965 *et seq*.). If property has been abandoned, a special jury may find that the property has escheated to the State. Finally, any property against which a judgment has been rendered may be sold by court order.

DELINQUENT REAL ESTATE TAXES
FISCAL YEARS 2019 - 2023

Fiscal Year	Delinquent Real Estate Taxes
2019	$ 4,280,411
2020	3,749,834
2021	3,329,323
2022	2,970,686
2023	2,945,897

Source: Chesterfield County Treasurer's Office

Unpaid personal property taxes do not constitute a lien on taxed personal property. Collection procedures such as the attachment of wages and bank accounts, state vehicle registration withholding, etc. are available under Virginia law and are commonly used by the County to collect delinquent personal property taxes.

Largest Taxpayers

The following table sets forth the ten largest taxpayers of real property taxes and the assessed value of real property owned by each such taxpayer for fiscal year 2023.

TEN LARGEST TAXPAYERS
June 30, 2023

	Taxpayer	Type of Business	Tax Year 2023 Assessed Value[(1)]
1.	Dominion Virginia Power	Public Utility	$ 1,290,015,300
2.	Bon Secours St. Francis Medical Center	Health Care Services	154,498,200
3.	Columbia Gas of Virginia, Inc	Public Utility	147,583,231
4.	Verizon Communications	Telecommunications	137,358,674
5.	RPI Chesterfield, LLC	Mall Shopping Center	121,235,800
6.	Philip Morris USA	Refined Tobacco Leaf	98,281,400
7.	Element at Stonebridge	Residential Renting	94,631,900
8.	Swift Creek Associates	Residential Renting	94,343,800
9.	Occidental Development LTD	Residential Renting	92,243,800
10.	Rivermont Station Apartments	Residential Renting	91,452,000
	Total Value of Property Held by Ten Largest Taxpayers		$2,321,644,105

(1) Includes real estate and public service real estate assessed value.
Source: Chesterfield County Assessor

The aggregate assessed value of the ten largest property taxpayers set forth above represented 3.60 percent of the $64,224,533,890 total taxable real property at June 30, 2023.

For calendar year 2023, the estimated value of tax-exempt real property in Chesterfield County was $3,861,640,500. The table below presents a breakout of tax-exempt real property by category. The County does not require a payment in lieu of taxes from the entities listed below. However, these entities pay for locally provided services such as water and wastewater treatment services.

ESTIMATED VALUE OF TAX-EXEMPT PROPERTY
CALENDAR YEAR 2023[1]

Federal	$	165,302,700
State and Regional		590,461,400
Local		2,226,118,600
Religious, Charitable, Educational and Other		879,757,800
Total Tax Exempt Property	$	3,861,640,500

[1] 2024 values not available as of reporting date.
Source: Chesterfield County Assessor

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The following table sets forth the assessed value of all taxable property in the County for each of its five most recent fiscal years. Tax-exempt properties as set out above are not included in the table.

HISTORICAL ASSESSED VALUATION
FISCAL YEARS 2019 - 2023

Fiscal Year	Real Property[(1)]	% Change	Tax Rate[(2)] (per $100)	Revenues[(3)]
2019	$40,652,818,505	5.5%	$0.95	$374,514,146
2020	43,301,170,934	6.5	0.95	397,965,521
2021	45,834,064,350	5.8	0.95	424,946,095
2022	52,316,689,672	14.1	0.95/0.92	471,370,030
2023	57,494,725,297	9.9	0.92/0.91	487,415,801

Fiscal Year	Personal Property[(4)]	% Change	Tax Rate[(5)]	Machinery and Tools	% Change	Tax Rate[(5)]	Total Revenues[(6)]
2019	$4,360,975,890	5.1%	$3.60	$501,394,015	(0.1)%	$1.00	$125,507,203
2020	4,480,295,215	2.7	3.60	503,009,315	0.3	1.00	129,326,804
2021	5,214,968,494	16.4	3.60	738,446,268	46.8	1.00	143,199,909
2022	6,675,283,835	28.0	3.60	581,580,788	(21.2)	1.00	164,516,904
2023	6,359,716,391	(4.7)	3.60	370,092,202	(36.4)	1.00	172,109,108

(1) Real property is assessed at 100% of fair market value as of January 1 of each fiscal year. Includes real property and public service corporation real property.

(2) Real property rates apply to amounts due in June of the current calendar (tax) year and December of the prior calendar (tax) year. Tax rates shown for each fiscal year reflect the rates applicable to those taxes, which became due during the fiscal year. In fiscal years 2022 and 2023, the real estate tax rate was different for each half of the fiscal year

(3) Excludes incremental tax revenues and special assessment tax revenues which are not available to fund overall net program costs.

(4) Personal property is assessed at 100% of fair market value. Includes personal property and public service corporation personal property.

(5) Tax rates shown for each fiscal year reflect the rates applicable to those taxes that become due during the fiscal year. Personal property rates in any fiscal year reflect the rate applicable to amounts that become due on June 5th of the current calendar (tax) year. The personal property tax rate varies for property such as airplanes, motor vehicles that use special fuels, motor vehicles of voluntary personnel, and for wild or exotic animals; however, the majority of personal property is taxed at the rate presented in the table.

(6) Includes state reimbursement to Chesterfield for a portion of the tangible personal property tax levied on personal use cars, motorcycles, and trucks. Recorded as non-categorical aid from the Commonwealth for financial statement presentations, however presented in this table as a portion of total tax collections for consistency and comparative purposes.

Source: Chesterfield County Accounting Department

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Local Sales Tax

A 1.0 percent County retail sales tax is collected with the 4.3 percent state sales tax. The tax monies for the local portion are remitted to the County by the Commonwealth after receipt. These receipts amounted to $73,115,207, or 7.8 percent of General Fund revenues on a budgetary basis, for the fiscal year ended June 30, 2023. This does not include any sales tax revenues remitted through the Central Virginia Transportation Authority. The table below shows revenue from the local sales tax for the past five fiscal years.

LOCAL SALES TAX REVENUES
FISCAL YEARS 2019 TO 2023

Fiscal Year	Revenues	% Change
2019	$ 52,482,114	3.2 %
2020	54,993,090	4.8
2021	62,870,360	14.3
2022	69,052,751	9.8
2023	73,115,207	5.9

Source: Chesterfield County Accounting Department

Business Professional and Occupational License Taxes

Business professional and occupational taxes are levied for the privilege of conducting business and engaging in certain professions, trades, and occupations within the County. Both flat license fees and rates established as a percent of gross receipts (or gross purchases for wholesale merchants) are used. Based on a calendar year tax year, business taxes are due on March 1 of each year. Persons liable for the payment of the license tax make application for the license to the Commissioner of the Revenue, and, in cases where the tax is based on gross receipts, the applicant must furnish to the Commissioner of the Revenue a sworn statement of the amount of gross receipts from the previous year. Aimed at providing relief to smaller business, in tax year 2000, the County implemented tax relief for businesses with gross receipts less than $100,000 – allowing eligible businesses to forego the license tax and all businesses above the threshold to deduct $100,000 for calculating the applicable tax. Since its first implementation, the tax relief threshold has been updated four more times. The latest revision to this policy became effective with tax year 2024 and provides tax relief for businesses with gross receipts less than $500,000. For fiscal year 2023 business professional and occupational license taxes represented 3.3 percent of total General Fund revenues on a budgetary basis.

BUSINESS AND PROFESSIONAL LICENSE TAX REVENUES
FISCAL YEARS 2019 TO 2023

Fiscal Year	Revenues	% Change
2019	$ 22,538,092	4.6%
2020	24,487,081	8.6
2021	24,184,161	(1.2)
2022	26,756,039	10.6
2023	30,575,045	14.3

Source: Chesterfield County Accounting Department

Other Taxes

Revenue received from various other local taxes includes motor vehicle licenses, consumer utility taxes, recordation tax, transient occupancy tax, and penalties and interest on property taxes.

The transient occupancy tax has been 8.0 percent since August 1998. The revenue from the tax levied in this category is designated for contribution to the Greater Richmond Convention Center Authority. All revenue from the fee is dedicated to transportation projects. For the fiscal year ended June 30, 2023, other taxes represented 3.4 percent of total General Fund revenues on a budgetary basis.

OTHER TAXES
FISCAL YEARS 2019 TO 2023

Fiscal Year	Motor Vehicle Licenses	Consumer Utility Taxes	Other	Total Revenues	% Change From Prior Year
2019	$ 15,240,626	$ 8,329,669	$ 22,907,570	$ 46,477,865	1.2%
2020	15,072,427	8,283,882	21,317,141	44,673,450	(3.9)
2021	15,882,533	8,498,528	25,799,096	50,180,157	12.3
2022	9,865,854	8,611,855	28,223,687	46,701,396	(6.9)
2023	8,908,956	8,629,878	28,354,709	45,893,543	(1.7)

Source: Chesterfield County Accounting Department

Revenue from the Commonwealth

The County is reimbursed by the Commonwealth of Virginia for a portion of certain shared office and employee expenses involving the Commonwealth's Attorney, Sheriff, Clerk of Circuit Court, Treasurer, and Commissioner of Revenue. The state provides the County with revenue from the collection of state sales taxes. This revenue does not include any monies remitted through the Central Virginia Transportation Authority. Revenue received from the Commonwealth, including $41,092,048 of the Commonwealth's reimbursement for the County for personal property tax relief for the fiscal year ended June 30, 2023, represented 8.7 percent of total General Fund revenues on a budgetary basis.

Revenue from the Federal Government

The County receives grants for the administration of social service programs from the federal government for distribution to welfare recipients. These programs comprise the majority of the General Fund revenue received from the federal government. Revenue received by the General Fund from the federal government during the fiscal year ended June 30, 2023 equaled approximately 1.2 percent of total General Fund revenues on a budgetary basis.

Licenses and Permits, Use of Money and Property, Charges for Services, Fines and Forfeitures and Other Revenues

Licenses and Permits include revenues from building permits, landfill fees and other fees charged by the County. Use of money and property revenues include rental income, interest and dividends earned from the investment of funds, and unrealized gain on investments. Charges for services encompass all revenue derived from service or user charges levied by the County. Fines and forfeitures encompass moving traffic violations, parking violations, and a variety of recovered court costs. Other revenues encompass income from a variety of small revenue producing sources. For fiscal year 2023, other revenues represented 6.4 percent of total General Fund revenues on a budgetary basis.

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EXPENDITURES

Costs of General County Government

The County pays the costs of general County government from the General Fund. These costs include those of public works, public safety, a portion of the judicial system, health and welfare, community development, parks and recreation, libraries, governmental administration, as well as debt service. In fiscal year 2023, these expenditures represented 52.9 percent of total disbursements from the General Fund, an increase of 0.6 percent from fiscal year 2022.

Transfers to Other Funds and Component Units

The County transferred $34,489,685 to the Capital Projects Funds from the General Fund which was 3.8 percent of the total General Fund expenditures and other financing uses in fiscal year 2023. The General Fund also recorded operating transfers to the Grants Fund and the Children's Services Fund to match State or Federal funding in the fiscal year ended June 30, 2023 as well as additional operating transfers to the Healthcare Fund, Mental Health Fund, Vehicle and Communications Fund, Airport Fund and Risk Management Fund.

The County transfers monies from the General Fund to the School Board to pay the County's share of the costs of operating public schools in Chesterfield County. This transfer represented 40.8 percent of total expenditures and other financing uses from the General Fund in fiscal year 2023, and 39.4 percent of total revenues and other financing sources of the School Board. The principal sources of other revenues credited directly to the School Board are revenue from the federal and state governments and revenue derived locally from charges to students.

BUDGETARY PROCEDURE

The County's Annual Budget (Budget) is based on a fiscal year of July 1 to the following June 30. Under Virginia law and the County Charter, the County Board must adopt an appropriations resolution for the subsequent fiscal year no later than May 1. The appropriations resolution is based on a balanced budget of all fiscal year operating expenditures to be financed from current fiscal year revenues and balances available from prior years.

The County Administrator's proposed Budget for the following fiscal year is presented to the County Board no later than March 15. The proposed Budget includes recommended funding levels for all County programs. The proposed Budget also includes a recommended program of capital expenditures to be financed from current revenues and a four-year projection of revenues and expenditures. A separate multi-year Capital Improvement Program is also prepared each year. Estimated revenues are detailed in the proposed Budget, along with any recommended new taxes or changes in tax rates or service charges that may be proposed by the County Administrator.

The Board of Supervisors holds Budget work sessions and public hearings on the proposed Budget, proposed CIP, and tax rates in March. The Board of Supervisors adopts tax rates, the Budget, the Capital Improvement Program, and the appropriations resolution in April.

During the fiscal year, the Budget Department conducts detailed reviews of both expenditures and revenues. Adjustments in appropriations or expenditure rates, if necessary, are implemented at these times so that total General Fund expenditures and revenues will remain in balance throughout the fiscal year.

The County Charter requires the Superintendent of Schools to submit to the County Administrator an estimate of projected revenues and expenditures for the next fiscal year in a form requested by the County Administrator as well as a multi-year Capital Improvement Program by March 1. The Board of Supervisors appropriates funds for the School Board Component Unit in certain major categories. The School Board then determines the exact use of the appropriated funds. All other needs, for both the County and Schools, will be collectively evaluated and prioritized in a partnership between the County's citizens, staff and leadership during the budget process.

EMPLOYEE RETIREMENT PLANS

County and School Board employees are participants in the federal Social Security System and the Virginia Retirement System. Certain qualified County employees are also members of the County Supplemental Retirement System. Certain qualified School Board employees participate in the School Board Supplemental Retirement Program.

Further information regarding County retirement plans is provided in the Note 12 of Notes to Financial Statements in Appendix B.

Contributions to the Virginia Retirement System (VRS) are comprised of an employee and employer share. Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.0 percent of their annual salary to the VRS. The County and School Board 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.

At June 30, 2023 net pension liability for both County and Schools was $573,979,517. See Note 12 of Notes to Financial Statements in Appendix B for further explanation.

OTHER EMPLOYEE BENEFITS

County and School Board employees accrue leave at varying rates based upon leave type and length of employment. Employees may accumulate, subject to certain limitations, unused annual leave or paid time off leave earned and, upon retirement, termination, or death, may be compensated for certain amounts at their current rates of pay. The County and School Board do not place a maximum limitation on the amount of sick leave which may be carried over from one year to the next; however, any earned but unused leave reserve benefit is forfeited upon separation from service, except when separation is caused by the retirement of employees. Upon retirement, general County employees' sick leave is paid out at a rate of $2 per hour, with no limit on the number of hours or the dollar amount of the benefit being paid out. Sick leave reserve balances are paid at a rate of $4 per hour at retirement up to a maximum of $15,000. Upon retirement of School Board employees, compensation for unused sick days is based on years of consecutive employment with Chesterfield County Schools and ranges from $30 per day and a maximum of $4,000 to $50 per day with no maximum payable to the employee. School employees do not have a sick leave reserve benefit. As of June 30, 2023, the total compensated absences liability of the County and School Board was $62,446,092.

The County and Schools report other postemployment benefits (OPEB) under the guidance provided in Statement No. 75 of the Governmental Accounting Standard Board (GASB 75) – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB 75 established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and OPEB expense. OPEB includes medical and dental coverage extended to retirees by the County as well as group term life and health insurance credit benefits paid to certain retirees through OPEB plans managed by VRS. Current retirees who qualify for health benefits may receive an amount up to the amount provided for active employees under the County and Schools OPEB plans. In 2022, the County made a contribution to an irrevocable trust which was greater than the annual required contribution determined in accordance with the parameters of GASB 75. The School Board component unit also contributed an amount greater than its annual required contribution. These amounts are recorded as assets in fiduciary funds of the primary government. At June 30, 2023, net OPEB liability for both County and Schools was estimated at $241,085,551. See Note 13 of Notes to Financial Statements in Appendix B for further explanation.

Expenses associated with unemployment compensation and workers' compensation are funded annually on a cash basis. The long-term workers' compensation liability for County and School Board employees as of June 30, 2023, was estimated at $12,912,000, which includes an estimate of $5,649,974 of claims incurred but not reported.

PUBLISHED FINANCIAL INFORMATION

The County issues and distributes the Annual Comprehensive Financial Report on its financial operations for each fiscal year. The report covers the fiscal year ending the prior June 30.

Sections of the Annual Comprehensive Financial Report of Chesterfield County for the fiscal year ended June 30, 2023, including financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund, are presented herein as Appendix B. These financial statements, including the related Notes to Financial Statements, are intended to provide a broad overview of the financial position and operating results of the County's various activities and funds.

The financial statements and notes of the County of Chesterfield as of and for the year ended June 30, 2023, included in the Official Statement have been audited by Cherry Bekaert LLP, independent auditors, as stated in their report appearing herein. Cherry Bekaert LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Cherry Bekaert LLP also has not performed any procedures relating to the Official Statement. The County's financial statements and the independent auditors' reports thereon are available for inspection at the Chesterfield County Accounting Department, 9901 Lori Road, Room 203, Chesterfield, Virginia 23832.

In addition to the Annual Comprehensive Financial Report, the County also annually publishes a Comprehensive Annual Financial Plan and a multi-year Capital Improvement Program. These documents are available through Chesterfield County's Department of Budget and Management, 9901 Lori Road, Room 401, Chesterfield, Virginia 23832.

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SECTION THREE: DEMOGRAPHIC AND ECONOMIC FACTORS

LOCATION AND SIZE

Chesterfield County, Virginia (County) is located in east-central Virginia and encompasses a land area of approximately 437 square miles. Adjacent to the County are the cities of Richmond, Colonial Heights, Hopewell, and Petersburg and the counties of Dinwiddie, Amelia, Powhatan, Charles City, Prince George, Henrico, and Goochland. Because of its proximity to the City of Richmond, the County is an integral part of the Richmond Metropolitan Statistical Area (MSA). Chesterfield County is a growing suburban, residential area, with concurrent commercial growth and industrial development. A large portion of land in the County, especially in the southwestern area, remains rural.

POPULATION

After population growth rates that averaged 2.0 percent in the early 2000's, the County has experienced growth rates just above its long-run average of 1.2 percent in recent years. With the release of the 2020 Decennial Census, the County's population grew approximately 15.3 percent from 2010 – an increase that outpaces the growth of the Richmond Metropolitan Statistical Area (MSA) and the Commonwealth of Virginia. As a result, the County's population as a percentage of the Richmond MSA has trended upward from 26.2 percent in 2010 to 27.2 percent in 2020. With the latest information available, the County's population as a percentage of the Richmond MSA population has grown to 27.9 percent. With updates to the 2022 and 2023 population counts, Chesterfield continues to outpace both the Richmond MSA and state's population growth.

Year	Chesterfield County	% Change	Richmond MSA[1]	% Change	Commonwealth of Virginia	% Change
2014	332,093	1.4%	1,257,665	1.0%	8,310,993	0.7%
2015	334,915	0.8	1,269,480	0.9	8,361,808	0.6
2016	338,479	1.1	1,281,516	0.9	8,410,106	0.6
2017	343,276	1.4	1,292,999	0.9	8,463,587	0.6
2018	348,281	1.5	1,304,759	0.9	8,501,286	0.4
2019	352,802	1.3	1,315,600	0.8	8,535,519	0.4
2020[2]	364,061	3.2	1,338,699	1.8	8,631,373	1.1
2021	370,931	1.9	1,351,043	0.9	8,657,348	0.3
2022	378,290	2.0	1,363,464	0.9	8,679,099	0.3
2023	383,876	1.5	1,375,652	0.9	8,715,698	0.4

(1) Includes the cities of Richmond, Petersburg, Colonial Heights, and Hopewell, the towns of Ashland, Bowling Green and Port Royal, and the counties of Amelia, Caroline, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex.
(2) 2020 populations is the official decennial population count.
Source: U.S. Bureau of the Census

2022 SELECTED POPULATION CHARACTERISTICS

	Chesterfield County	Commonwealth of Virginia	United States
Median Age	39.3	39.0	39.0
Percent School Age	23.3%	21.5%	21.7%
Percent in Labor Force	67.3%	63.8%	63.0%
Percent Home Ownership	78.7%	67.4%	65.2%
Percent Persons Below Poverty	6.9%	10.6%	11.5%

Source: U.S. Bureau of the Census (latest information available)

INCOME LEVELS

Personal Income

Since 2013, income levels in the County have continued to trend upward. Compared to pre-pandemic levels, the County's personal income grew 17.9 percent, as measured on a per capita basis. This increase slightly trails behind the growth rate of the Commonwealth of Virginia but grew at the same rate as the United States as a whole during the same period.

PER CAPITA PERSONAL INCOME

Year	Chesterfield County	Commonwealth of Virginia	United States
2013	$45,605	$48,198	$44,401
2014	46,476	49,764	46,287
2015	48,561	51,620	48,060
2016	49,466	52,659	48,971
2017	50,912	54,380	51,004
2018	52,114	56,133	53,309
2019	54,302	58,368	55,547
2020	58,219	61,474	59,151
2021	62,033	66,838	64,427
2022	64,035	68,985	65,473

Source: Bureau of Economic Analysis, U.S. Department of Commerce (latest information available)

ADJUSTED GROSS INCOME

The 2021 Adjusted Gross Income data indicates that in tax year 2021, approximately 52.0 percent of persons filing a tax return in Chesterfield County had an annual adjusted gross income of $50,000 or more – an increase from the prior year's 50.0 percent. This compares favorably to 50.0 percent and 45.0 percent in the Commonwealth of Virginia and in the United States, respectively.

	2021 – Percent of Filers			2020 – Percent of Filers		
Size of Adjusted Gross Income	Chesterfield County	Commonwealth of Virginia	United States	Chesterfield County	Commonwealth of Virginia	United States
Under $25,000	27%	29%	31%	29%	31%	34%
$25,000 – 49,999	21	21	24	22	22	24
$50,000 – 74,999	15	14	14	15	14	14
$75,000 – 99,999	10	9	9	10	9	9
$100,000 –199,999	20	18	15	18	16	13
$200,000 and over	7	9	7	6	8	6
	100%	100%	100%	100%	100%	100%

Source: Internal Revenue Service (latest information available)

EMPLOYMENT CHARACTERISTICS

Economic activity in the County is closely associated with that of the Richmond metropolitan area. The County's land area, availability of quality labor, enterprise zones, moderate tax structure, and favorable business climate collectively have made it a desirable location in recent years for new businesses locating to the metropolitan region. Due in part to an over $2 billion in new business investment over the last ten years, the County is now home to the largest manufacturing employment base of any Virginia county. Although manufacturing and wholesale and retail trade establishments are the major employers in Chesterfield, there is considerable diversification of employment opportunities. An important step in the diversification of commercial activity in the County is occurring with the growth of mixed-use developments in conjunction with the completion of the Meadowville Interstate 295 Interchange as well as increased retail activity as a result of the Watkins Centre and increased investments along Midlothian Turnpike and Hull Street Road. The County continually promotes the development of commercial and industrial enterprises through state and regional economic development organizations and its own Department of Economic Development. Additionally, data has shown that 99.5 percent of Chesterfield County's business base is comprised of establishments with fewer than 250 employees. Tax relief initiatives, such as an exemption on the business license tax on gross receipts less than $500,000, continue to attract businesses to Chesterfield.

Employment

From 2018 to 2022, the County saw an estimated increase in employment of approximately 1.5 percent. Chesterfield experienced a greater percentage of jobs gained than that of the Richmond MSA, but grew slightly less than the Commonwealth of Virginia as a whole.

TOTAL EMPLOYMENT BY GEOGRAPHIC AREA[1]

	2018	2022	% Change
Chesterfield County	138,428	140,474	1.5%
Richmond MSA	639,714	642,180	0.4%
Commonwealth of Virginia	3,893,254	3,958,628	1.7%

[1] Data presented is the annual average for each respective calendar year (latest information available).
Source: U.S. Bureau of Labor Statistics, *Quarterly Census of Employment and Wages, Annual Averages*

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Private Sector Employment

At the end of calendar year 2022, private sector employment in Chesterfield County totaled 118,866, a 1.2 percent increase from 2018 levels. The trends in employment are indicative of the overall economy rebounding from the pandemic. Chesterfield continues to maintain a diverse employment base. At the County level, the sector with the most significant growth over the five-year period (excluding Unclassified Establishments) was Construction, followed by Manufacturing, Administrative & Support Services and Health Care & Social Assistance.

PRIVATE EMPLOYMENT BY SECTOR

	2018[(1)]				**2022[(1)]**			
	Chesterfield County		**Commonwealth of Virginia**		**Chesterfield County**		**Commonwealth of Virginia**	
	Annual Average	**% of Total**	**Annual Average**	**% of Total**	**Annual Average**	**% of Total**	**Annual Average**	**% of Total**
Accommodation/Food……………....	12,266	10.4%	350,964	11.0%	11,892	10.0%	327,825	10.1%
Administrative & Support Services...	10,512	9.0	242,921	7.6	11,047	9.3	252,443	7.7
Agriculture……………………….....	-	-	13,374	0.4	213	0.2	12,724	0.4
Arts/Entertainment/Recreation…….	2,737	2.3	55,357	1.7	2,851	2.4	58,880	1.8
Construction………………………..	9,997	8.5	197,292	6.2	10,681	9.0	208,387	6.4
Educational Services……………….	1,286	1.1	65,041	2.0	1,402	1.2	65,506	2.0
Finance & Insurance……………….	4,555	3.9	139,754	4.4	3,995	3.4	143,896	4.4
Health Care & Social Assistance......	15,843	13.5	440,447	13.8	16,290	13.7	452,364	13.9
Information………………………....	1,346	1.1	66,998	2.1	1,212	1.0	69,216	2.1
Management……………………….	1,306	1.1	75,807	2.4	1,391	1.2	85,333	2.6
Manufacturing……………………..	8,135	6.9	238,645	7.5	8,794	7.4	241,792	7.4
Mining……………………………..	-	-	5,907	0.2	48	0.0	5,301	0.2
Other Services……………………..	5,328	4.5	145,640	4.6	4,376	3.7	130,187	4.0
Professional/Tech Services………..	7,762	6.6	427,724	13.4	7,724	6.5	458,839	14.1
Real Estate…………………………	1,373	1.2	54,977	1.7	1,513	1.3	57,643	1.8
Retail Trade………………………..	18,212	15.5	411,570	12.9	18,303	15.4	393,122	12.1
Transportation & Warehousing……	10,545	9.0	118,185	3.7	10,930	9.2	140,499	4.3
Unclassified Establishments……….	380	0.3	17,282	0.5	722	0.6	32,628	1.0
Utilities…………………………….	674	0.6	10,771	0.3	502	0.4	10,618	0.3
Wholesale Trade…………………...	5,184	4.4	109,707	3.4	4,980	4.2	111,590	3.4
Total……………………………….	**117,441**	**100.0%**	**3,188,363**	**100.0%**	**118,866**	**100.0%**	**3,258,793**	**100.0%**

(1) Data presented is the annual average for each respective calendar year (latest information available).
Source: U.S. Bureau of Labor Statistics, *Quarterly Census of Employment & Wages, Annual Averages*

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Public Sector Employment

Average government sector employment within Chesterfield County increased 4.0 percent from 2018 to 2022. Local government employment outpaced both federal and state government employment within the County.

MAJOR GOVERNMENT EMPLOYERS

	Average Number of Employees 2018	Average Number of Employees 2022	% Change
Chesterfield County and Schools	13,069	13,933	6.6%
Federal Government……………	3,262	3,388	3.9
Commonwealth of Virginia…….	4,452	4,289	(3.7)
Total……………………………	**20,783**	**21,610**	**4.0%**

Source: U.S. Bureau of Labor Statistics, *Quarterly Census of Employment & Wages, Annual Averages* (latest information available)

LABOR MARKET CHARACTERISTICS

The annual unemployment rate in the County has consistently been below the average unemployment rate of the Richmond MSA, the Commonwealth of Virginia, and the United States. In 2023, all areas reported an average unemployment rate similar to pre-pandemic levels, indicating employment growth across the nation.

	Chesterfield County(1)		Percentage Unemployed(2)			
Year	**Civilian Labor Force**	**Total Employment**	**Chesterfield County**	**Richmond MSA**	**Commonwealth of Virginia**	**United States**
2014	177,427	169,692	5.0%	5.4%	5.1%	6.2%
2015	179,306	172,785	4.2	4.6	4.4	5.3
2016	182,248	175,732	3.8	4.1	4.0	4.9
2017	184,632	179,070	3.6	3.8	3.7	4.4
2018	187,252	182,416	2.9	3.2	3.0	3.9
2019	190,245	185,832	2.7	2.9	2.8	3.7
2020	184,094	176,568	6.1	6.9	6.4	8.1
2021	189,988	184,788	3.6	4.2	3.9	5.3
2022	195,419	190,264	2.8	3.0	2.8	3.6
2023	202,160	196,654	2.9	3.0	2.9	3.6

(1) As of December of each respective year
(2) Annual average
Source: U.S. Bureau of Labor Statistics (latest information available)

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Largest Employers

Chesterfield County has traditionally been the home of established manufacturing companies; however, with the recent development of industrial and corporate office parks, the County is now home to a broad range of service providers including retail logistics, health care, and financial services as well as manufacturing. Listed below are the County's fifteen largest private employers.

Principal Private Employers
(Manufacturing, Services, Utilities)
As of the 4rd Calendar Quarter 2023

Company	Product or Business	Employees
Amazon Fulfillment Services Inc.	Administrative and Support Services	1,000+
U.P.S.	Couriers and Messengers	1,000+
DuPont Specialty Products USA, LLC	Chemical Manufacturing	1,000+
HCA Virginia Health System	Hospitals	1,000+
Bon Secours Health System Inc	Hospitals	1,000+
Wal Mart	General Merchandise Retailers	1,000+
Kroger	Food and Beverage Stores	1,000+
Food Lion	Food and Beverage Stores	1,000+
Hill Phoenix	Machinery Manufacturing	1,000+
Maximus Services LLC	Administrative and Support Services	1,000+
Atlantic Constructors Inc	Construction of Buildings	500-999
Interspan Inc	Administrative and Support Services	500-999
YMCA	Amusement, Gambling, and Recreation Industries	500-999
Virginia Credit Union, Inc.	Credit Intermediation and Related Activities	500-999
Fiorucci Foods	Food Manufacturing	500-999

Source: Virginia Economic Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW), 4th Quarter 2023 (latest information available)

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NEW PRIVATE BUSINESS FORMATION

For the past decade, the County has experienced steady growth in the number of private businesses operating in the County. Over the last five years, the County has increased its private business base by 18.6 percent, outpacing the Richmond region as a whole (17.4 percent).

Number of Business Establishments[1]

Year	Chesterfield County	% Change	Richmond MSA	% Change	Commonwealth of Virginia	% Change
2013	7,820	1.1%	34,112	(2.9)%	230,312	(0.1)%
2014	7,936	1.5	34,367	0.7	232,611	1.0
2015	8,397	5.8	36,367	5.8	246,747	6.1
2016	8,793	4.7	38,045	4.6	256,825	4.1
2017	8,954	1.8	38,355	0.8	262,446	2.2
2018	9,274	3.6	39,398	2.7	270,687	3.1
2019	9,322	0.5	39,604	0.5	272,258	0.6
2020	9,328	0.1	39,519	(0.2)	275,070	1.0
2021	9,738	4.4	40,818	3.3	289,340	5.2
2022	10,623	9.1	45,032	10.3	319,368	10.5

(1) Data presented is the annual average for each respective calendar year (latest information available).
Source: U.S. Bureau of Labor Statistics, *Quarterly Census of Employment & Wages, Annual Averages*

Retail Trade

Taxable sales in Chesterfield, the Richmond MSA, and across the Commonwealth of Virginia continue to show growth in a post-pandemic era. While the County's growth is outpaced by the Richmond MSA as a whole with the most recent information available, the County's growth outpaced the Commonwealth as a whole.

TAXABLE RETAIL SALES
($ in 000s)

Year	Chesterfield County	% Change	Richmond MSA	% Change	Commonwealth of Virginia	% Change
2014	$3,943,519	5.1%	$15,698,529	3.8%	$96,243,827	1.7%
2015	4,073,926	3.3	16,440,786	4.7	100,219,957	4.1
2016	4,179,659	2.6	16,641,946	1.2	101,678,812	1.5
2017	4,394,824	5.1	17,266,789	3.8	103,741,107	2.0
2018	4,533,449	3.2	18,138,765	5.1	106,075,147	2.2
2019	4,495,031	(0.8)	17,941,752	(1.1)	107,779,678	1.6
2020	4,594,965	2.2	18,125,259	1.0	104,359,825	(3.2)
2021	5,211,996	13.4	20,183,937	11.4	118,655,572	13.7
2022	5,597,147	7.4	22,093,969	9.5	129,002,040	8.7
2023	5,809,105	3.8	23,562,449	6.6	133,869,305	3.8

Source: University of Virginia, Weldon Cooper Center for Public Service (latest information available)

Construction

The following data shows a ten-year trend of new residential construction in the County.

BUILDING PERMITS

Year	Single Family Dwellings	Townhomes and Condos	Apartments
2014	989	110	784
2015	1,007	138	287
2016	1,200	139	145
2017	1,362	237	469
2018	1,424	232	468
2019	1,462	366	1,010
2020	1,812	656	278
2021	1,619	794	1,389
2022	1,063	533	1,560
2023	1,265	587	1,343

Source: Chesterfield County, Department of Building Inspection

TRANSPORTATION FACILITIES

The transportation system in the County includes interstate, primary and secondary highways, a local airport, and three railroads. The majority of the highways are owned and maintained by the Commonwealth.

In 1988, a 13 mile four lane limited access extension of the existing Powhite Parkway opened. This extension provided a limited access highway from the western part of the County to downtown Richmond. Route 288 from the Powhite Parkway extension to Interstate 95, south of Richmond was completed in 1990. Interstate 295, the eastern beltway around the Richmond metropolitan area, was completed in 1992. Route 895, which provides a direct link between the County and the Richmond International Airport, was completed in 2002. The northern extension of Route 288 from the Powhite Parkway across the James River to Interstate 64 west of Richmond was completed in 2004. Funding to complete Phase I, a two-and-a-half-mile extension of Powhite Parkway to Woolridge Road with interchanges planned for high traffic volume locations, has been identified, and construction is expected to begin in FY2027. Additionally, funding was appropriated in FY2022 for preliminary engineering for Phase II, Woolridge to Route 360, of the Powhite Parkway Extension.

Although the state funds some construction and all maintenance of highways in the County, the County has supplemented state funding to ensure construction of major projects. General Fund appropriations, bond referenda, cash proffers, and a state matching program are examples of previous transportation funding sources. A bond referendum approved in 2004 identified $40 million towards transportation improvements. In addition, the County has found innovative methods to fund needed transportation projects by creating the Powhite Parkway-Charter Colony Parkway Interchange Service District, the Watkins Centre Community Development Authority, and the Lower Magnolia Green Community Development Authority. In September 2010, through a support agreement with the Economic Development Authority of Chesterfield County, and in conjunction with funding received from the state and federal government, the County issued Recovery Zone Economic Development Bonds to construct an interchange interconnecting the Meadowville Technology Park with Interstate I-295. The completion of this interchange in December of 2011 was instrumental in attracting business investments to the Technology Park, such as the one million square foot, $85 million investment by Amazon, the Capital One data center, and most recently the one billion dollar investment by The LEGO Group. Further road improvements have been completed in and around the Meadowville Technology Park allowing for uncongested traffic flow through the area without interference from neighboring residential communities. Through a 2020 bond issue, dedicated funding was established for County road and drainage improvements as a result of the Summer 2020 weather event which caused significant flooding across the County. Drainage and road improvements are currently underway on Belmont Road and Indian Springs at Reedy Creek and road improvements at three Otterdale Road crossings are substantially complete and were opened to traffic in December 2023. Additionally, in FY2023, the County was awarded a Federal Community Project Funding Grant for one million dollars to contribute toward a fourth Otterdale Road crossing project.

With adoption of the FY2023 budget, the Board of Supervisors set the vehicle registration fee to $20 per vehicle; allowing for the entirety of vehicle registration fee revenue the county collects to be dedicated funding for transportation projects. This funding is used as a match for various state and federal programs such as Revenue Sharing, Regional Surface Transportation Program (RSTP), Highway Safety Improvement Program (HSIP), and Smart Scale for a variety of transportation needs ranging from general congestion relief, pedestrian mobility, as well as safety improvements to projects that aid in further economic development.

Regarding cash proffers, in September 2016, the Board of Supervisors revised the cash proffer policy only accepting cash proffers for roads with further clarifications in April 2017 addressing cash proffers in revitalization areas. Currently, many developers are opting to construct road and sidewalk improvements in lieu of payment of cash proffers.

A mid-year amendment to the FY2021 Budget introduced a new funding source for transportation needs. Through the Central Virginia Transportation Authority (CVTA), local funding is made available from the imposition of an additional 0.7 percent sales and use tax, a 7.6 cents per gallon wholesale tax on gasoline, and a 7.7 cents per gallon wholesale tax on diesel fuel (such fuels tax rates are subject to adjustment for inflation on an annual basis). The CVTA distributes 50 percent of these funds collected proportionately to the regional localities involved in the Authority, 35 percent of the funds collected are retained by the Authority for transportation projects benefitting the localities within the Authority and 15 percent of the funds collected are dedicated to the Greater Richmond Transit Company (GRTC) for transit and mobility services in the region. Funds from both the local distributions and regional CVTA allocations have been utilized to advance significant projects in areas of growth along the Route 360 corridor.

Lastly, commercial air transportation is provided through Richmond International Airport (RIC) which serves the metropolitan area with major commercial carriers. RIC continues to expand services to the metropolitan area. Locally, the Chesterfield County Airport serves as a general aviation and reliever airport for Richmond International Airport.

COMMERCIAL AND INDUSTRIAL GROWTH

Chesterfield County recognizes the importance of expanding its business tax base to provide revenues for needed services and has made a commitment to promoting economic development within the County as evidenced by the County’s participation in the Greater Richmond Partnership.

The Greater Richmond Partnership is an economic development team representing the counties of Chesterfield, Hanover, Henrico, and the City of Richmond, Virginia. The Partnership offers site location assistance and other services to domestic and foreign companies planning new or expanded facilities. It is a single point of contact to the network of private sector and state and local government professionals that supports a company’s facility location decision. The Partnership has two main work activities: Business Attraction & Regional Marketing and Business Retention & Expansion.

The Chesterfield County Department of Economic Development works closely with the Greater Richmond Partnership as well as the Virginia Economic Development Partnership to successfully secure projects for the County.

Chesterfield has remained a top location for new and expanding businesses, with announced investments totaling more than $3.23 billion since 2018. Companies select Chesterfield in large measure due to the County's numerous infrastructure advantages, such as access to utilities and a strong transportation network – attributes that also helped the County to be named one of the top warehousing hot spots in 2019 according to *Supply Chain Quarterly.*

Meadowville Technology Park

Chesterfield County investment in the Meadowville Technology Park (MTP) continues to pay off. The master plan allowed for a variety of uses including technology/R&D, corporate/general office, data centers, life sciences, micro-electronics, manufacturing and assembly, and biotech/pharmaceutical operations. The original design guidelines and architectural standards put in place ensured first-class development since inception of the technology park. An adjacent village center is planned to provide retail, food service, business service, and multi-family housing to MTP tenants. Nearly 400 acres of open space have been set aside in MTP to allow for walking trails and natural buffers.

Construction of the long-awaited Interstate 295/Meadowville interchange project was completed in December of 2011. As expected, this interchange positioned Meadowville Technology Park as one of Chesterfield's premier employment centers and created jobs and investments in the County. That foresight has paid off, as evidenced by Amazon Fulfillment's one-million square-foot, $85 million distribution center which employs over 1,000 full-time employees and carries 3,000 part-time/seasonal positions. The center opened in MTP in 2012.

Other investments have followed, including Capital One's $175 million state-of-the-art data center that opened in October of 2013, and Medline Industries, a health care supply distributor, which opened a $23 million, 400,000 square foot facility in October of 2014. In 2017, the MTP became home to Niagara Bottling, LLC., the largest private-label beverage supplier in the country. This family-owned business operates a 557,000 square foot facility and reflects a $95 million investment to the County. Niagara's investment in the community continues and stretches beyond commercial growth. In 2019, Niagara Cares, the philanthropic arm of Niagara Bottling, in partnership with the National Recreation and Park Association, funded a nature-themed playground on the trails at one of the County's local parks.

In March 2021, Red Rock Developments began the first speculative development within Meadowville Technology Park, constructing a 353,044-square-foot building designed for manufacturing and logistics users. In late 2022, Coca-Cola Consolidated signed a lease to occupy the entire building. In March 2023, Bailard Real Estate Fund purchased the building from Red Rock Developments for $37.5 million.

In June 2022, the LEGO Group made the most significant economic development announcement in the history of MTP. The global toy manufacturer of the iconic and beloved LEGO® brick announced plans to invest more than $1 billion in a 1.7 million-square-foot precision manufacturing plant that is expected to create over 1,760 new jobs. In April 2023, the company officially broke ground on its new carbon-neutral run factory. Once completed in 2025, the 340-acre site will have rooftop and ground solar panels and an onsite 35-40 M.W. solar plant, generating the equivalent amount of energy needed to power approximately 10,000 American homes. The LEGO Group's ambition is for the solar plant amount of energy to match the total annual energy requirements of the site.

In September 2022, Civica Inc. announced it would invest $27.8 million in a new testing facility in Meadowville Technology Park. The company will construct a 55,000-square-foot facility to support Civica's Petersburg pharmaceutical manufacturing operation through quality testing and the development of new products. The project is expected to create 51 new jobs. In addition, it will host a scale-up manufacturing facility operated by Virginia Commonwealth University's Medicines for All Institute, which will generate additional employment. Site clearing for the project began in late 2023 and work on the pad site is nearing completion. Construction of the building is expected to begin in May or June 2024.

Additionally in September 2022, California-based Plenty Unlimited Inc. announced they will invest $300 million to create the world's largest indoor vertical farming campus in MTP. Plenty has developed the world's most advanced indoor farm, powered by the company's more than 200 patent assets, to efficiently and sustainably grow clean, flavorful produce year-round on its more than 30-foot grow towers. Plenty will complete its Richmond Farm Campus in multiple phases over the next six years, creating more than 300 full-time jobs. The company's first farm on this site, a dedicated Driscoll's berry farm set to be completed in 2024, will be the first to grow indoor, vertically farmed strawberries at scale.

The development activity in Meadowville has spilled over into adjacent and nearby properties, including a $17 million investment by Starplast VA and the construction of a 187,980-square-foot industrial building by the Lingerfelt company. Both are located on Bermuda Hundred Road.

Beyond Meadowville Technology Park

The unprecedented growth and absorption of property in Meadowville Technology Park has required Chesterfield to explore new options for controlling property for future economic development opportunities.

In December 2020, the Board of Supervisors (BOS) voted unanimously to provide funding to the Chesterfield County Economic Development Authority to purchase property in western Chesterfield, known as Upper Magnolia. The 1,728-acre site contains 1,000 acres of contiguous developable property and was rezoned to I-2 by the BOS.

The acquisition will strengthen the County's commercial base by providing options for companies looking to invest in Chesterfield. In January 2023, the site was awarded a $25 million grant under the Virginia Business Ready

Sites Program. The funds from this grant will be used for onsite engineering work to design an initial pad site, detailed design of offsite infrastructure, including the extension of the Powhite Parkway, and water, sewer, and gas improvements.

Stonebridge and Springline at District 60 Redevelopment

Chesterfield County, together with private partners, has redeveloped the site where Cloverleaf Mall once sat. While the redevelopment has almost reached full build-out, the project is expected to be a catalyst for the further revitalization of the eastern Midlothian Turnpike Corridor. Through a series of negotiated transactions, the EDA took complete interest in the Mall in 2007, financed through use of a line of credit, backed by a support agreement under which the County was obligated, subject to annual appropriations, to pay the debt service. In the fall of 2011, the EDA and the Chesterfield County Board of Supervisors approved the sale of the Mall in phases to Charlotte, North Carolina-based Crosland LLC, to redevelop it into a mixed-use project with commercial, office, and residential uses. The development was renamed Stonebridge. The project attracted the construction of a 123,000 square foot flagship Kroger store in 2012, an accompanying fuel station, 20,000 square feet of small shop space, and numerous outparcel restaurants. Development continued for the area with the January 2013 announcement to construct 400 high-end apartments – named the Element at Stonebridge. In January 2014, Krispy Kreme opened on an outparcel fronting Midlothian Turnpike. The Crosland development project phases were completed soon thereafter, with the remaining two parcels held by the EDA.

In 2016, S2 Stonebridge Associates, LLC, acquired the development with the vision to develop the pad sites and enhance the growing community. During this time additional lease space became available with the completion of an 8,400 square foot mixed use building. In March 2017, the County entered into a public-private partnership to construct a 50,000 square foot indoor sports facility on an outparcel at the site to be leased to Richmond Volleyball Club (RVC); this facility became operational in April 2018. In addition to bringing new consumers to the County, this facility significantly boosted the County's ongoing sports tourism initiative, as RVC has an estimated 400 visitors daily.

The County continues to look for cost savings and new opportunities with the Cloverleaf redevelopment. During 2017, in review of the County’s debt portfolio, the Cloverleaf note surfaced as a favorable candidate for refinancing of the aforementioned line of credit resulting in a reduced fixed term amortization period and a reduced rate.

In July 2019, Shamin Hotels announced its plans to invest approximately $125 million in Chesterfield County through multiple projects, including a future full-service hotel and a conference center at Stonebridge. The project would utilize the last significant parcel at the property. Shamin Hotels has since revised its plans and in December 2023 announced its intention to relocate its proposed hotel and conference center from Stonebridge to Springline, the mixed-use development project directly across Midlothian Turnpike. This strategic move involves an expansion of the project, now featuring a 12-story Hilton hotel. The new Hilton hotel and conference center represents a significant proposed investment of at least $75 million. It is expected to house approximately 260 rooms and offer 20,000 feet of conference space. The hotel, still in its design phase, is set to include attractive features, such as a second-floor outdoor terrace for events and a rooftop bar, enhancing the guest experience.

Most recently construction has been completed for Aura Stonebridge, a 268,500-square-foot, 252-unit apartment building by Dallas-based developer Trinsic Residential Group. The four- and five-story structure was built between the Kroger grocery store and the three-building Element at Stonebridge apartments.

The energy at Stonebridge has begun to spread along the eastern Midlothian corridor, headlined by another massive redevelopment project underway across Midlothian Turnpike.

In July 2021, the Chesterfield County Economic Development Authority (EDA) worked with the Board of Supervisors to purchase the former Spring Rock Green property on the northwest corner of Midlothian Turnpike and Chippenham Parkway for a vibrant, new mixed-use development featuring high-quality residential, office, commercial and entertainment venues.

The project will revitalize the area between Stonebridge and the Boulders office park and residential complexes to the west. At the center of the development will be an open, green plaza/gathering space ideal for concerts, farmers markets, festivals, and public events. The 42-acre site will include abundant green space, walkability, and connectivity. A 12-story hotel and conference center will anchor Phase I of the project. The new development is named Springline at District 60.

Collins Enterprises will develop the initial phase of the residential and commercial properties for Springline at District 60. During the project's first phase, Collins will develop 300 residential units, 27,000 square feet of commercial space, and a secure, enclosed parking facility. The total investment from Collins for this portion of the project is approximately $85 million.

The first phase will include the 6-story mixed-use building, a corporate office building, a festival-like common area, and a large hotel and conference center. The phase one office building will contain 150,000 square feet of modern, class-A space and cost roughly $50 million. The remaining phases will add more apartments, townhouses, additional commercial space, another office building, an extended-stay hotel, entertainment venues, and an expanded central festival square.

Demolition of the old and underutilized Spring Rock Green shopping center began in March 2023, with construction now well underway on Springline at District 60. Construction of the office building, apartments, and parking deck is scheduled to be completed in 2025.

The Watkins Centre

The Watkins Centre, the County's high-end, mixed-use center, opened for business in 2009 and continues to be a key component in the commercial development of western Chesterfield County. The Watkins Centre (also known as Westchester Commons) is a major employment center for the County. The complex includes retail stores, restaurants, a cinema, a fitness center, an office park, and an emergency and outpatient medical center. The construction and opening of The Vue, a 238-unit apartment complex, added a multi-family residential component to the development. Now under construction in 2023 is The Edge at Westchester Commons, a 210-unit luxury townhome community in the middle of the project. There are 65 units planned for section one of the Edge at Westchester Commons. Homes in that section are priced from $429,990. Currently 24 units have been sold in section one with 10 units under construction or available.

Recently completed next to Westchester Commons is the 250-unit The Bella at Westchester Apartments. Across Midlothian Turnpike, the 450-unit Center West Apartments has also been recently completed. Under construction next to Center West Apartments is Hamlet Watkins Centre by Middleburg Communities, which is 283-unit built-for-rent mixture of single family homes, townhouses and duplexes. Adjacent to Westchester Commons, developer HHHunt has commenced site work on the Aire at Westchester project, which will include 2,215 housing units – a mix of condos, townhomes, apartments, and single-family homes along with 180,000 square feet of commercial space.

Restaurant growth continues at Westchester Commons with the February 2022 opening of Napa Kitchen and Wine. The $2.1 million restaurant seats 175 patrons and offers a full-service bar, patio, and wine club. The West Coast-style restaurant also features a self-serve wine bar, with most wines originating from California. In March 2024, locally owned Brickhouse Diner announced it would build a new standalone restaurant in the center. The total number of dining options at Westchester Commons currently is 18 eateries.

Healthcare Growth

Healthcare employment and services continue to grow in Chesterfield. Bon Secours St. Francis Hospital's business area expanded with the opening of an adjacent facility in 2017, The Memory Center, an assisted living facility for those living with Alzheimer's and dementia. The Memory Center offers a unique environment with a town center concept and neighborhood layout. The opening of this 34,000-square-foot facility brought $13 million of investment to the County.

Announced in January 2021 with construction nearly complete is the 179,000-square-foot renovation and expansion of Bon Secours St. Francis Hospital. The two-story vertical expansion includes the addition of 55 acute care beds, including nine obstetrical beds, four intensive care beds, 42 medical/surgical beds, ten observation beds, and an ancillary services expansion through the renovation of existing hospital space. The $108 million expansion will increase the hospital's capacity to a total of 185 licensed beds. Construction is expected to be completed in May 2024 with the new beds available for patients in the Summer of 2024.

Chippenham Hospital, an HCA affiliate, opened an Emergency Center on the 360 West Corridor, Swift Creek E.R.. This offsite campus E.R. allows for prompt emergency care in this area of the County, which is experiencing significant population growth due to increased housing and commercial development.

The Stonebridge development is home to the Spectrum Transformation Group, LLC., the first licensed Applied Behavior Analysis (ABA) Outpatient Treatment provider in Virginia under the Department of Behavioral Health and Developmental Services (DBHDS). It is one of the only clinical practices in the state where the primary focus is on autism and the most effective, research-based tools to diagnose and treat it.

A 50,000-square-foot medical office building was recently completed on an out-parcel of the Johnston-Willis Hospital site, bringing a $12 million investment to the County.

In 2019, Virginia Physicians for Women announced plans to invest $19 million to construct a 60,000-square-foot medical office facility to move its administrative headquarters, surgical center, and Midlothian clinic to an area near Chesterfield Towne Center in Midlothian. Completed in October 2021, the new facility offers personalized, compassionate, gynecologic, and obstetric care to women in the area.

In May 2022, Bon Secours opened a new freestanding emergency center in Chester. The Bon Secours—Chester Emergency Center addresses a critical need for emergency care access in a previously underserved area of the community. The $25.6 million, 24,300-square-foot, 11-bed facility provides full-service emergency care for adults and children, from minor injuries to life-threatening concerns.

In March 2023, OrthoVirginia, Virginia’s largest orthopedic practice, announced plans to construct a $50 million, 77,000 square foot orthopedics facility at Watkins Centre. The facility will offer a range of orthopedic services including advanced diagnostic imaging and surgery to physical and hand therapies, as well as an array of orthopedic clinics. The facility is nearly complete and will open in 2024.

Retail Grocery and Restaurant Growth

Over the past years, the County has experienced a significant increase in retail grocery and restaurant growth. Headlining this growth is the addition of Wegmans Food Markets. Wegmans, recognized as an industry leader and innovator and named one of the "100 Best Companies to Work For" by Fortune magazine for 26 consecutive years, is the anchor tenant for Stonehenge Village, a 230,000 square foot retail use development located in the highly suburbanized northwest portion of the County. In addition to Wegmans, the County has experienced growth in several new and existing grocery retail establishments in response to increased competition. Newcomers include Aldi's, a discount grocery chain, and the construction of Lidl Grocery, a European grocery marketplace. Other grocery retailers like Kroger, Walmart, Food Lion, Fresh Market, and Publix are building new stores, expanding existing stores, or renovating store interiors.

In addition to retail grocery, the County is also experiencing restaurant growth. Stonehenge Village has several new restaurants, including Mission BBQ, Panda Express, Growler USA, Taco Bell, Chopt, Blaze Pizza, and Taziki's Mediterranean Café. Hancock Village, anchored by Walmart and located on the 360 West corridor, has Jersey Mike's Subs, Sweet Frog Frozen Yogurt, Salsa Chicken, Made in Asia, Starbucks Coffee, Primos Mexican Restaurant, Longhorn Steakhouse, McDonald's, Qdoba, Maglio's Pizza, Downpour Taproom, and Casa Tezcal. Additional restaurants have opened as standalone operations or in strip centers constructed along the 360 West corridor to accommodate growth in this densely populated area. One of the newest restaurants in Swift Creek Place, Charred, opened in 2020, bringing approximately 40 new jobs. Along with Charred, other restaurants in the center include Texas Roadhouse, Mission BBQ, CAVA, Fatburger & Buffalo's Express, and Gelati Celesti Ice Cream. The Village of Midlothian has recently seen significant growth in grocery retail and restaurants due to the development and new construction of single- and multi-family homes and apartments.

Additional retail and restaurant growth has occurred along the Midlothian corridor in the Village, with new centers like Winterfield Crossing and The Promenade at Winterfield opening. New restaurants include Four Seasons Midlothian, Teriyaki Madness, Triple Crossings Brewery and Kitchen, Wong's Tacos, Qdoba, Dairy Queen, Moe's Southwest Grill, O'Toole's Restaurant, and Chipotle Mexican Grill. Also, following the recent trend towards craft beer breweries, the County is now home to Steam Bell Beer Works, a family-operated brewery featuring unique craft beers and a casual atmosphere. Recently, a craft beer brewery, Dancing Kilt Brewery, opened in the County's southern end. In late 2023, the owners of Steam Bell Beer Works opened Hidden Wit Brewing Company in western Chesterfield.

The County has a growing sports tourism initiative to bring visitors to the area and promote physical fitness in the region. Chesterfield has two recent banner initiatives, including purchasing River City Sportsplex and the public-private partnership with the Richmond Volleyball Club (RVC). River City Sportsplex is a 115-acre complex centrally located with easy access to the interstate and primary highway systems. The complex boasts the most extensive collection of synthetic fields (12) in the U.S. and hosts top-ranked Soccer Tournaments and Lacrosse and Field Hockey events. Additionally, as mentioned previously in the development of the Cloverleaf Mall site, the County constructed a 50,000-square-foot indoor sports facility in partnership with RVC.

In what will help continue to expand the sports tourism industry, construction has begun on The Lake, a large mixed-use development with a surf park near River City Sportsplex. Referred to as the "largest surf park in the world" by developers, the water element is the focal point of the 100-acre attraction located off Genito Road adjacent to Route 288.

Economic Development Activity

New investment announcements since January 2019 have totaled more than $2.3 billion, with the largest investment being The LEGO Group in June 2022 with an estimated investment of $1.0 billion. Other selected announcements during the period, as well as select industrial parks in the County are set forth in the tables below:

Chesterfield County, Virginia
Selected Investment Announcements
for the period January 2019 – May 2023

Date	Firm	Investment ($ Millions)	Number of New Employees	New or Expansion	Square Footage
2019 (Mar)	The Results Company	1.50	600	New	26,866
2019 (Mar)	IMPREG Group	2.00	35	New	45,000
2019 (Apr)	ERNI Electronics	25.00	105	New	80,000
2019 (Apr)	Coesia - G. D USA, Inc.	3.75	26	Expansion	20,000
2019 (May)	Petal Card	0.30	80	New	8,000
2019 (Jun)	Shamin Hotels	125.00	600	New	N/A
2019 (Oct)	Productiv	1.00	50	New	105,000
2019 (Oct)	Cartograf	65.30	63	New	275,000
2019 (Nov)	RAL	0.80	0	Expansion	4,500
2019 (Nov)	Super Radiator Coils	0.47	8	Expansion	N/A
2019 (Dec)	Carvana	25.00	400	New	191,000
2019 (Dec)	Texas Roadhouse	5.00	100	New	6,700
2019 (Dec)	Virginia Physicians for Women	19.00	100	New	60,000
2020 (Jan)	DuPont	75.00	60	Expansion	N/A
2020 (Jun)	Blackbriar	1.55	195	New	11,400
2020 (Jul)	Super Radiator Coils	9.00	36	Expansion	56,000
2020 (Oct)	Devon USA	4.50	0	New	133,039
2021 (Feb)	Sonoco Trident	2.00	11	Expansion	46,000
2021 (Mar)	Red Rock Developments	20.00	0	New	353,044
2021 (May)	Bissell	8.20	0	Expansion	203,840
2021 (May)	Bon Secours (Chester)	30.00	48	New	24,000
2021 (May)	Digital Fortress / Chirisa	17.80	20	New	218,270
2021 (May)	Aldora	11.50	45	New	81,000
2021 (Jun)	Amazon / James River Logistics	3.65	100	New	N/A
2021 (Jun)	DuPont / James River Logistics	0.60	0	New	N/A
2021 (Aug)	Icon Fitness / Nordic Track	2.50	40	New	405,000
2021 (Dec)	Starplast	17.00	300	New	228,108
2022 (Jan)	Southeast Connections, LLC	1.40	35	New	4,000
2022 (Jan)	Bon Secours St. Francis Medical Center	108.00	100	Expansion	179,000
2022 (Jan)	Paymerang	0.15	186	Expansion	13,000
2022 (Mar)	Verdex Technologies	1.00	4	New	3,300
2022 (Mar)	Hidden Wit Brewery	4.24	36	New	11,500
2022 (Apr)	Schlatterer Esband	0.11	10	New	N/A

Date	Firm	Investment ($ Millions)	Number of New Employees	New or Expansion	Square Footage
2022 (Apr)	BJ's Wholesale	28.50	175	New	100,000
2022 (Jun)	The LEGO Group	1,000.00	1,761	New	1,700,000
2022 (Sep)	Civica Inc.	27.80	51	New	55,000
2022 (Sep)	Plenty Unlimited, Inc	300.00	300	New	100,000
2023 (Feb)	ISO Group USA - Horti Innovation	0.57	30	New	12,250
2023 (Mar)	Springline at District 60 (Phase 1 Mixed-Use)	85.00	N/A	New	327,000
2023 (Mar)	OrthoVirginia at Watkins Centre	50.00	50	New	77,000
2023 (Mar)	The LAKE (Phase 1 Mixed-Use)	170.00	N/A	New	52,000
2023 (Apr)	Weidmüller Group	16.40	130	Expansion	24,000
2023 (May)	Church & Dwight Co., Inc.	27.00	53	Expansion	N/A
2023 (May)	Timmons Office Building (Springline)	50.00	100	New	150,000
	TOTAL	$2,347.6	6,043		5,389,817

Source: Chesterfield County Economic Development Department

SELECT CHESTERFIELD COUNTY INDUSTRIAL PARKS – APRIL 2024

Industrial Park	Year Started	Total Acreage of Project	Acreage Available for Development	Use of Property
Bermuda Industrial Park	1975	60	0	Medium industrial
Sommerville	1984	161	0	Light industrial
Appomattox Industrial Center	1987	250	0	Medium industrial
Cloverhill Industrial Park	1989	120	0	Light industrial
Midlantic Business Center	1989	160	10	Light industrial
Oak Lake Business Center	1989	188	7	Light industrial
Old Stage Corporate Center	1989	40	0	Heavy industrial
River’s Bend Center	1989	214	18	Light industrial
Ruffin Mill Industrial Park	1989	340	0	Medium industrial
Meadowville Technology Park	1996	1,262	0	Medium/light industrial
Ashton Creek Business Center	1998	382	0	Medium industrial
James River Industrial Center	1998	822	281	Heavy industrial
TOTALS		3,999	316	

Source: Chesterfield County Economic Development Department

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SECTION FOUR: THE COUNTY

GOVERNMENTAL STRUCTURE AND SERVICES

Effective January 1, 1988, the County began operating pursuant to a County Charter approved by the citizens of the County in a referendum election and subsequently enacted by the Virginia General Assembly. The County is an independent political subdivision of the Commonwealth of Virginia with no subordinate political entities within its borders and the County is absolutely immune from annexation by adjacent localities. The governing body of the County is the Board of Supervisors (the "Board") which establishes policies for the administration of the County. The Board is composed of five members, one member elected from each of five magisterial districts. A member must be a resident of the district in which they serve. Members are elected for four-year terms. There is no limit on the number of terms which a board member may serve. The Board appoints a chief executive officer, known as the County Administrator, who serves at the pleasure of the Board and carries out the policies established by the Board. The School Board members are elected from each of the same five magisterial districts as the members of the Board.

EMPLOYEE RELATIONS

As of June 30, 2023, the County and the County School Board employ approximately 13,800 full and part-time employees. The County enjoys favorable employer-employee relations. In accordance with Virginia Code § 40.1-57.2, collective bargaining may only be permitted by local ordinance or resolution. There is currently no such ordinance or resolution in Chesterfield County.

EXECUTIVE OFFICERS

JOSEPH P. CASEY, Ph.D. was appointed County Administrator in May 2016. Prior to being appointed County Administrator, Dr. Casey served as the Deputy County Manager for Henrico County, Virginia since 2013. He has a doctorate degree in public policy and administration from Virginia Commonwealth University (VCU), as well as a master's degree in public administration from VCU and a bachelor's degree in accounting from the University of Richmond. Dr. Casey is a Certified Public Accountant.

JAMES D. WORSLEY, Ph.D. was appointed Deputy County Administrator for Human Services in October 2020. Prior to being appointed Deputy, he served as Director of Chesterfield Department of Parks and Recreation. Prior to coming to Chesterfield County in 2016, Dr. Worsley served as Director of the Department of Parks and Recreation for Columbia, GA. Dr. Worsley holds a bachelor's degree in Therapeutic Recreation and a master's degree in Management, both from the University of North Carolina at Greensboro, as well as a doctorate in Leadership from North Carolina Agricultural and Technical State University.

JESSE W. SMITH was appointed as Chesterfield County's Deputy County Administrator for Community Development on September 25, 2019. Mr. Smith served as Director of Transportation for 5 years prior to that and has experience in state government and the private sector. He holds a bachelor's degree in Engineering from Virginia Polytechnic Institute and State University and is a licensed Professional Engineer in the Commonwealth of Virginia.

CLAY BOWLES was appointed Deputy County Administrator for Community Operations on December 15, 2021, after serving as the county's Director of General Services since 2016. Mr. Bowles has also served as the Assistant Director of General Services as well as the Chief of Administration for the Chesterfield County Sheriff's Office from 1999 to 2014. Mr. Bowles holds a bachelor's degree from Randolph Macon College and a master's degree in public administration from Virginia Commonwealth University.

CHRISTOPHER "MATT" HARRIS was appointed Chesterfield County's Deputy County Administrator for Finance and Administration on February 28, 2018, after serving as Director of Budget and Management since September 2016. He holds a master's degree from the University of North Carolina in Public Administration and Planning and a bachelor's degree from Virginia Polytechnic Institute and State University in Economics. Mr. Harris has been employed with the County since 2008.

JEFFREY L. MINCKS was appointed County Attorney in May 2010. He holds a bachelor's degree and a Juris Doctor degree from the College of William and Mary. Mr. Mincks has been with the County Attorney's office since 1980 and was appointed Deputy County Attorney in 1988. Prior to coming to the County, he served as the Special Assistant Attorney General for the Virginia Department of Highways and Transportation.

CONSUELA Y. WILSON was appointed Director of Accounting on July 27, 2022, after serving as Assistant Director of Accounting since November 2020. She has been with the Accounting Department since 2001 including 17 years in a leadership capacity. Mrs. Wilson holds a master's degree and a bachelor's degree, both in Computer Science, from the University of Virginia. Mrs. Wilson has completed the VGFOA Certificate program and is currently a GFOA Certified Public Finance Officer (CPFO) candidate.

GERARD H. DURKIN was appointed Director of Budget and Management in June 2021. He has served in budget leadership capacities since 2013, including two years as a Principal Analyst with Chesterfield and six years as a Management Analyst with the City of Richmond. Mr. Durkin has an undergraduate degree in Political Science from Glasgow University and a Master of Economic Management and Policy from University of Strathclyde Business School, Scotland. Mr. Durkin attended the University of Virginia's Learning, Education, and Developing program (LEAD), and has completed the VGFOA Certificate program.

REBECCA R. LONGNAKER was elected County Treasurer in 2019, beginning her term January 1, 2020. Mrs. Longnaker holds a Bachelor of Science degree in Business Administration/Accounting and a CPA license. Beginning as an Auditor for KPMG Peat Marwick (now KPMG), Mrs. Longnaker's career experience was in for-profit as well as non-profit industries, prior to coming to Chesterfield County.

MERVIN B. DAUGHERTY, Ph.D. was appointed as Superintendent of Chesterfield County Public Schools effective November 1, 2018. Prior to his appointment, Dr. Daugherty served as Superintendent of the Red Clay Consolidated School District in Wilmington, Delaware since 2009. He has a doctorate degree in leadership in education from Wilmington University, as well as a master's degree in administration and supervision from Salisbury University and a bachelor's degree in education from Frostburg State College.

GOVERNMENTAL SERVICES AND FACILITIES

Community Development

The Division of Community Development provides a wide range of programs to enhance the physical environment of the County. The Division is responsible for comprehensive planning functions with respect to land use, environmental improvement, and community conservation. The Economic Development Department and Planning Department devote a great deal of effort to promoting and guiding the development of the County. Building Inspection services ensure the compliance with building code requirements of new residential and commercial construction through the review and inspection of structural, mechanical, electrical, and plumbing systems. The Community Enhancement Department consolidates current programs and functions, focusing on maintenance, preservation, and revitalization of the County's communities and neighborhoods. The division is also responsible for the development of a transportation program, a water quality program, and drainage and watershed management strategies. Rezoning requests, tentative subdivision plans, site plan and variance requests are analyzed to assess the impact that proposed development will have on the existing and proposed road network.

The Department of Utilities is responsible for the administration and operation of the County's water and wastewater systems. Both systems have always been self-supporting. The water system draws water from the Swift Creek Reservoir and processes it through the Addison-Evans Water Production Laboratory Facility for delivery into the distribution system. The County also purchases water from the Appomattox River Water Authority and the City of Richmond. The wastewater system treats and processes the County's wastewater through Falling Creek and Proctors Creek Treatment Plants. In addition, some of the County's wastewater is treated and processed at facilities operated by the South Central Wastewater Authority and the City of Richmond.

Human Services

The County provides human services which are designed to protect and promote the health, welfare, and self-sufficiency of Chesterfield citizens. Division leadership also serves as liaison to the offices of the Treatment Courts (formerly known as Adult Drug Courts), Community Corrections, General District Court, and Juvenile Domestic and Relations Court.

The County operates a public health program which stresses preventive health care through diagnostic and treatment services and epidemiological control of communicable diseases. The public health program provides prenatal care, family planning, school-based health care, and education programs designed to reduce the incidence of lifestyle-related disease and decrease the chronic disease mortality rate. The environmental health of the general public is further protected through rabies control programs and the permitting and regulation of onsite sewage systems, private wells, and food service establishments.

The County's mental health, intellectual disabilities, and substance abuse programs include emergency response to mental health crises, day programs (vocational and rehabilitative), residential services, outpatient services, intensive home-based support services, case management, and prevention and early intervention for children and adults. In addition, the County administers a broad range of social services and financial assistance programs that are legislated by the federal and state governments. Services include child and adult protective services, homebased services for the elderly, adoptive services, foster care, employment services, and financial assistance payments provided through the Aid to Dependent Children program and other medical and general financial relief programs. The County's mental health programs have increased efforts to recruit bilingual staff in order to improve services to the growing Hispanic community.

The Community Engagement and Resources Department consolidates current programs and functions, creating a portal for Chesterfield County resident services. The department mobilizes and realigns existing agencies to improve access to resources relating to aging and disabilities, parenting and youth development, alternative transportation, and citizen engagement through volunteerism and multicultural outreach.

Community Operations

The Division of Community Operations oversees the departments of General Services, Information Systems Technology, Libraries, Parks and Recreation, and Risk Management. Division leadership also serves as liaison to the Circuit Court Clerk's Office, the Commonwealth's Attorney Office, and the Sheriff's Office. Community Operations provides a wide range of services directly to citizens as well as services to internal county departments and schools.

The County provides a comprehensive system of leisure programs, educational opportunities, and recreational facilities while conserving and protecting environmental, historical, and cultural resources. The Parks and Recreation Department is also assisted by an eleven member Parks and Recreation Advisory Commission which meets monthly and is voluntarily staffed by persons interested in ensuring that the cultural, athletic, and recreational opportunities in Chesterfield County continue to thrive.

Comprehensive aviation services are provided to the public by the County's general aviation airport. The County provides comprehensive library services through a central library, ten branch libraries, an outreach program, and a law library. The library's information network provides public access to an online catalog, electronic resources, and the Internet. Additionally, the County maintains a waste and resource recovery program that provides solid waste management services including operation of two convenience centers for household refuse and debris disposal, refuse collection for residents qualifying for tax relief, and stationary drop-off recycling.

The division also provides internal services for capital projects; fleet management services which includes maintenance of public safety vehicles and buses used to transport the citizen's school aged children to and from school; general services including County building facilities maintenance; risk management services; and information systems technology.

Finance and Administration

The Division of Finance and Administration coordinates with a broad range of departments to administer significant support functions of the County. This includes the County Administrator's Office and the Clerk to the Board of Supervisors' Office to ensure integrated support and interaction with the County Administrator, Board of Supervisors, employees, and citizens of the County. The Office of Constituent and Media Services and the Learning and Performance Center are also part of this division. Financial operations coordinated include Accounting, Budget and Management, Procurement, and Real Estate Assessment as well as coordination with the constitutional offices of the Treasurer, the Commissioner of the Revenue, and the Registrar.

The Office of Budget and Management participates in key strategic issues and helps position the County for solid financial results through strategic planning; the formulation of financial policies; operating and capital improvement forecasting, budgeting, and monitoring; debt issuance and refinancing; and management analysis and program evaluation. Additionally, this department interacts with the public through attendance at community and association meetings, televised broadcasts, written media, and public hearings. Accounting and Procurement provide services to both County departments and Chesterfield County Public Schools.

County Attorney

The County Attorney's office provides legal representation and advice to the Board of Supervisors, County Administrator, Constitutional Officers, County departments, and boards and commissions of the County. The County Attorney also defends all claims against the County's Risk Management Fund. The litigation caseload of the office has grown as the County experiences population growth and as citizens increasingly seek legal approaches to resolving disputes.

Police

The Police Department is responsible for the protection of persons and property from criminal activity, for criminal investigation and apprehension, for traffic regulation and control, and for the provision of emergency and other services as required. The Department's Support Services Division provides special emphasis on reducing crime by coordinating activities such as the Crime Prevention Program and increasing community awareness of commercial and residential security methods and personal protection techniques. STEPP (Success through Education and Proactive Policing) programs in all County elementary, middle, and high schools provide a positive interaction between law enforcement officers and school children, while teaching the children about the harmful effects of drug use and how to resist peer pressure in making personal decisions.

Fire and Emergency Medical Services (EMS)

The Fire and EMS Department provides fire suppression services, emergency medical services, technical rescue response, fire and injury prevention programs and training, and virtually any other emergency service where there is not a clearly defined County agency to handle the situation. The Department is also responsible for coordinating emergency preparedness and response in natural disasters, hazardous materials incidents, and terrorist events. The County operates 23 Fire and EMS stations.

The department staffs a locally based helicopter for regional emergency medical evacuation in partnership with Virginia State Police and VCU Health System. Seven flight paramedics, four of which are provided by Chesterfield County Fire and EMS, are solely dedicated to the Med-Flight program, which provides the Central Virginia Region with a rapid means of transporting critically injured patients to trauma centers. The helicopter is staffed with two critical care flight paramedics 24 hours a day, seven days a week. The Med-Flight helicopter and crew provide search and rescue missions in conjunction with the Virginia State Police.

Sheriff

The Sheriff's office is responsible for security of all courtrooms, service of civil process, inmate booking, detention and transportation of inmates awaiting court appearances, the care and housing of inmates in the jail, and operation of the Sheriff's Office Training Academy. The County currently operates a 250-bed jail.

Human Resources

The Department of Human Resources (HR) administers comprehensive programs aimed to attract, motivate, and retain an efficient and productive workforce. HR provides programs and services to the workforce primarily responsible for providing government services to County residents. Human Resources staff serves in a consultative role with County departments, employees, and residents to meet the changing needs of the organization and population.

The department's services include providing employment and volunteer opportunities; promoting a diversified workforce and advising managers, employees, applicants, and residents on HR matters; providing employee relations counseling to County employees to improve work relationships and the work environment; administering the grievance procedure; developing human resources policies to meet the needs of the organization while ensuring legal compliance; administering a total compensation program which attracts applicants, maintains internal equity, competes in relevant labor markets, and retains high performers; administering a comprehensive wellness program and overseeing the employee medical center; and developing and maintaining a human resource information system to provide managers with useful automated information and management reports.

Public Schools

The Chesterfield County public school system is directed by a five-member School Board elected by the citizens of the County. The School Board appoints a superintendent to administer the operations of the County's public schools. The School Board functions independently of the Board of Supervisors and County administration but is required to prepare and submit an annual budget to the Board of Supervisors for approval. Because the School Board can neither levy taxes nor incur indebtedness under Virginia law, the local costs of the school system are provided in part by appropriation from the General Fund of the County. The costs of constructing school facilities are provided by capital appropriations from the General Fund of the County or by bonds issued as County general obligations, and use of cash proffers allocated for schools.

The County's public school system provides a comprehensive career development program and special programs for gifted and disabled students. In addition, an extensive adult education curriculum has been developed offering basic education courses, vocational training, and general interest programs. Opportunities for advanced education are available through international baccalaureate programs at two high schools and dual enrollment programs with several higher learning institutes including Brightpoint Community College, Richard Bland College, and Virginia Commonwealth University.

Approximately 64,000 students attend 67 schools: 41 elementary schools, 12 middle schools, 12 high schools (which include 12 specialty centers), and two technical centers. The School Board employs approximately 6,300 instructional staff and 2,300 support and food service personnel. For the 2021-2022 school year, the school system staffed an average pupil to teacher ratio of 12.91 to 1 in grades K-7 and 13.87 to 1 in grades 8-12. This base pupil-teacher ratio is further reduced in targeted areas of need annually.

County school enrollment is measured and evaluated under two approaches. First, the County school system uses annual September 30 membership figures for long range planning. The enrollment of the schools increased by 1,463 students between school year 2022 and 2023, a further increase from the prior year's 1,542 enrollment growth. Enrollment between 2014 and 2023, under this approach, increased 7.3 percent. The second approach of average daily membership (ADM) is used for state funding formulas and is calculated as of March 31 in each respective year. By this approach, membership increased 7.7 percent over the ten-year horizon.

CHESTERFIELD COUNTY PUBLIC SCHOOLS STUDENT POPULATION
10-YEAR HISTORY

School Year	September 30 Enrollment[(1)]	Average Daily Membership (March)
2013-2014	58,717	58,458
2014-2015	59,139	58,862
2015-2016	59,076	58,807
2016-2017	59,531	59,357
2017-2018	60,307	60,062
2018-2019	60,924	60,643
2019-2020	61,714	61,593
2020-2021	59,993	59,735
2021-2022	61,535	61,370
2022-2023	62,998	62,957

(1) Does not include Pre-K, as of 09/30/2023
Source: Virginia Department of Education, *Superintendent's Annual Report*

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, as described in "FINANCIAL AND CAPITAL FACILITIES FUNDING POLICIES – Financial Policies" above. The County's Department of Information Systems 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.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE COUNTY
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 Chesterfield, Virginia

Report on the Audit of the Financial Statements

Opinions

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

We did not audit the financial statement balances of the Central Virginia Transportation Authority (the "CVTA") as reflected on Schedules A-12 and A-13, which represent 25.4%, 28.4%, and 35.1% of the total assets, fund balance/net position, and revenues, respectively, of the aggregate remaining fund information of the County. Those balances were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CVTA, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 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 County's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Richmond, Virginia
November 3, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

As management of the County of Chesterfield, Virginia (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County as of and for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the County's financial statements, which follow this analysis.

FINANCIAL HIGHLIGHTS

- The County's total net position increased approximately $229.7 million (8.1%). Net position of the governmental-type activities increased $105.6 million (7.8%) and net position of the business-type activities increased $124.1 million (8.3%).

- The County's unrestricted net position increased approximately $66.8 million (8.2%). Unrestricted net position of the governmental-type activities increased $20.9 million (7.1%) and unrestricted net position of the business-type activities increased $45.9 million (8.8%).

- The County's program and general revenues (including taxes) of $1,264.4 million for governmental-type activities exceeded expenses of $1,124.2 million by $140.2 million.

- In the County's business-type activities, revenues increased 38.4% to $227.1 million while expenses increased 30.6% to $137.6 million.

- The total cost of the primary government's programs increased approximately $119.2 million (10.4%) to $1,261.8 million.

- The General Fund reported an ending fund balance amount of $554.3 million, an increase of $24.2 million (4.6%) in comparison with the prior year. Of the ending fund balance amount, $73.8 million was unassigned.

- The County's outstanding debt increased by $76.0 million (9.2%). The County reported $139.8 million in proceeds from new debt issued during the year and retired debt of $71.5 million, including debt service and amortization of premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Exhibits I and II are government-wide financial statements that provide a broad overview of both long-term and short-term information regarding the County's overall financial status.

- Exhibits III through X are fund financial statements that focus on individual areas of the County government and report the County's operations in more detail than that provided by the government-wide financial statements.

  - Governmental fund financial statements provide information on how government services, such as the public safety function, are financed in the short-term and on the resources available at year end for future spending.
  - Proprietary fund financial statements offer both short-term and long-term financial information about activities the government operates similar to private-sector businesses, such as the airport and the water and wastewater systems.
  - Fiduciary fund financial statements provide information about the financial relationships, such as the supplemental retirement and other postemployment benefits (OPEB) plans for certain qualified

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

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

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

Government-wide Financial Statements

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

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

- ♦ Governmental activities – Most of the County's basic services, such as police, fire, social services, parks and recreation, and general administration, are included in governmental activities. Property taxes and state and federal funding finance the majority of expenses for governmental activities.

- ♦ Business-type activities – Activities that are intended to recover all or a significant portion of their costs through user fee charges to parties external to the County for goods or services are included in the business-type activities. The Economic Development Authority of Chesterfield County (EDA) is included as a blended component unit in the business-type activities.

- ♦ Component units – The County includes two other entities in its report as discretely presented component units: Chesterfield County Public School System (School Board) and Chippenham Place Community Development Authority (Chippenham Place CDA). Although legally separate, the County demonstrates financial accountability for these entities by providing operating, capital or tax increment financing. The School Board is included in the management's discussion and analysis because it does not issue separately audited financial statements. Chippenham Place issues separately audited financial statements, the most recent being dated June 29, 2023, the date that entity was dissolved.

Fund Financial Statements

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

The County reports three types of funds:

- Governmental funds – Most of the County's basic services are included in governmental funds which focus on (1) how cash and other financial assets readily convertible to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the financial statements for governmental funds provide a detailed short-term view that assists the ACFR reader in determining the status of financial resources available for financing the County's programs in the near future. Because this information does not encompass the additional long-term focus of the government-wide financial statements, the County provides additional information following governmental funds statements that explain the differences between the short-term and long-term focus.

- Proprietary funds – Services that are intended to recover all or a significant portion of their costs through user fees are reported in proprietary funds. Proprietary fund financial statements, like the government-wide financial statements, provide both long-term and short-term financial information and they also provide additional details and information, such as the Statement of Cash Flows. The County's enterprise funds are reported in the business-type activities of the government-wide financial statements because these funds generally provide services to customers external to the County. The internal service funds are reported in the governmental activities of the government-wide financial statements because those funds provide supplies and services internally to the County's other programs and activities.

- Fiduciary funds – The County is responsible, as trustee, for the assets of various trust and custodial funds that can be used only for the fiduciary beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All County trust and custodial fund activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Trust and custodial fund activities are excluded from the County's government-wide financial statements because the County cannot use fiduciary assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The Primary Government's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $3.1 billion at the close of the most recent fiscal year, representing an 8.1% increase over the prior year.

At the end of both the current and prior fiscal years, the County reported positive balances in all three categories of net position for the primary government including governmental and business-type activities. The largest portion of the County's net position (63.9%) at June 30, 2023, is its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, and intangible assets) less accumulated depreciation and amortization and debt and other liabilities used to acquire those assets that remains outstanding at year-end. The County uses its capital assets to provide services to residents. Consequently, these assets are not available to fund spending in current or future budgets. Although the County's investment in capital assets is reported net of related debt, it should be noted that resources required to repay the debt must be provided from other sources, as capital assets generally are not liquidated for that purpose. An additional portion of the County's net position (7.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is referred to as unrestricted net position (28.7%). Unrestricted net position is available to meet the County's ongoing obligations to residents and creditors.

Liabilities and deferred inflows of resources for the School Board component unit exceeded assets and deferred outflows of resources by $394.9 million at the end of the current fiscal year, a decrease in the deficit of $88.5 million (18.3%) compared to the prior year. Net investment in capital assets increased $5.1 million primarily due to capital outlay for machinery and equipment. These investments included $4.4 million invested in school security enhancements, procurement of 50 new school buses, and the purchase of 165 ultraviolet germicidal irradiation devices to enhance protection from harmful pathogens. The School Board component unit's deficit unrestricted net position is primarily due to reporting net pension liabilities of $390.1 million and net other postemployment benefits liabilities of $183.4 million at year end, a net increase of $71.7 million (14.3%) compared to those liabilities estimated in the prior year. The largest portion of net pension and other postemployment benefits liabilities is related to the VRS teachers' cost-sharing pension and other postemployment benefits programs where benefits and funding decisions are made by the Commonwealth of Virginia (Commonwealth). As such, local governments, and school boards, as participants, have no ability to take actions to improve the funding position for their proportionate shares of the cost-sharing pool. Notes 12 and 13 of the notes to the financial statements provide additional information regarding the School Board component unit's pension and other postemployment benefit plans.

TABLE 1
Chesterfield County's Net Position
June 30, 2023 and 2022
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		School Board Component Unit	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets								
Current and other assets	$ 1,689.4	$ 1,549.7	$ 636.5	$ 573.8	$ 2,325.9	$ 2,123.5	$ 164.1	$ 161.4
Capital assets	1,467.0	1,401.9	1,053.5	997.7	2,520.5	2,399.6	90.1	84.6
Total assets	3,156.4	2,951.6	1,690.0	1,571.5	4,846.4	4,523.1	254.2	246.0
Deferred outlfows of resources								
Deferred charge on refunding	2.6	3.4	0.3	0.6	2.9	4.0	-	-
Pensions	84.4	95.3	3.2	3.5	87.6	98.8	138.3	149.2
Other postemployment benefits	14.3	10.6	0.6	0.5	14.9	11.1	19.6	18.9
Total deferred outlfows of resoruces	101.3	109.3	4.1	4.6	105.4	113.9	157.9	168.1
Liabilities								
Long-term liabilities	1,206.8	1,049.6	34.2	38.4	1,241.0	1,088.0	613.0	540.5
Other liabilities	269.3	258.6	21.0	18.0	290.3	276.6	66.9	70.2
Total liabilities	1,476.1	1,308.2	55.2	56.4	1,531.3	1,364.6	679.9	610.7
Deferred inflows of resources								
Deferred revenues	246.1	232.6	-	-	246.1	232.6	-	-
Pensions	43.1	138.5	1.7	5.8	44.8	144.3	86.5	235.1
Other postemployment benefits	23.8	25.0	1.7	1.8	25.5	26.8	40.6	51.7
Leases	14.2	7.8	8.9	9.6	23.1	17.4	-	-
Total deferred inflows of resources	327.2	403.9	12.3	17.2	339.5	421.1	127.1	286.8
Net position								
Net investment in capital assets	941.7	922.2	1,028.5	969.9	1,970.2	1,892.1	79.5	74.4
Restricted	195.9	130.7	31.9	12.3	227.8	143.0	22.8	20.1
Unrestricted (deficit)	316.8	295.9	566.2	520.3	883.0	816.2	(497.2)	(577.9)
Total net position (deficit)	**$ 1,454.4**	**$ 1,348.8**	**$ 1,626.6**	**$ 1,502.5**	**$ 3,081.0**	**$ 2,851.3**	**$ (394.9)**	**$ (483.4)**

Changes in net position. The Primary Government's total revenues increased over the prior year by $184.4 million (14.1%) to $1,491.5 million. The total cost of all programs increased over the prior year by $119.2 million (10.4%) to $1,261.8 million.

TABLE 2
Changes in Chesterfield County's Net Position
For the Years Ended June 30, 2023 and 2022
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		School Board Component Unit	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues:								
Program revenues:								
Charges for services	$ 199.3	$ 183.0	$ 139.2	$ 122.0	$ 338.5	$ 305.0	$ 13.5	$ 4.5
Operating grants and contributions	84.5	85.3	-	1.6	84.5	86.9	265.2	215.0
Capital grants and contributions	100.4	91.6	76.5	55.6	176.9	147.2	17.1	9.2
General revenues:								
Property taxes	626.1	594.3	-	-	626.1	594.3	-	-
Other taxes	139.8	135.2	-	-	139.8	135.2	-	-
Payment from County	-	-	-	-	-	-	308.4	316.3
Grants and contributions not restricted to specific programs	79.6	63.6	-	-	79.6	63.6	297.0	288.2
Other	34.7	(10.0)	11.4	(15.1)	46.1	(25.1)	9.4	6.9
Total revenues	**1,264.4**	**1,143.0**	**227.1**	**164.1**	**1,491.5**	**1,307.1**	**910.6**	**840.1**
Expenses:								
General government	175.0	167.3	-	-	175.0	167.3	-	-
Administration of justice	15.7	13.9	-	-	15.7	13.9	-	-
Public safety	255.0	219.7	-	-	255.0	219.7	-	-
Public works	98.8	92.3	-	-	98.8	92.3	-	-
Health and welfare	114.9	99.1	-	-	114.9	99.1	-	-
Parks, recreation and cultural	46.8	31.3	-	-	46.8	31.3	-	-
Education - School Board	362.7	356.3	-	-	362.7	356.3	822.1	708.1
Community development	26.4	37.0	-	-	26.4	37.0	-	-
Interest on long-term debt	28.9	20.3	-	-	28.9	20.3	-	-
Water	-	-	53.1	49.5	53.1	49.5	-	-
Wastewater	-	-	50.4	45.5	50.4	45.5	-	-
Non-major business activities	-	-	34.1	10.4	34.1	10.4	-	-
Total expenses	**1,124.2**	**1,037.2**	**137.6**	**105.4**	**1,261.8**	**1,142.6**	**822.1**	**708.1**
Increase in net position before transfers	**140.2**	**105.8**	**89.5**	**58.7**	**229.7**	**164.5**	**88.5**	**132.0**
Transfers	(34.6)	(28.0)	34.6	28.0	-	-	-	-
Increase in net position after transfers	**105.6**	**77.8**	**124.1**	**86.7**	**229.7**	**164.5**	**88.5**	**132.0**
Net position (deficit) - beginning of year	**1,348.8**	**1,271.0**	**1,502.5**	**1,415.8**	**2,851.3**	**2,686.8**	**(483.4)**	**(615.4)**
Net position (deficit) - end of year	**$ 1,454.4**	**$ 1,348.8**	**$ 1,626.6**	**$ 1,502.5**	**$ 3,081.0**	**$ 2,851.3**	**$ (394.9)**	**$ (483.4)**

Approximately 42.0% of the County's revenues came from property taxes and approximately 9.4% came from other taxes. Another 22.7% of the total revenues came from charges for services. The remaining 25.9% of revenues are operating and capital grants and contributions, investment earnings and miscellaneous revenues. The County's expenses cover a range of services with approximately 71.9% related to public safety, education, general government and health and welfare. Program revenues of the County's governmental activities covered 34.2% of its expenses.

FIGURE A-1
CHESTERFIELD COUNTY
SOURCES OF REVENUE FOR FISCAL YEAR 2023

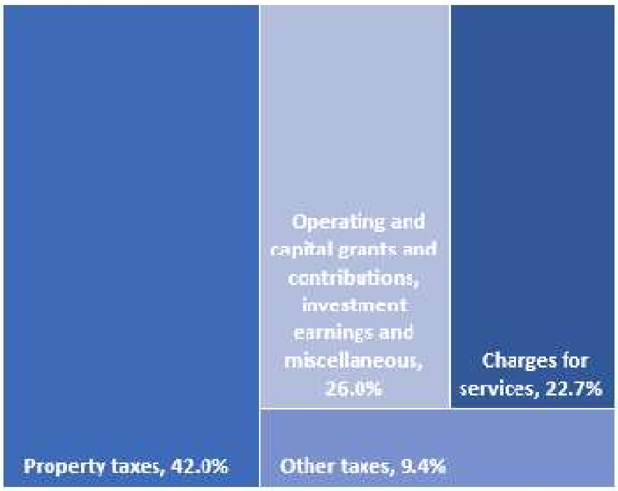
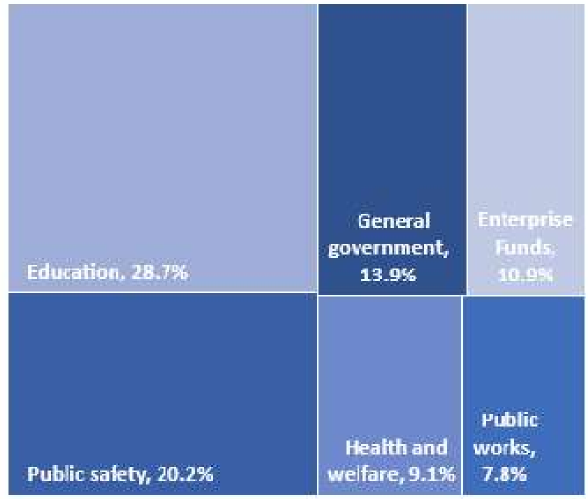


FIGURE A-2
CHESTERFIELD COUNTY
EXPENSES BY FUNCTION FOR FISCAL YEAR 2023



Compared to the prior year, the School Board's total revenues increased $70.5 million (8.4%) to $910.6 million. Total expenses for all School programs and services increased over the prior year by $114.0 million (16.1%) to $822.1 million. Program revenues of School Board activities covered 36% of its expenses.

Governmental Activities

Governmental activities increased the net position by $105.6 million and accounted for 46.0% of the total growth in the total net position of the County. Revenues for governmental activities increased $121.4 million (10.6%) and total expenses increased $87.0 million (8.4%) when compared to the prior year. Key elements of these changes are as follows:

- Property tax revenues increased $31.8 million (5.4%) primarily due to a 7.8% increase in the total assessed valuation of taxable property over the prior year. The assessed valuation for real property increased 9.9% with residential real property assessed values increasing by 11.0% and commercial and industrial real property assessed valuations increasing by 7.3%. Commercial and industrial property comprised 20.9% of the assessed value of taxable real property. The real estate tax rate of $0.92 per $100 of assessed value was lowered to $0.91 for the second half of FY2023. Calendar year 2023 (CY2023) assessments were developed using sales data through December 2022. State Code mandates that "annual assessments shall be made at 100% of fair market value." Personal property assessed valuations decreased by 4.7% over the prior year.

- Grants and contributions not restricted to specific programs increased $16.0 million (25.2%) primarily attributable to the Commonwealth's award of $16.5 million from the School Construction Grants Program.

- Charges for services increased $16.3 million (8.9%) of which $6.7 million is attributable to increases in Medicare waiver rates, $3.2 million due to an increase in rebates of transient occupancy taxes received from Greater Richmond Convention Center, and $3.6 million recognized as revenue from opioid settlements from distributors.

- Other general revenues increased $44.7 million (447.0%) due to increased interest earnings on investments resulting from higher interest rates overall as well as an increase in the total funds invested by the County.

Overall, expenses of governmental activities increased $87.0 million (8.4%). In FY2023, the County made strategic investments in the workforce and the cost of those investments can be seen in the increase in wage and benefit expenditures across most functional areas. The governmental activities of the primary government saw an average increase in employee wages of 14.8% and an average increase in employee benefits of 34.1%. Total expenses of the governmental activities of the primary government increased $87.0 million (8.4%) over prior year. Functional areas most heavily impacted by these investments include:

- Public Safety total expenses increased $35.3 million (16.1%). Of that total, 60.0% is attributable to increases in wages and benefits expenses of $15.8 million and $6.2 million respectively.
- Health and Welfare expenses increased $15.8 million (15.9%) primarily due to salary increases and correlating increases in benefits due to the implementation of Phase I of the General Government Pay Plan. Of that total, 85.4% is attributable to increases in wages and benefits expenses of $10.7 million and $2.8 million respectively.

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

- Parks, Recreation, Libraries and Cultural expenses increased $15.5 million (49.5%) primarily due to non-capital expenses incurred related to projects such as the construction of the new Midlothian library and the repurposing of the former Beulah Elementary School.

- Community Development expenses decreased $10.6 million (28.6%) of which $8.2 million (80.0%) is due to the end of the emergency rental assistance grant(s).

- Interest and other costs of long-term debt increased $8.6 million (42.4%) to $28.9 million over that of the prior year ($20.3 million). The increase is largely due to the increase in arbitrage liability of $3.1 million due to increases in bond proceeds due to recent debt issuances, including the 2023 General Obligation issuance of $116.8 million, and rising interest rates earned on the same. Interest expense increased year over year by $1.4 million (5.0%).

Business-type Activities

Business-type activities increased the County's total net position by $124.1 million, accounting for 54.0% of the overall growth. Revenues for business-type activities increased $63.0 million (38.4%) and expenses increased $32.2 million (30.6%) when compared to the prior year. Key elements of these changes are as follows:

- Charges for services increased $17.2 million (14.1%) over the prior year primarily due to the EDA incurring reimbursable infrastructure construction costs under the Virginia Business Ready Site Program Grant Performance Agreement and an Infrastructure Improvement Agreement between the County/Economic Development Authority and the Commonwealth/Virginia Economic Development Partnership. Utilities funds also contributed to the increase in total year over year charges for services, with increases to rates contributing $3.3 million (25.0%) for (15.9%) of the change.

- Capital grants and contributions increased $20.9 million (37.6%) over the prior year primarily due to increases in pipe contributions of $15.5 million for significant wastewater projects including $10.4 million attributable to the Tomahawk Creek project.

- Other general revenues increased $26.5 million (175.5%) over prior year primarily due to increased investment earnings.

- Expenses for business-type activities increased $32.2 million (30.6%) primarily due to reimbursable infrastructure construction costs incurred by the EDA of $14.1 million. Additional increases in EDA infrastructure development costs of $4.9 million and increases in the cost of wages and benefits of $2.1 million (24.0%) in the Water fund and $1.9 million (23.3%) in the Wastewater funds also contributed.

Component Unit School Board

- Program revenues covered 36.0% of program expenses in fiscal year 2023 in contrast to 32.3% coverage in the prior year.

- Charges for services increased $9.0 million (200.0%) primarily due to the increase in school nutrition charges for student meals. In the prior year, student meals were primarily funded by COVID-19 related federal food programs.

- Operating grants and contributions increased $50.2 million (23.3%) due to increases of $59.9 million (16.2%) in certain instructional grant programs which offset decreases of $10.0 million (43.3%) due to the end of enhanced federal food programs.

- Capital grants and contributions increased $7.9 million (85.9%) primarily due to the increase in spending of Coronavirus State and Local Federal Relief funds.

- Education expenses increased $114.0 million (16.1%) primarily due to increases in wages across all functions. Current year wages increased $45.9 million (10.7%) to $475.5 million compared to $429.6 million in the prior year. Corresponding increases were seen across employee benefit costs but were moderated by the impact of the Commonwealth's non-employer contribution to pooled Virginia Retirement System pension and OPEB plans, with the Component Unit School Board's proportional share being $16.0 million. Additional expense increases include $11.1 million in replacement HVAC and water source equipment transferred to the primary government when installed at Alberta Smith Elementary, Ecoff Elementary, Clover Hill Elementary and Woolridge Elementary schools.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

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

As of June 30, 2023, the County's governmental funds reported a combined fund balance of $1.0 billion, an increase of $83.5 million (8.8%) from the previous year. Of this combined fund balance amount, $481.2 (46.7%) constitutes restricted fund balance; $2.4 million (0.2%) represents committed fund balance; $473.4 million (45.9%) represents assigned fund balance; and $73.8 million (7.2%) is unassigned fund balance. Assigned fund balance includes funding set aside by the County Board through formal action for needs such as unexpended appropriations for transfers to capital project funds, specific uses in the subsequent year's adopted budget and encumbrances carried over to the subsequent year. Other assignments of fund balance include reserves for potential revenue shortfalls in future fiscal years' budgets, which serves as an informal revenue stabilization, or "rainy day", fund. Note 2 of the notes to the financial statements provides details about fund balances and a discussion of the criteria used by the County to classify categories of fund balance.

The General Fund is the operating fund of the County. At the end of the current fiscal year, the combined assigned and unassigned fund balance of the General Fund was $518.6 million and total fund balance was $554.3 million. As a measure of the General Fund's liquidity, it may be useful to compare the combined assigned and unassigned fund balance to total fund expenditures. Combined assigned and unassigned fund balance represents 61.2% of total General Fund expenditures. Unassigned fund balance of $73.8 million represents 8.7% of total General Fund expenditures. Maintaining a ratio that exceeds the target ratio of 8.0% is an indicator of the County's ability to cope with unexpected or unusual financial scenarios including fluctuations in revenue cycles. Total fund balance of the General Fund represents 65.4% of General Fund expenditures.

Fund balance of the General Fund increased by $24.1 million (4.6%) as current year positive revenue results outpaced uses of prior year reserves expended for one-time expenditures including:

- Land acquisition and other County capital expenditures - $21.7 million
- Replacement revenue to support FY2023 real estate tax credit - $10.0 million
- County and Schools shared warehouse space - $8.0 million
- County contribution to classroom conversions and safety enhancements - $5.0 million
- Tax-relief for the elderly and disabled - $5.0 million
- Buy down of County employee paid premiums for healthcare coverage - $2.6 million

Overall, functional expenditures in the General Fund increased $41.3 million (5.1%) while expenditures in the County Capital Projects, Schools Capital Projects and non-major governmental funds increased $34.4 million (32.6%), $13.2 million (1.3%), and $3.4 million (3.8%), respectively. Expenditure categories not already discussed that also factored into this increase are as follows:

- ♦ Public Safety saw the largest increase, $29.0 million (13.5%) over the prior year. In addition to the increased investment in workforce compensation previously discussed, public safety departments expended $19.8 million on the purchase and/or construction of longer-lived assets, an increase of $9.9 million (99.9%) over the prior year. These expenditures include $3.2 million for land for the replacement Chester fire station, $7.6 million for construction of the replacement Midlothian fire station, and $3.4 million for the purchase of 96 police vehicles.

- ♦ Expenditures in the Parks, Recreation and Cultural function, which includes libraries, increased $2.0 million (7.6%). This increase is, in part, due to the gradual conversion of certain library positions from part-time to full-time. Additional increases are attributable to investment in capital assets including current year expenditures for the re-purposing of the former Beulah Elementary School to house Parks and Recreation offices and flex-space ($4.8 million), Midlothian Library ($12.7 million) and land purchases for future facilities ($7.3 million). These expenditures are discussed in further detail later in this document.

- ♦ Debt service expenditures increased approximately $10.2 million (11.6%) in part due to the implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*, which requires expenditures for certain contractual obligations to be reported as payments of principal and interest when reported in governmental funds. $4.0 million of the increase in governmental activities principal payments are attributable to this change in reporting standards. GASB 96 implementation is responsible for 39.5% of the year over year increase in debt service principal payments.

- ♦ New lease and subscription arrangements resulted in a year over year increase to expenditures for capital outlay and a corresponding increase of other financing sources in the governmental funds of $2.5 million and $1.9 million respectively.

At fiscal year-end, the County's Capital Projects Fund had fund balance of $124.3 million that consisted primarily of unspent bond proceeds and cash proffers, both of which are restricted for use on specific County projects and functions. The School Capital Projects Fund had fund balance of $228.3 million that consisted primarily of unspent bond proceeds restricted for use on School projects. Fund balance of Other Governmental Funds increased $30.9 million (33.2%) of which $23.8 million (77.0%) is attributable to the accumulation of regional sales and vehicle fuels tax allocated to the County and reported in the CVTA Local Special Revenue Fund.

General Fund Budgetary Highlights

The overall difference between the original budget and the amended budget for revenues and other financing sources reflected an increase of $28.5 million (3.3%). The final amended budget for expenditures and other financing uses was greater than the original budget by $242.6 million (26.5%). Some of the key budget adjustments are summarized as follows:

The County follows a conservative practice of not appropriating the use of restricted funds until those funds are received, and of taking a generally conservative approach when estimating year-over-year increases in revenues. As such, the original budget was amended for additional funding received during the year as follows: personal property taxes, $15.0 million (14.0%); business licenses $10.0 million (59.3%); investment earnings and other uses of money and property $4.7 million (113.3%); and increase in charges generated from services such as courthouse maintenance fees, employee medical fees, and police officer fees totaling $1.6 million (10.3%).

The original budget for expenditures was increased by $21.3 million (4.5%). Of the total increase, $8.9 million was attributable to the reappropriation of amounts reserved in the prior year. The appropriated use of prior year reserves include a $5.0 million increase for tax relief programs for veterans and the elderly or disabled, $1.0 million to Fire and EMS for increases in the cost of planned purchases of fire equipment and $0.8 million for the buyback of excess leave balances of general fund funded employees, Additional increases include $2.1 million in community development for increased appropriations to Greater Richmond Convention Center Authority due to stronger than anticipated transient occupancy taxes. Health and Welfare appropriations increased $1.7 million, primarily due to a $3.6 million increase in the Tax Relief Program to accommodate the greater than expected participation in the expanded Tax Relief Program. Public Safety expenditures budget increased $17.6 million to support the continued implementation of the public safety pay plan step increases amongst other increases in the cost of providing these services with $11.6 million attributable to Police, $10.8 million attributable to Fire and EMS and $3.2 million attributable to Sheriff.

The original budget for other financing uses increased by $221.3 million (50.5%). Transfers out to the County Capital Projects, Schools Capital Projects, Stormwater, Fleet, and Airport Funds increased $146.5 million, $0.2 million, $3.1 million, $0.8 million, and $1.7 million, respectively due to the re-appropriation, in accordance with the appropriation resolution, of appropriated transfers that were not spent on capital projects in the prior year due to timing and the long-term aspect of capital projects. Additional prior year reserves of $14.0 million were appropriated as transfers to the County Capital Projects Fund to fund gaps in existing project funding due to inflationary pressures and to facilitate a catch-up on critical projects within the information technology portfolio.

The transfer to the School Board component unit increased $27.0 million with the appropriation of $21.3 million in prior year reserves appropriated for school needs including:

- Buy-down of Schools employee paid premiums for healthcare coverage - $5.0 million
- Local portion of state-funded School employee bonuses - $3.0 million
- School capital projects - $5.8 million
- School bus replacements - $2.0 million
- Additional fuel and energy costs - $2.5 million
- Maintenance and facilities costs - $3.0 million

Actual revenues were $34.1 million (3.8%) greater than the amended budget. A summary of some key variances includes the following:

- ♦ The collection of general property taxes was $13.2 million higher than the amended budget primarily due to conservatively projecting estimates for the increase in assessed value of real and personal property for both the adopted and amended budget.

- ♦ Other local taxes were $4.7 million greater than expected primarily due to the County's methodology for budgeting business and professional license (BPOL) taxes and greater than expected collections of local sales and use taxes, recordation taxes and transient occupancy taxes.

- Revenue generated through the use of money and property was $6.9 million greater than expected due to increases in interest rates and investment returns driven by the current economic environment as well as due to increases in amount of funds being invested.

Actual expenditures and other financing uses were $244.4 million (21.1%) less than the amended budget amount.

Transfers to other funds resulted in a $230.0 million positive variance. Transfers to the County Capital Projects Fund, the Stormwater Fund, the Schools Capital Projects Fund, the Grants Special Revenue Fund, and the Airport Fund were $204.2 million, $3.1 million, $0.2 million, $1.8 million, $1.8 million, respectively, less than the amended budget due to the timing difference between budgeted and actual expenditures for long-term projects and grants that cross fiscal years. Unused transfers for these funds were assigned at year-end and re-appropriated as a part of the amended budget for fiscal year 2024. The Schools Operating Fund transfer had a positive variance of $19.1 million. This amount was assigned at year-end, as directed by the County Board, for use in future years' school budgets.

CAPITAL/INTANGIBLE ASSETS AND DEBT ADMINISTRATION

Overview

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

Capital and Intangible Assets

At the end of the fiscal year, the County had an investment of $2.5 billion in a broad range of capital and intangible assets net of accumulated depreciation and amortization, including school and public safety buildings, park facilities, libraries, and water and wastewater facilities. This amount represents a net increase of $120.9 million (5.0%) over the prior year. More detailed information about the County's capital and intangible assets is presented in Note 8 of the notes to the financial statements. The net investment in capital assets of governmental activities includes $856.4 million for school buildings and real property used by the School Board in its operations.

TABLE 3
Chesterfield County's Capital and Intangible Assets
June 30, 2023 and 2022
(net of depreciation and amortization, in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2023 - 2022
Non-depreciable assets:							
Land	$ 121.1	$ 102.7	$ 66.2	$ 64.1	$ 187.3	$ 166.8	12.3%
Construction in progress	104.9	103.7	49.9	44.6	154.8	148.3	4.4%
Subcriptions in progress	0.6	-		-	0.6	-	100.0%
Depreciable assets:							
Buildings	1,062.7	1,023.2	138.0	137.0	1,200.7	1,160.2	3.5%
Improvements other than buildings	55.9	53.1	19.8	19.8	75.7	72.9	3.8%
Machinery and equipment	75.6	81.9	704.0	658.0	779.6	739.9	5.4%
Infrastructure	30.2	29.9	5.6	8.0	35.8	37.9	-5.5%
Amortizable assets:							
Capacity rights and other intangible assets			70.0	66.2	70.0	66.2	5.7%
Right-to-use assets	8.4	7.4			8.4	7.4	13.5%
Right-to-use-subscriptions	7.6	-	-	-	7.6	-	100.0%
Total	$ 1,467.0	$ 1,401.9	$ 1,053.5	$ 997.7	$ 2,520.5	$ 2,399.6	5.0%

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

- Completed major County projects:
  - Former Buelah Elementary School Revitalization and Repurposing - $11.0 million
  - Midlothian Fire Station - $7.6 million
  - Land acquisition for Chester Fire Station - $3.2 million
  - Future facility land acquisitions - $3.3 million
  - Fleet Services Heavy Vehicles Shop and Administration Building - $10.1 million

- Additions to major County construction in progress projects:
  - Midlothian Library Replacement - $12.7 million
  - Park Improvements and Major Maintenance - $6.2 million
  - Matoaca Fire Station - $4.6 million
  - 800 MHZ Radio System Replacement - $2.5 million
  - Harrowgate Park Replacement - $2.0 million

- Completed major School Board component unit projects:
  - Magnolia Green (Moseley) Elementary School - $28.4
  - Water Source and Heat Pump Systems Refresh - $9.1 million
  - Middle Schools Centralized Security CCTV - $1.9 million
  - Elementary Schools Centralized Security CCTV - $1.5 million
  - Playground Equipment - $1.3 million

- Additions to major School Board component unit construction in progress projects:
  - Falling Creek Middle School - $24.1 million
  - Roof Top HVAC Units Refresh - $6.1 million
  - 360 West Middle School - $2.7 million

- Completed major Utilities - Water and Wastewater projects:
  - Huguenot Water Line - $12.6 million
  - Huguenot Pump Station - $7.3 million
  - Proctor's Creek Secondary Clarifier Rehabilitation - $4.6 million
  - Floc and Effluent Replacement and Intake Gate - $3.1 million

- Falling Creek Wastewater Treatment Plant Digester Conversion - $2.4 million
- Swift Creek Reservoir Dam Carp Barrier - $1.6 million

♦ Additions to major Utilities - Water and Wastewater construction in progress projects:

- Advanced Meter Infrastructure - $15.1million
- Harrowgate Water Line - $3.3 million
- Turner Pump Station and Force Main Rehabilitation - $3.1 million
- Addison-Evans Water Treatment Plant Floodwall - $1.2 million
- Proctor Creek Clarifier Rehabilitation - $1.1 million

The County's capital improvement program budget appropriated $302.1 million in planned funding for capital projects in FY2024, which includes $167.7 million for the primary government and $134.5 million for the School Board. The FY2024-FY2028 Capital Improvement Program (CIP) maintains a targeted focus on the care and maintenance of existing infrastructure and the communities these assets support by maintaining adequate replacement cycles. The CIP remains attentive to the need to replace or renovate older facilities to ensure more uniform service delivery across the County, all while controlling the financial impact on the operating budget. It is also important to note that the County's maintenance programs include technology and stormwater areas where it's necessary for these networks to properly function. FY2024 appropriations included funding for the Powhite Parkway Extension, Enon Library replacement, general major maintenance, major maintenance and enhancement projects in existing parks, airport enhancements, River City Sportsplex enhancements, road projects, technology major maintenance, ERP modernization, rebuilds of AM Davis and Bensley Elementary Schools as well as new west area elementary, middle school and high schools, and planned rehabilitations and upgrades at both the Addison-Evans Water Treatment Plant and the Proctors Creek and Falling Creek Wastewater Treatment Plants. The County intends new debt, resources provided by the CVTA and current budgets to partially finance these and other projects as identified in the CIP.

Long-term Debt

TABLE 4
Chesterfield County's Outstanding Debt
June 30, 2023 and 2022
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2022 - 2023
General obligation bonds, net (backed by the County)	$ 679.2	$ 616.5	$ -	$ -	$ 679.2	$ 616.5	10.2%
Revenue bonds, net	167.9	179.8	17.9	24.6	185.8	204.4	-9.1%
Certificates of participation	1.9	3.9	0.1	0.2	2.0	4.1	-51.2%
Direct borrowing	56.3	29.1	-	-	56.3	29.1	93.5%
Other	-	-	1.5	1.6	1.5	1.6	-6.3%
Total	$ 905.3	$ 829.3	$ 19.5	$ 26.4	$ 924.8	$ 855.7	8.1%

At fiscal year-end, the County reported $924.8 million in bonds and other long-term debt outstanding, an increase of $69.1 million (8.1%) compared to the prior year. More detailed information about the County's long-term liabilities is presented in Note 9 of the notes to the financial statements. Outstanding debt of the governmental activities includes $558.2 million in debt outstanding related to School Board activities and $4.9 million in outstanding debt for the EDA's development of infrastructure in the Meadowville Technology Park.

A key debt policy established by the County Board is the ratio of debt service (principal and interest) costs to governmental fund expenditures. This ratio was 6.9% for the current year comparing favorably to the policy target of 10.0%. Governmental fund expenditures for purposes of this calculation include expenditures for all governmental fund types of both the primary government and the School Board component unit, excluding capital project funds and payments between the primary government and the School Board component unit.

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

The County's "AAA" general obligation bond rating from all three major rating agencies was affirmed when it issued its $104.8 million General Obligation Public Improvement Bonds, Series 2023 in June 2023. The proceeds will be used to finance various capital improvements for the (i) public school system, (ii) public safety (iii) public library and (iv) parks and recreation including but not limited to (A) enhancements to River City Sportsplex (B) development of Horner Park, (C) replacement of the Chester Fire and Rescue Station, (D) development of Stonebridge Police Station, (E) replacement of the Enon Library, (F) development of conservation areas, (G) replacement of the A.M. Davis Elementary School and Bensley Elementary School and (H) development of a new elementary school, a new middle school and a new high school in the western area of the County. Approximately 1% of counties nationwide have earned a triple "AAA" credit rating designation which the County has maintained annually since 1997.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's annual unemployment rate for calendar year 2022 (CY2022) averaged 2.8%, a decrease from the previous calendar year's average rate of 3.6%. As the local economy continues to recover from the COVID-19 pandemic, unemployment rates are trending towards pre-pandemic levels. The County's rate continues to compare favorably to the region and the Commonwealth's rates of 3.0% and 2.9%, respectively, for the same time period.

The County developed a Financial Plan for fiscal year 2024 that was adopted on April 5, 2023, with a subsequent amendment on June 28, 2023. The FY2024 adopted budget (FY2024 budget), totaling $1.9 billion, represents an increase of $164.2 million (9.3%) over the FY2023 adopted budget. The County budget recognizes the uncertain economic picture and is built to maintain stability while retaining maximum flexibility should economic conditions deteriorate. The FY2024 budget, five-year plan and CIP revolve around recognizing the workforce, investing in our children's future, diversifying, and bolstering the County's economic base, enhancing quality of life, strengthening investment in infrastructure, a continuing commitment to public safety and broad tax relief measures.

The FY2024 budget builds upon historic investments made in schools, attracting, and retaining employees, a continuing commitment to public safety and financing a new era of capital infusion into our community. The local transfer for education was increased by $20.0 million over the FY2023 adopted budget to a historic high of $383.4 million reflecting the increasing investment required to attract and retained a highly qualified workforce as well as inflationary pressures on other costs of education. Other investments in the workforce factored into the FY2024 budget include implementation of phase two of the general County employee pay plan totaling $7.9 million, a 3.5% merit increase, effective January 1 to recognize the effect of inflation on real wages of employees, continued support of Career Development Plans, and enhancements to the public safety pay plan including a 10% increase to public safety starting salaries. The FY2024 budget includes broad tax relief measures, building upon other recent relief measures including adjustments to the real estate tax relief program for the elderly and disabled enacted in FY2022 and the FY2023 rebate on the real estate taxes billed. FY2024 relief measures include a reduction to the real estate tax rate per $100 of assessed value from $0.92/100 of assessed value to $0.91/100 assessed value and an increase in tax relief thresholds for businesses, homeowners, and vehicle owners.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

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

Exhibit I

	Primary Government				
	Governmental Activities	Business-type Activities	Total	Component Units	Total Reporting Entity
ASSETS					
Cash and cash equivalents	$ 399,298,779	$ 113,645,025	$ 512,943,804	$ 14,999,400	$ 527,943,204
Investments	874,374,749	484,317,650	1,358,692,399	186,123	1,358,878,522
Receivables, net of allowance for uncollectibles	407,565,778	38,405,447	445,971,225	28,170,014	474,141,239
Due from Primary Government	-	-	-	120,640,764	120,640,764
Internal balances	1,467,282	(1,467,282)	-	-	-
Inventories	1,339,171	1,560,113	2,899,284	83,702	2,982,986
Prepaids	5,329,947	-	5,329,947	-	5,329,947
Capital assets, not being depreciated or amortized	226,557,088	116,144,707	342,701,795	205,432	342,907,227
Other capital and intangible assets, net of depreciation or amortization	1,240,458,609	937,378,888	2,177,837,497	89,925,344	2,267,762,841
Total assets	3,156,391,403	1,689,984,548	4,846,375,951	254,210,779	5,100,586,730
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	2,587,197	315,473	2,902,670	-	2,902,670
Deferred outflows related to pensions	84,457,921	3,172,673	87,630,594	138,270,440	225,901,034
Deferred outflows related to other postemployment benefits	14,290,711	646,375	14,937,086	19,636,972	34,574,058
Total deferred outflows of resources	101,335,829	4,134,521	105,470,350	157,907,412	263,377,762
LIABILITIES					
Accounts payable and accrued expenses	91,356,205	18,979,498	110,335,703	65,484,596	175,820,299
Due to component unit	120,640,764	-	120,640,764	-	120,640,764
Unearned revenues	57,260,108	-	57,260,108	1,386,977	58,647,085
Deposits and advances	-	25,000	25,000	-	25,000
Developers' connection fees refundable	-	1,799,414	1,799,414	-	1,799,414
Prepaid connection fees	-	142,800	142,800	-	142,800
Non-current liabilities:					
Due within one year	100,584,130	7,398,883	107,983,013	9,134,678	117,117,691
Due in more than one year	1,106,238,457	26,840,811	1,133,079,268	603,937,854	1,737,017,122
Total liabilities	1,476,079,664	55,186,406	1,531,266,070	679,944,105	2,211,210,175
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	246,149,279	-	246,149,279	-	246,149,279
Deferred inflows related to pensions	43,060,923	1,731,862	44,792,785	86,483,961	131,276,746
Deferred inflows related to other postemployment benefits	23,831,219	1,678,262	25,509,481	40,646,262	66,155,743
Deferred inflows related to leases	14,156,555	8,917,467	23,074,022	-	23,074,022
Total deferred inflows of resources	327,197,976	12,327,591	339,525,567	127,130,223	466,655,790
NET POSITION					
Net investment in capital assets	941,772,816	1,028,467,822	1,970,240,638	79,473,860	2,049,714,498
Restricted for:					
Capital projects	49,355,123	-	49,355,123	-	49,355,123
Contractual agreement	-	25,000	25,000	-	25,000
Debt covenants	203,931	31,867,486	32,071,417	-	32,071,417
Grantor programs	17,943,850	-	17,943,850	22,834,999	40,778,849
Legislated programs	125,479,080	-	125,479,080	-	125,479,080
Public safety programs	2,911,135	-	2,911,135	-	2,911,135
Total restricted	195,893,119	31,892,486	227,785,605	22,834,999	250,620,604
Unrestricted (deficit)	316,783,657	566,244,764	883,028,421	(497,264,996)	385,763,425
Total net position	$ 1,454,449,592	$ 1,626,605,072	$ 3,081,054,664	$ (394,956,137)	$ 2,686,098,527

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

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position — Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units	Total Reporting Entity
Primary government									
Governmental activities									
General government	$ 175,039,218	$ 117,677,634	$ 1,757,163	$ 879,910	$ (54,724,511)	$ -	$ (54,724,511)	$ -	$ (54,724,511)
Administration of justice	15,667,030	1,851,188	5,366,654	-	(8,449,188)	-	(8,449,188)	-	(8,449,188)
Public safety	254,948,574	23,086,259	18,132,946	3,606,153	(210,123,216)	-	(210,123,216)	-	(210,123,216)
Public works	98,754,799	11,261,937	1,191,892	69,921,247	(16,379,723)	-	(16,379,723)	-	(16,379,723)
Health and welfare	114,923,779	31,976,955	47,703,727	-	(35,243,097)	-	(35,243,097)	-	(35,243,097)
Parks, recreation and cultural	46,835,064	2,657,244	(352,113)	5,685,384	(38,844,549)	-	(38,844,549)	-	(38,844,549)
Education - School Board	362,677,246	-	7,842,294	18,011,866	(336,823,086)	-	(336,823,086)	-	(336,823,086)
Community development	26,401,538	10,745,492	2,895,585	2,308,771.00	(10,451,690)	-	(10,451,690)	-	(10,451,690)
Interest on long-term debt	28,896,059	-	-	-	(28,896,059)	-	(28,896,059)	-	(28,896,059)
Total governmental activities	1,124,143,307	199,256,709	84,538,148	100,413,331	(739,935,119)	-	(739,935,119)	-	(739,935,119)
Business-type activities									
Water	53,140,251	64,618,668	-	35,634,578	-	47,112,995	47,112,995	-	47,112,995
Wastewater	50,436,519	57,490,891	-	39,833,994	-	46,888,366	46,888,366	-	46,888,366
Non-major business activities	34,067,151	17,107,886	-	1,032,396	-	(15,926,869)	(15,926,869)	-	(15,926,869)
Total business-type activities	137,643,921	139,217,445	-	76,500,968	-	78,074,492	78,074,492	-	78,074,492
Total primary government	$ 1,261,787,228	$ 338,474,154	$ 84,538,148	$ 176,914,299	(739,935,119)	78,074,492	(661,860,627)	-	(661,860,627)
Component units	$ 825,652,426	$ 13,548,483	$ 265,162,445	$ 17,105,722	-	-	-	(529,835,776)	(529,835,776)
General revenues:									
Taxes:									
Property taxes, levied for general purposes					626,134,334	-	626,134,334	-	626,134,334
Utility taxes					8,629,878	-	8,629,878	-	8,629,878
Sales taxes					72,552,490	-	72,552,490	-	72,552,490
Motor vehicle licenses					8,908,956	-	8,908,956	-	8,908,956
Business license taxes					30,575,045	-	30,575,045	-	30,575,045
Other					19,072,366	-	19,072,366	-	19,072,366
Payment from CPCDA					3,331,721	-	3,331,721	-	3,331,721
Payment from Primary Government					-	-	-	317,870,171	317,870,171
Grants and contributions not restricted to specific programs					79,565,588	-	79,565,588	296,991,114	376,556,702
Investment earnings					29,897,995	11,379,307	41,277,302	911,325	42,188,627
Miscellaneous					1,515,650	-	1,515,650	8,457,299	9,972,949
Transfers					(34,630,666)	34,630,666	-	-	-
Total general revenues and transfers					845,553,357	46,009,973	891,563,330	624,229,909	1,515,793,239
Change in net position					105,618,238	124,084,465	229,702,703	94,394,133	324,096,836
Total net position (deficit) July 1, 2022					1,348,831,354	1,502,520,607	2,851,351,961	(489,350,270)	2,362,001,691
Total net position (deficit) June 30, 2023					$ 1,454,449,592	$ 1,626,605,072	$ 3,081,054,664	$ (394,956,137)	$ 2,686,098,527

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

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

Exhibit III

	General	County Capital Projects	School Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 185,404,721	$ 32,150,555	$ 21,225,622	$ 75,294,028	$ 314,074,926
Cash, cash equivalents and investments with fiscal agents	203,931	39,278,175	-	-	39,482,106
Investments	494,195,937	76,978,283	223,850,421	40,071,933	835,096,574
Receivables, net of allowances for uncollectibles of $21,769,579	319,099,459	964,951	-	15,318,943	335,383,353
Due from other funds	-	3,141,775	-	-	3,141,775
Due from other governments	42,502,526	17,931,040	-	11,622,950	72,056,516
Total assets	$ 1,041,406,574	$ 170,444,779	$ 245,076,043	142,307,854	$ 1,599,235,250
LIABILITIES					
Accounts payable	$ 9,506,343	$ 28,517,973	$ 14,804,668	$ 3,946,539	$ 56,775,523
Due to other funds	1,674,493	-	-	-	1,674,493
Due to component unit - School Board	120,640,764	-	-	-	120,640,764
Accrued liabilities	9,225,916	5,914	-	1,444,772	10,676,602
Retainages payable	-	2,115,913	1,934,134	172,301	4,222,348
Unearned revenues	55,354,309	-	-	1,905,799	57,260,108
Deposits payable	376,430	2,732,224	-	-	3,108,654
Total liabilities	196,778,255	33,372,024	16,738,802	7,469,411	254,358,492
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	243,785,782	-	-	2,363,497	246,149,279
Unavailable revenues	32,399,253	12,820,080	-	8,535,384	53,754,717
Deferred inflows related to leases	14,156,555	-	-	-	14,156,555
Total deferred inflows of resources	290,341,590	12,820,080	-	10,898,881	314,060,551
FUND BALANCES					
Restricted	33,249,401	124,252,675	228,337,241	95,361,304	481,200,621
Committed	2,393,360	-	-	-	2,393,360
Assigned	444,843,568	-	-	28,578,258	473,421,826
Unassigned	73,800,400	-	-	-	73,800,400
Total fund balances	554,286,729	124,252,675	228,337,241	123,939,562	1,030,816,207
Total liabilities, deferred inflows of resources and fund balances	$ 1,041,406,574	$ 170,444,779	$ 245,076,043	$ 142,307,854	$ 1,599,235,250

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

Total fund balances for governmental funds		$ 1,030,816,207
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and are not reported in the funds.		1,449,117,927
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds:		
Uncollected taxes receivable	$ 28,015,473	
Uncollected receivables from other governments	23,878,350	
Uncollected miscellaneous receivables	1,860,894	53,754,717
Prepaid and deferred items:		
Prepaid capital asset	5,329,947	
Deferred charge on refunding	2,587,197	
Deferred outflows related to pensions	83,041,102	
Deferred outflows related to other postemployment benefits	14,100,539	105,058,785
Internal service funds are used by management to charge the costs of certain activities, such as insurance, vehicles and communications, and capital projects management to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service funds are included in governmental activities in the Statement of Net Position.		82,029,038
Long-term obligations, including bonds payable, are not due and payable in the current period and are not reported in the funds:		
Net bonds, certificates of participation, public facility lease, taxable redevelopment facility note, support agreements and financed purchase obligations	(905,254,490)	
Lease obligations	(8,116,571)	
Subscription obligations	(5,873,741)	
Judgments and claims	(7,107,721)	
Landfill	(701,232)	
Arbitrage	(3,071,694)	
Net pension liabilities	(173,057,020)	
Net other postemployment benefits liabilities	(52,077,654)	
Compensated absences	(33,690,730)	
Deferred inflows related to pensions	(42,287,531)	
Deferred inflows related to other postemployment benefits	(23,379,247)	
Interest payable	(11,709,451)	(1,266,327,082)
Total net position of governmental activities		$ 1,454,449,592

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

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

	General	County Capital Projects	School Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
From local sources:					
General property taxes	$ 630,589,572	$ -	$ -	$ -	$ 630,589,572
Other local taxes	140,301,459	-	-	29,753,780	170,055,239
Permits, privilege fees and regulatory licenses	9,601,195	-	-	-	9,601,195
Fines and forfeitures	2,464,907	-	-	-	2,464,907
Use of money and property	15,734,886	3,723,967	7,450,865	2,597,409	29,507,127
Contributions from developers	-	4,937,052	-	-	4,937,052
Charges for services	15,738,660	176,470	-	43,272,095	59,187,225
Miscellaneous	4,313,750	602,285	-	1,648,757	6,564,792
Recovered costs	8,019,373	-	-	1,197,543	9,216,916
Donations and contributions	90,577	7,375	-	113,526	211,478
From component unit: Chippenham Place CDA	3,331,721	-	-	-	3,331,721
From component unit: School Board	-	-	13,926,745	5,143,200	19,069,945
From other governments	104,801,413	23,794,801	16,545,822	29,575,348	174,717,384
Total revenues	934,987,513	33,241,950	37,923,432	113,301,658	1,119,454,553
Expenditures					
Current:					
General government	72,297,874	-	-	100,000	72,397,874
Administration of justice	13,089,750	-	-	1,352,367	14,442,117
Public safety	245,675,895	-	-	11,717,074	257,392,969
Public works	25,018,851	-	-	510,322	25,529,173
Health and welfare	44,408,685	-	-	72,756,233	117,164,918
Parks, recreation and cultural	28,136,306	-	-	92,966	28,229,272
Education - School Board	308,207,867	-	148,457	-	308,356,324
Community development	12,888,934	-	-	2,823,050	15,711,984
Debt service:					
Retirement of principal	67,372,018	-	1,120,574	1,215,646	69,708,238
Interest	27,663,899	-	38,059	46,519	27,748,477
Other	580,347	-	-	-	580,347
Capital outlay	1,569,766	140,000,283	62,511,409	1,541,079	205,622,537
Total expenditures	846,910,192	140,000,283	63,818,499	92,155,256	1,142,884,230
Excess (deficiency) of revenues over (under) expenditures	88,077,321	(106,758,333)	(25,895,067)	21,146,402	(23,429,677)
Other financing sources (uses)					
Leases issued	1,232,705	-	2,133,204	-	3,365,909
Subscriptions issued	337,061	-	-	1,541,079	1,878,140
Transfers in	3,176,500	42,701,686	-	19,958,695	65,836,881
Transfers out	(92,179,926)	-	-	(11,756,027)	(103,935,953)
Bonds issued	23,000,000	54,800,000	50,000,000	-	127,800,000
Premium on bonds issued	506,328	5,879,746	5,634,900	-	12,020,974
Total other financing sources (uses), net	(63,927,332)	103,381,432	57,768,104	9,743,747	106,965,951
Net change in fund balances	24,149,989	(3,376,901)	31,873,037	30,890,149	83,536,274
Total fund balances, July 1, 2022	530,136,740	127,629,576	196,464,204	93,049,413	947,279,933
Total fund balances, June 30, 2023	$ 554,286,729	$ 124,252,675	$ 228,337,241	$ 123,939,562	$ 1,030,816,207

(Continued)

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

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

Net change in fund balances - total governmental funds.		$ 83,536,274
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Capitalized assets	$ 90,280,507	
Depreciation and amortization	(55,564,117)	
Right-to-use assets	8,883,850	
Right-to-use amortization	(7,672,115)	35,928,125
In the Statement of Activities, only the gain on the sale of surplus assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balances by the net book value of the surplus assets sold.		(2,125,731)
Donations of capital assets increase revenues in the Statement of Changes in Net Position, but do not appear in the governmental funds because they are not financial resources.		23,365,151
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		13,338,119
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Payments	63,005,290	
Amortization of debt premiums	8,526,330	
Amorization of bond discounts	(2,896)	
Amortization of deferred charge on refunding	(858,275)	
Assumption of CDA debt	(7,639,543)	
Proceeds	(139,820,974)	(76,790,068)
Lease/SBITA proceeds provide current financial resources to governmental funds, but issuing leases/SBITAs increase long-term liabilities in the Statement of Net Position. Repayment of lease/SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Payments	6,702,949	
Proceeds	(5,244,049)	1,458,900
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes (exclusive of internal service fund changes) of the following balances:		
Judgment and claims	(1,606,119)	
Landfill	(40,113)	
Pension expense	5,564,741	
Other postemployment benefits expense	10,166,935	
Compensated absences	2,780,468	
Arbitrage	(3,071,694)	
Interest payable	297,070	14,091,288
Internal service funds are used by management to charge the costs of insurance, vehicles and communications and capital projects management to individual funds. The net revenue of the internal service funds is reported with governmental activities.		12,816,180
Change in net position of governmental activities.		$ 105,618,238

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

County of Chesterfield, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
From local sources:				
General property taxes current	$ 592,224,600	$ 592,224,600	$ 586,143,499	$ (6,081,101)
General property taxes delinquent	18,200,000	25,200,000	44,446,073	19,246,073
Other local taxes	135,772,000	145,772,000	150,422,344	4,650,344
Permits, privilege fees and regulatory licenses	8,886,200	9,591,200	9,601,195	9,995
Fines and forfeitures	1,231,200	2,068,200	2,464,907	396,707
Use of money and property	4,138,000	8,827,027	15,734,886	6,907,859
Charges for services	16,059,800	17,707,200	15,738,660	(1,968,540)
Miscellaneous	1,378,500	2,618,183	4,313,750	1,695,567
Recovered costs	4,399,200	5,110,458	11,351,094	6,240,636
Donations and contributions	57,200	58,752	90,577	31,825
From other governments	87,834,500	89,534,784	92,521,926	2,987,142
Total revenues	870,181,200	898,712,404	932,828,911	34,116,507
Expenditures				
Current:				
General government	79,287,889	75,904,268	72,723,185	3,181,083
Administration of justice	12,245,265	13,476,290	13,145,924	330,366
Public safety	234,160,616	251,809,086	244,668,908	7,140,178
Public works	26,152,881	26,774,438	25,018,851	1,755,587
Health and welfare	44,460,849	46,162,673	44,413,185	1,749,488
Parks, recreation and cultural	28,548,856	28,996,894	28,136,306	860,588
Community development	23,109,501	26,022,999	27,060,526	(1,037,527)
Non-departmental	382,200	474,467	-	474,467
Debt service:				
Retirement of principal	19,334,300	19,334,300	19,264,279	70,021
Interest	7,560,800	7,560,800	7,674,885	(114,085)
Other	199,800	259,800	267,586	(7,786)
Total expenditures	475,442,957	496,776,015	482,373,635	14,402,380
Excess of revenues over expenditures	394,738,243	401,936,389	450,455,276	48,518,887
Other financing sources (uses)				
Transfers in	3,176,500	3,176,500	3,176,500	-
Transfers out	(438,521,200)	(659,775,640)	(429,746,546)	230,029,094
Premium on bonds issued	-	-	264,759	264,759
Total other financing uses, net	(435,344,700)	(656,599,140)	(426,305,287)	230,293,853
Net change in fund balance	(40,606,457)	(254,662,751)	24,149,989	278,812,740
Fund balance, July 1, 2022	530,136,740	530,136,740	530,136,740	-
Fund balance, June 30, 2023	$ 489,530,283	$ 275,473,989	$ 554,286,729	$ 278,812,740

(Continued)

Exhibit V

County of Chesterfield, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2023

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

Revenues	
Total revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	$ 932,828,911
Revenues related to State and Local Fiscal Recovery Funds are not reported on a budgetary basis.	2,158,602
Total revenues of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 934,987,513
Expenditures	
Total expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	$ 482,373,635
Local funding of grant programs are transfers to other funds, rather than expenditures, for financial reporting purposes.	(440,096)
Expenditures related to State and Local Fiscal Recovery Funds are not reported on a budgetary basis.	2,158,602
Budgetary transfers to component unit, excluding transfers for funding "on behalf" debt payments, are expenditures for financial reporting purposes.	308,263,367
Budgetary expenditures to blended component unit are transfers for financial reporting purposes.	(10,869,058)
Issuance costs paid on behalf of the blended component unit are expenditures for financial reporting purposes.	110,000
Right-to-use capital outlay	1,232,705
Subscription capital outlay	337,061
Debt service on debt issued "on behalf" of the School Board component unit is considered an expenditure of the primary government for financial reporting purposes.	63,743,976
Total expenditures of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 846,910,192
Other financing sources (uses), net	
Total other financing uses, net, on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	$ (426,305,287)
Local funding of grant programs are transfers to other funds, rather than expenditures, for financial reporting purposes.	(440,096)
Right to use proceeds	1,232,705
Subscription Proceeds	337,061
Budgetary transfers to component units are expenditures for financial reporting purposes.	371,765,774
Budgetary expenditures to blended component unit are transfers for financial reporting purposes.	(10,869,058)
Proceeds, net of issuance costs distributed to the blended component unit are considered transfers for financial reporting purposes	(22,890,000)
Net proceeds from debt issued "on behalf" of the School Board and EDA component units are considered other financing sources and/or uses for the primary government for financial reporting purposes.	23,241,569
Total other financing uses, net, of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ (63,927,332)

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

County of Chesterfield, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit VI

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Wastewater	Total Non-major Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 36,376,898	$ 35,114,771	$ 6,398,530	$ 77,890,199	$ 85,019,922
Investments	207,327,742	276,989,908	-	484,317,650	-
Restricted cash equivalents with trustees	-	-	22,647,209	22,647,209	-
Receivables, net of allowances for uncollectibles of $768,834					
Accounts	10,932,409	9,115,129	98,006	20,145,544	118,600
Special assessments	10,324	33,819	-	44,143	-
Leases	113,035	-	375,226	488,261	-
Total net receivables	11,055,768	9,148,948	473,232	20,677,948	118,600
Accrued interest	1,821,764	2,078,404	9,290	3,909,458	-
Due from other governments	193,729	-	4,626,304	4,820,033	7,309
Due from other funds	-	-	1,674,493	1,674,493	-
Inventories	1,560,113	-	-	1,560,113	1,339,171
Total current assets	258,336,014	323,332,031	35,829,058	617,497,103	86,485,002
Non-current assets:					
Accrued interest receivable	-	161,148	-	161,148	-
Special assessments receivable	20,392	186,677	-	207,069	-
Lease receivable	3,290,782	-	5,339,009	8,629,791	-
Restricted cash and cash equivalents	7,242,317	5,865,300	-	13,107,617	-
Capital and intangible assets:					
Capacity rights and other intangibles, net	65,577,093	1,545,398	2,830,412	69,952,903	-
Land and land improvements	12,515,001	5,384,900	48,353,481	66,253,382	-
Buildings	81,968,603	159,373,039	8,939,656	250,281,298	10,488,493
Improvements other than buildings	10,925,358	19,740,504	30,356,753	61,022,615	1,801,909
Infrastructure	-	-	7,250,802	7,250,802	-
Machinery and equipment	595,512,783	648,690,242	4,171,122	1,248,374,147	20,359,534
Construction in progress	27,038,098	21,603,552	1,249,675	49,891,325	161,394
Total capital and intangible assets	793,536,936	856,337,635	103,151,901	1,753,026,472	32,811,330
Less accumulated depreciation	(271,577,104)	(397,593,048)	(30,332,725)	(699,502,877)	(14,913,560)
Total capital and intangible assets, net of accumulated depreciation	521,959,832	458,744,587	72,819,176	1,053,523,595	17,897,770
Total non-current assets	532,513,323	464,957,712	78,158,185	1,075,629,220	17,897,770
Total assets	790,849,337	788,289,743	113,987,243	1,693,126,323	104,382,772
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	60,146	254,457	870	315,473	-
Deferred outflows related to pensions	1,592,864	1,521,906	57,903	3,172,673	1,416,819
Deferred outflows related to other postemployment benefits	288,303	347,602	10,470	646,375	190,172
Total deferred outflows of resources	1,941,313	2,123,965	69,243	4,134,521	1,606,991

(Continued)

County of Chesterfield, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit VI

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Wastewater	Total Non-major Enterprise Funds	Total	Internal Service Funds
LIABILITIES					
Current liabilities:					
Accounts payable	$ 5,939,775	$ 3,241,714	$ 328,370	$ 9,509,859	$ 4,573,286
Due to other funds	-	-	3,141,775	3,141,775	-
Accrued liabilities:					
Wages and benefits	419,660	337,484	711	757,855	285,341
Interest	46,247	94,401	221,932	362,580	-
Other	2,045,753	31,661	3,824,154	5,901,568	-
Total accrued liabilities	2,511,660	463,546	4,046,797	7,022,003	285,341
Compensated absences	170,712	150,140	4,548	325,400	83,504
Judgments and claims	79,798	23,149	-	102,947	11,575,475
Certificates of participation, net	-	-	60,986	60,986	-
Airport Revolving Loan Fund	-	-	92,300	92,300	-
Revenue bonds payable, net	3,485,078	3,326,926	5,246	6,817,250	-
Total current liabilities	12,187,023	7,205,475	7,680,022	27,072,520	16,517,606
Non-current liabilities:					
Developers' connection fees refundable	136,636	1,662,778	-	1,799,414	-
Deposits and advances	-	-	25,000	25,000	-
Retainages payable	923,101	620,031	904,504	2,447,636	5,000
Prepaid connection fees	-	142,800	-	142,800	-
Compensated absences	1,080,170	947,642	31,364	2,059,176	535,818
Judgments and claims	101,251	29,373	-	130,624	1,336,337
Net pension liabilities	3,951,360	3,678,886	111,496	7,741,742	3,117,331
Net other postemployment benefit liabilities	1,990,019	2,334,356	67,674	4,392,049	1,223,269
Certificates of participation, net	-	-	12,888	12,888	-
Airport Revolving Loan Fund	-	-	1,384,500	1,384,500	-
Revenue bonds payable, net	2,281,557	8,823,789	14,486	11,119,832	-
Total non-current liabilities	10,464,094	18,239,655	2,551,912	31,255,661	6,217,755
Total liabilities	22,651,117	25,445,130	10,231,934	58,328,181	22,735,361
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	869,494	830,759	31,609	1,731,862	773,392
Deferred inflows related to other postemployment benefits	767,365	885,823	25,074	1,678,262	451,972
Deferred inflows related to leases	3,301,131	-	5,616,336	8,917,467	-
Total deferred inflows of resources	4,937,990	1,716,582	5,673,019	12,327,591	1,225,364
NET POSITION					
Net investment in capital assets	513,227,796	444,172,931	71,067,095	1,028,467,822	17,892,770
Restricted:					
Contractual agreements	-	-	25,000	25,000	-
Debt covenants	7,242,317	5,865,300	18,759,869	31,867,486	-
Total restricted	7,242,317	5,865,300	18,784,869	31,892,486	-
Unrestricted	244,731,430	313,213,765	8,299,569	566,244,764	64,136,268
Total net position	$ 765,201,543	$ 763,251,996	$ 98,151,533	$ 1,626,605,072	$ 82,029,038

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

County of Chesterfield, Virginia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

Exhibit VII

	Business-type Activities Enterprise Funds				Governmental Activities
	Water	Wastewater	Total Non-major Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for services	$ 62,588,187	$ 57,359,834	$ 3,847,680	$ 123,795,701	$ 178,568,394
Sale of supplies	1,898,636	-	-	1,898,636	-
Rental fees	90,160	-	-	90,160	-
From other governments	-	-	14,335,571	14,335,571	-
Other	41,685	131,057	424,635	597,377	1,391,913
Total operating revenues	64,618,668	57,490,891	18,607,886	140,717,445	179,960,307
Operating expenses					
Salaries and wages	10,884,471	10,088,292	283,627	21,256,390	9,154,201
Contractual services	15,670,279	5,407,693	1,150,737	22,228,709	2,229,032
Amortization	2,556,128	118,877	-	2,675,005	-
Materials and supplies	4,885,312	6,962,924	30,074	11,878,310	13,150,398
Heat, light and power	2,119,253	3,693,998	108,509	5,921,760	96,593
Depreciation	14,522,293	20,672,280	1,879,560	37,074,133	1,726,699
Repairs and maintenance	906,029	1,526,088	163,554	2,595,671	2,078,588
Insurance	-	-	-	-	4,075,802
Claims	-	-	-	-	139,808,365
Other	363,659	170,208	16,508,267	17,042,134	51,267
Total operating expenses	51,907,424	48,640,360	20,124,328	120,672,112	172,370,945
Operating income (loss)	12,711,244	8,850,531	(1,516,442)	20,045,333	7,589,362
Non-operating revenues (expenses) net					
Investment income	5,442,981	5,519,128	417,198	11,379,307	1,986,565
Lease revenue	-	-	140,175	140,175	-
Interest expense	(153,064)	(315,424)	(46,274)	(514,762)	-
Gain (loss) on disposal of capital assets	(171,674)	(47,767)	(400,749)	(620,190)	(132,596)
Other	(908,089)	(1,432,968)	(13,495,800)	(15,836,857)	(316,340)
Net non-operating revenues (expenses)	4,210,154	3,722,969	(13,385,450)	(5,452,327)	1,537,629
Income (loss) before contributions and transfers	16,921,398	12,573,500	(14,901,892)	14,593,006	9,126,991
Capital contributions	35,634,578	39,833,994	8,035,376	83,503,948	220,783
Transfers in	-	-	25,987,511	25,987,511	3,468,406
Change in net position	52,555,976	52,407,494	19,120,995	124,084,465	12,816,180
Total net position-July 1, 2022	712,645,567	710,844,502	79,030,538	1,502,520,607	69,212,858
Total net position-June 30, 2023	$ 765,201,543	$ 763,251,996	$ 98,151,533	$ 1,626,605,072	$ 82,029,038

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

County of Chesterfield, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities Enterprise Funds				
	Water	Wastewater	Total Non-major Enterprise Funds	Total	Governmental Activities Internal Service Funds
Cash flows from operating activities					
Receipts from customers	$ 64,860,479	$ 57,569,156	$ 2,669,745	$ 125,099,380	$ 180,101,633
Lease interest receipts	-	-	123,928	123,928	-
Payments to suppliers	(24,731,168)	(19,167,320)	(2,433,311)	(46,331,799)	(23,136,158)
Payments to employees	(11,900,472)	(11,174,152)	(315,416)	(23,390,040)	(9,880,922)
Claims paid	-	-	-	-	(138,423,603)
Net cash provided by operating activities	28,228,839	27,227,684	44,946	55,501,469	8,660,950
Cash flows from non-capital financing activities					
Transfers in	-	-	268,632	268,632	3,468,406
State non-employer contribution to OPEB plans	9,571	12,835	-	22,406	8,096
Net cash provided by non-capital financing activities	9,571	12,835	268,632	291,038	3,476,502
Cash flows from capital and related financing activities					
Transfers in	-	-	30,922,771	30,922,771	-
Purchase of capital assets	(26,957,936)	(17,154,894)	(28,582,680)	(72,695,510)	(5,353,181)
Purchase of capacity rights	(3,569,187)	-	-	(3,569,187)	-
Payments to developers for utility assets	(200,955)	(258,717)	-	(459,672)	-
Retainages paid to contractors	(901,471)	(223,215)	(18,972)	(1,143,658)	-
Proceeds from sale of capital assets	10,100	-	-	10,100	143,434
Capital contributions	17,634,870	14,442,723	8,895,639	40,973,232	-
Interest paid on bonds, certificates of participation and other liabilities	(358,250)	(640,250)	(70,692)	(1,069,192)	-
Principal paid on bonds, certificates of participation and other liabilities	(3,170,000)	(2,830,000)	(172,997)	(6,172,997)	-
Payment of other debt expenses	(1,265)	(1,485)	-	(2,750)	-
Net cash provided by (used in) capital and related financing activities	(17,514,094)	(6,665,838)	10,973,069	(13,206,863)	(5,209,747)
Cash flows from investing activities					
Purchase of investments	(70,974,928)	(65,914,727)	-	(136,889,655)	-
Proceeds from sale of investments	23,517,178	10,537,200	-	34,054,378	-
Interest received	4,155,207	4,362,818	415,201	8,933,226	1,986,565
Net cash provided by (used in) investing activities	(43,302,543)	(51,014,709)	415,201	(93,902,051)	1,986,565
Net increase (decrease) in cash and cash equivalents	(32,578,227)	(30,440,028)	11,701,848	(51,316,407)	8,914,270

(Continued)

Exhibit VIII

County of Chesterfield, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities Enterprise Funds				
	Water	Wastewater	Total Non-major Enterprise Funds	Total	Governmental Activities Internal Service Funds
Cash and cash equivalents, June 30, 2022:					
Cash and cash equivalents	$ 69,228,275	$ 66,100,382	$ 8,045,711	$ 143,374,368	$ 76,105,652
Investments	159,793,978	221,655,375	-	381,449,353	-
Less: Investments with maturities greater than 90 days when purchased	(159,793,978)	(221,655,375)	-	(381,449,353)	-
Restricted cash and cash equivalents	6,969,167	5,319,717	-	12,288,884	-
Restricted cash and cash equivalents with trustees	-	-	9,298,180	9,298,180	-
Total cash and cash equivalents, June 30, 2022	76,197,442	71,420,099	17,343,891	164,961,432	76,105,652
Cash and cash equivalents, June 30, 2023:					
Cash and cash equivalents	36,376,898	35,114,771	6,398,530	77,890,199	85,019,922
Investments	207,327,742	276,989,908	-	484,317,650	-
Less: Investments with maturities greater than 90 days when purchased	(207,327,742)	(276,989,908)	-	(484,317,650)	-
Restricted cash and cash equivalents	7,242,317	5,865,300	-	13,107,617	-
Restricted cash and cash equivalents with trustees	-	-	22,647,209	22,647,209	-
Total cash and cash equivalents, June 30, 2023	$ 43,619,215	$ 40,980,071	$ 29,045,739	$ 113,645,025	$ 85,019,922
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ 12,711,244	$ 8,850,531	$ (1,516,442)	$ 20,045,333	$ 7,589,362
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	14,522,293	20,672,280	1,879,560	37,074,133	1,726,699
Amortization	2,556,128	118,877	-	2,675,005	-
Changes in assets and liabilities:					
Receivables, net	169,342	67,281	(88)	236,535	141,326
Inventories	(304,393)	-	-	(304,393)	(336,693)
Accounts and other payables	(1,425,775)	(2,481,285)	(68,084)	(3,975,144)	(459,743)
Unearned revenue	-	-	(250,000)	(250,000)	-
Net cash provided by operating activities	$ 28,228,839	$ 27,227,684	$ 44,946	$ 55,501,469	$ 8,660,951
Noncash transactions related to financing, capital and investing activities:					
Contributions of capital assets	$ 17,999,708	$ 25,378,436	$ 7,143,155	$ 50,521,299	$ 220,783
Economic development incentives	-	-	(6,726,339)	(6,726,339)	-
Issuance of developer contracts	79,955	1,009,512	-	1,089,467	-
Unrealized loss on investments	76,014	(42,994)	-	33,020	-
Interest receivable	1,211,760	1,199,304	-	2,411,064	-

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

County of Chesterfield, Virginia
Statement of Fiduciary Net Position
June 30, 2023

	Pension and Other Postemployment Benefits Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	$ 7,084,123	$ 137,237,848
Accounts receivable	88,959	353,442
Due from other governments	-	96,800
Due from broker	5,560	-
Restricted assets:		
Cash and cash equivalents	-	8,540,242
Investments	-	8,147,109
Cash, cash equivalents, and investments with trustee	-	12,266,979
Due from other governments	-	3,248,641
Interest receivable	-	1,456,224
Total restricted assets	-	33,659,195
Investments:		
Mutual funds	8,994,159	-
Common and preferred stocks	10,558,033	-
Certificate of Deposits	-	49,856,229
Corporate bonds	5,121,588	-
Corporate notes	-	9,997,758
Municipal bonds	60,913	-
U.S. government and agency securities	5,356,802	9,748,668
Exchange traded funds	8,195,479	-
Collateralized mortgage obligations	593,765	-
Fund of funds	6,592,599	-
Pooled funds	83,450,961	-
Total investments	128,924,299	69,602,655
Total assets	136,102,941	240,949,940
LIABILITIES		
Accounts payable	-	272,800
Wages and benefits	-	300,125
Unearned revenue	-	243,000
Due to Chesterfield County	-	278,399
Due to other governments	-	20,778,959
Total liabilities	-	21,873,283
FIDUCIARY NET POSITION		
Restricted for:		
Pension benefits	48,848,212	-
Other postemployment benefits	87,254,729	-
Individuals, other governments and entities	-	219,076,657
Total fiduciary net position	$ 136,102,941	$ 219,076,657

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

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

	Pension and Other Postemployment Benefits Trust Funds	Custodial Funds
Additions:		
Receipts:		
Contributions - employer	$ 31,544,583	$ -
Deposits received on behalf of others	-	1,901,115
Contributions from participating entities and other governments	-	251,429,759
Other	-	487,739
Investment earnings:		
Interest and dividends	2,285,184	7,196,240
Net increase (decrease) in the fair value of investments	6,441,188	(311,112)
Total investment income	8,726,372	6,885,128
Less investment expenses	(258,068)	(620)
Net investment income	8,468,304	6,884,508
Total additions, net	40,012,887	260,703,121
Deductions:		
Payments to beneficiaries and participating entities	26,397,435	179,168,829
General and administrative expenses	101,672	515,566
Other payments	-	44,577
Total deductions	26,499,107	179,728,972
Net increase in fiduciary net position	13,513,780	80,974,149
Fiduciary net position - July 1, 2022	122,589,161	138,102,508
Fiduciary net position - June 30, 2023	$ 136,102,941	$ 219,076,657

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

County of Chesterfield, Virginia
Statement of Net Position
Discretely Presented Component Units
June 30, 2023

	School Board	Non-major Component Unit Chippenham Place Community Development Authority	Total Component Units
ASSETS			
Cash and cash equivalents	$ 14,999,400	$ -	$ 14,999,400
Investments	186,123	-	186,123
Receivables	28,170,014	-	28,170,014
Due from Primary Government	120,640,764	-	120,640,764
Inventories	83,702	-	83,702
Capital assets, not being depreciated or amortized	205,432	-	205,432
Other capital assets, net of depreciation and amortization	89,925,344	-	89,925,344
Total assets	254,210,779	-	254,210,779
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	138,270,440	-	138,270,440
Deferred outflows related to other postemployment benefits	19,636,972	-	19,636,972
Total deferred outflows of resources	157,907,412	-	157,907,412
LIABILITIES			
Accounts payable and other liabilities	65,484,596	-	65,484,596
Unearned revenues	1,386,977	-	1,386,977
Non-current liabilities:			
Due within one year	9,134,678	-	9,134,678
Due in more than one year	603,937,854	-	603,937,854
Total liabilities	679,944,105	-	679,944,105
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	86,483,961	-	86,483,961
Deferred inflows related to other postemployment benefits	40,646,262	-	40,646,262
Total deferred inflows of resources	127,130,223	-	127,130,223
NET POSITION			
Net investment in capital assets	79,473,860	-	79,473,860
Restricted for grantor programs	22,834,999	-	22,834,999
Unrestricted (deficit)	(497,264,996)	-	(497,264,996)
Total net position (deficit)	$ (394,956,137)	$ -	$ (394,956,137)

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

County of Chesterfield, Virginia
Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2023

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Non-major Component Unit Chippenham Place Community Development Authority	Total Component Units
School Board	$ 822,118,023	$ 13,548,483	$ 265,162,445	$ 17,105,722	$ (526,301,373)	$ -	$ (526,301,373)
Non-major Component Units	3,534,403	-	-	-	-	(3,534,403)	(3,534,403)
Total	$ 825,652,426	$ 13,548,483	$ 265,162,445	$ 17,105,722	(526,301,373)	(3,534,403)	(529,835,776)
General revenues:							
Payment from County of Chesterfield					308,411,825	9,458,346	317,870,171
Grants and contributions not restricted to specific programs					296,991,114	-	296,991,114
Investment earnings					898,654	12,671	911,325
Miscellaneous					8,457,299	-	8,457,299
Total general revenues					614,758,892	9,471,017	624,229,909
Change in net position (deficit)					88,457,519	5,936,614	94,394,133
Total net position (deficit) - July 1, 2022					(483,413,656)	(5,936,614)	(489,350,270)
Total net position (deficit) - June 30, 2023					$ (394,956,137)	$ -	$ (394,956,137)

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

2. The Chippenham Place Community Development Authority (Chippenham Place CDA) was created as a political subdivision of the Commonwealth by the County, pursuant to Sections 15.2-5152 of the Code of Virginia. The Authority was created to fund public infrastructure improvements at the former Cloverleaf Mall site. The Authority's improvements are part of a mixed-use development project that provides residential, retail, commercial and office components. Complete financial statements for the Chippenham Place CDA may be obtained by contacting the Chesterfield County Accounting Department, 9901 Lori Road, P.O. Box 40, Chesterfield, Virginia 23832.

   The Chippenham Place CDA has completed the purposes for which it was created and the dissolution of the Chippenham Place CDA was authorized effective June 29, 2023. As a result of the dissolution, the County assumed responsibility for the Chippenham Place CDA's outstanding debt and the Chippenham Place CDA transferred its cash deposits to the County.

B. Government-wide and Fund Financial Statements

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

Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reflect a full economic resources measurement focus and the accrual basis of accounting. The Statement of Net Position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position of the governmental and business-type activities by columns. In the Statement of Activities, both the gross and net cost per individual function is reported for both governmental and business-type activities. Related program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by the function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of the function. The County does not allocate indirect expenses. Taxes and other revenues not restricted to a particular function are reported as general revenues.

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

The non-major governmental funds of the County are:

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

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

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

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

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

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

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

Enterprise Funds:

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

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

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

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

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

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

Trust Funds:

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

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

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

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

Custodial Funds:

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

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

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

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

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

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

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

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

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

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

The connection fee charged to connect to the County's water and wastewater system consists of a capital recovery charge and a meter installation charge. The capital recovery charge will be used to finance future capital improvements, whereas the meter installation charge recovers the cost of the meter and its installation. In accordance with industry practice, capital recovery charges of $16,958,936 and $14,395,858 in fiscal year 2023 have been recorded as capital contributions in the Water and Wastewater Enterprise Funds, respectively, and the meter installation fees have been classified as charges for services in the Water Enterprise Fund.

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

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

1. Cash and Cash Equivalents

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

2. Investment Policy

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

3. Allowances for Uncollectibles

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

4. Inventories

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

5. Restricted Assets – Enterprise Funds

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

6. Capacity Rights – Enterprise Funds

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

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

7. Capital Assets

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

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

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

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

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

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

A. Leases:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. SBITAs:

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

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

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

9. Deferred Outflows/Inflows of Resources

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

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

10. Compensated Absences

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

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

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

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

11. Retirement Plans

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

12. Other Postemployment Benefits Plans

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

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

13. Long-term Obligations

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

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

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

14. Use of Estimates

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

E. New Accounting Pronouncements

In fiscal year 2023, the County implemented the following new accounting pronouncements:

1. GASB Statement No. 91 (GASB 91) “Conduit Debt Obligations”

This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (a) commitments extended by issuers, (b) arrangements associated with conduit debt obligations and (c) related note disclosures. The Statement clarifies the existing definition of a conduit debt obligation, i.e., that it is not a liability of the issuer, but it is a debt instrument having all the following characteristics: At least three parties involved including an issuer, a third-party obligor, and a debt holder or debt trustee; the issuer and third-party obligor are not within the same financial reporting entity; the debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer; the third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance; and the third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation.

2. GASB Statement No. 94 (GASB 94) “Public-Private and Public-Public Partnerships and Availability Payment Arrangements

This statement defines and provides guidance on accounting and financial reporting for public-private and public-public partnership arrangements (PPPs) and service concession arrangement (SCA). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. A service concession arrangement (SCA) is 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. The County has not identified any arrangement that meet the definition of a PPP or SCA.

3. GASB Statement No. 96 (GASB 96) “Subscription Based Information Technology Arrangements (SBITAs)”

This Statement provides guidance on the accounting and financial reporting for a SBITA that is defined as a contract that conveys the control of the right to use another party’s information technology software, along 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. It establishes a single model for IT subscription accounting based upon the foundational principle that software subscriptions are financings of the right-to-use an underlying asset. SBITAs where the maximum possible lease term is one year or less continue to be reported as operating subscriptions.

4. **GASB Statement No. 99 (GASB 99) "Omnibus 2022"**

This statement addresses practice issues identified after other standards have been approved for implementation. This statement also addresses GASB 87, GASB 94, and GASB 96.

5. **GASB Statement No. 100 (GASB100) "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62"**

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

6. **Implementation Guide No. 2023-1**

This guide contains new questions and answers in addition to amending previously issued questions and answers from past implementation guides covering topics such as leases, SBITAs.

2. Stewardship, Compliance, and Accountability

A. Budgetary Accounting

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

- ♦ Prior to budget submission, department directors develop departmental performance plans, which include items such as objectives, performance measures, initiatives and work plans for the coming year.

- ♦ In early fall, the School Board and County departments receive an expenditure target. Budgets are prepared with work plans consistent with the resources available.

- ♦ Departments submit budgets and work plans to the County Administrator for review in December and January. The County Administrator's recommended budget is prepared by early March. During this time, work sessions are held with the County Board to inform them on details of the budget.

- ♦ No later than March 1, the School Board submits its approved budget to the County Administrator.

- ♦ Prior to April 1, the County Administrator submits to the County Board a proposed operating budget for the County and School Board for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the revenues for financing them.

- ♦ A public hearing is conducted in March to obtain taxpayer comments on the proposed budget. Constituent meetings are also held around the County to provide information to citizens and to receive community input on the County Administrator's proposed budget.

- ♦ Prior to May 1, the County Board adopts the budget by resolution and funds are appropriated July 1 generally at the function level for the General Fund, at the fund level for the Children's Services Fund, and at the major expenditure category for the School Operating Fund of the School Board component unit, through passage of an appropriation resolution. The resolution establishes the levels of control at which expenditures may not legally exceed appropriation. The expenditure categories for the School Operating Fund are: instruction, administration, pupil transportation, operations and maintenance, technology, food service and debt service.

- Appropriations for the General Fund, Stormwater Fund operations, Mental Health Fund, Children's Services Fund, CVTA Fund, School Operating Fund, Internal Service Funds, and Enterprise Funds lapse at fiscal year-end. Appropriations for Capital Project funds, Grant funds and Stormwater Fund capital projects are continued until the completion of the applicable project or grant, even when the project or grant extends beyond the end of the fiscal year. Expenditures from the Jail Canteen Fund are directed by the Sheriff and do not require budgetary approval by the County Board.

- Formal budgetary integration is employed as a management control device during the year for all funds. Budgets are legally adopted annually for the County's General Fund, the Children's Services Fund, Stormwater Fund, Mental Health Fund, CVTA Fund and the School Operating Fund. The appropriations resolution specifies that Trust and Custodial Fund disbursements must be for the purpose for which the fund was established.

- A budget is adopted for each grant or project in the Grants Fund or the County Capital Projects Fund when funds become available. In the School Capital Projects Fund, projects are appropriated as funds become available on a fiscal year basis. The appropriations resolution specifies that the budget and appropriation for each grant or project continue until the expiration of the grant or completion of the project. All other appropriations lapse at year-end. The level of control at which expenditures may not legally exceed appropriations is at the individual grant or project level in the Grants Fund and County Capital Projects Fund and at the total appropriation level in the School Capital Projects Fund.

- Budgets for all funds are adopted on a budgetary basis. Budgeted amounts reflected in the basic financial statements are as originally adopted and as amended by the County Board, School Board, County Administrator or the School Superintendent. The statements include an explanation of differences between actual amounts on the budgetary basis and GAAP basis.

- The County Administrator is authorized to amend appropriations by transferring unencumbered appropriated amounts within appropriation categories, and up to $50,000 between appropriation categories. The County Administrator is also authorized to (1) appropriate any unanticipated revenues that are received from insurance recoveries received for damage to County property, refunds or reimbursements made to the County for which the County has expended funds directly related to that refund or reimbursement, and other revenues not to exceed $50,000; (2) appropriate funds from asset forfeiture accounts consistent with spending requirements; (3) increase the General Fund appropriation to the School Board, contingent upon available funds and consideration of other expenditures up to $12.0 million; (4) transfer funds to departments for workers' compensation, supplemental retirement, healthcare, career development plans, part-time salaries and other compensation related costs as well as for transfers to cover energy/fuel costs; (5) reallocate funding sources for specific programs, and; (6) within the healthcare fund, may appropriate use of reserves, interest earnings, and additional employee or employer contributions in any amount to pay claims, deductibles, settlements, and any cost associated with healthcare. Otherwise, the County Board must approve amendments that increase the total appropriation of any function level. During the year, the County Board approved several amendments to the various appropriations. The County is required to hold a public hearing for any single amendment that exceeds 1% of the County's currently adopted budget.

- The Superintendent and/or School Board have the authority to make transfer amendments within major appropriation categories in the school budget. The Superintendent and/or School Board are authorized to approve amendments in the school budget that cross major appropriation categories up to $499,999. Any amendment that crosses major appropriation categories in excess of $499,999 must first be approved by the School Board and then by the County Board. The County Administrator has the authority to appropriate any unanticipated revenues that are received from insurance recoveries, reimbursements and other revenue of the School Board for amounts up to $50,000.

B. Fund balances

1. Primary Government

The County Board has adopted policies that provide a framework for the County's overall fiscal planning and management. The County's unassigned General Fund balance has been built over the years to provide the County with sufficient working capital to finance unforeseen emergencies without short-term borrowing. The County is dedicated to maintaining a diversified and stable revenue system to shelter the government from fluctuations in any single revenue source and to ensure its ability to provide ongoing services. The County's policy is to fund current expenditures with current revenues. If it becomes necessary to fund current expenditures with fund balance and the County Board has not specified use of committed or unassigned resources, assigned fund balance is used when available within the same spending category.

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

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

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

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

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

Unassigned fund balance – Unassigned fund balance is the residual classification of fund balance. Only the General Fund can report a positive unassigned fund balance. The County Board has established a minimum fund balance policy, which is the ratio of unassigned General Fund balance to General Fund expenditures. The County's minimum unassigned fund balance target is 8.0% with a floor of 6.0% for fiscal year 2023.

The County had the following classifications of fund balances at June 30, 2023:

	General Fund	County Capital Projects Fund	School Capital Projects Fund	Other Governmental Funds	Totals
Restricted for:					
General government	$ 324,008	$ 3,990,255	$ -	$ -	$ 4,314,263
Public, education and government access	9,120,470	-	-	-	9,120,470
Administration of justice	579,989	-	-	(28,199)	551,790
Public safety	6,483	43,098,891	-	85,951	43,191,325
Law enforcement	2,629,581	-	-	-	2,629,581
Public works	738,802	34,029,964	-	70,342,622	105,111,388
Stormwater management facility	1,082,644	-	-	-	1,082,644
Health and welfare	22,417	(2,093)	-	2,131,971	2,152,295
Chesapeake Bay Watershed/TMDL	-	-	-	22,443,874	22,443,874
Parks, recreation and cultural	45,723	38,648,740	-	292,453	38,986,916
Education - School Board	-	948,097	214,705,619	-	215,653,716
Economic development	3,051,109	538,826	-	92,632	3,682,567
Future capital projects	203,931	-	-		203,931
Tax increment financing and special assessments	14,987,952	-	-	-	14,987,952
Debt service	456,292	2,999,995	13,631,622	-	17,087,909
Total restricted	33,249,401	124,252,675	228,337,241	95,361,304	481,200,621
Committed to:					
Community contracts	40,312	-	-	-	40,312
District improvement funds	513,099	-	-	-	513,099
Economic development	287,727	-	-	-	287,727
Public safety	147,069	-	-	-	147,069
Public works	1,405,153	-	-	-	1,405,153
Total committed	2,393,360	-	-	-	2,393,360
Assigned to:					
General government	1,826,107	-	-	-	1,826,107
Other post employment benefits	1,100,000	-	-	-	1,100,000
Telecommunications	1,193,551	-	-	-	1,193,551
Workers compensation	2,400,000	-	-	-	2,400,000
Administration of justice	36,172	-	-	-	36,172
Public safety	2,773,193	-	-	9,952,860	12,726,053
Public safety compensation plan	9,849,551	-	-	-	9,849,551
Fire apparatus	2,386,853	-	-	-	2,386,853
Local match for grants	1,812,070	-	-	-	1,812,070
Police vehicles	1,597,257	-	-	-	1,597,257
Public works	1,094,996	-	-	-	1,094,996
Road construction	10,689,046	-	-	-	10,689,046
Motor vehicle registration fees for transportation	759,036	-	-	-	759,036
Health and welfare	284,631	-	-	18,625,398	18,910,029
Parks, recreation and cultural	698,381	-	-	-	698,381
Economic development	17,301,957	-	-	-	17,301,957
Airport	1,763,739	-	-	-	1,763,739
Construction	204,206,773	-	-	-	204,206,773
Debt service	9,567,193	-	-	-	9,567,193
Chesapeake Bay Watershed/TMDL	3,061,053	-	-	-	3,061,053
Fiscal year 2024 adopted budget	30,380,900	-	-	-	30,380,900
Future capital projects	3,078,685	-	-	-	3,078,685
Future revenue shortfall - County	112,820,264	-	-	-	112,820,264
Future revenue shortfall - Schools	19,071,166	-	-	-	19,071,166
Education - School construction	1,468,395	-	-	-	1,468,395
Education - School debt service	3,622,599	-	-	-	3,622,599
Total assigned	444,843,568	-	-	28,578,258	473,421,826
Unassigned	73,800,400	-	-	-	73,800,400
Total fund balances	$ 554,286,729	$ 124,252,675	$ 228,337,241	$ 123,939,562	$ 1,030,816,207

2. Component Unit - School Board

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

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

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

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

Committed fund balance – Committed fund balance requires expressed formal action of the School Board and then by the County Board by a resolution that identifies the specific circumstances under which resources can be expended. The School Board can only modify the specified use of commitments with County approval by resolution. At June 30, 2023, the School Board had no committed fund balance.

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

Unassigned fund balance – Unassigned fund balance is the residual classification of fund balance. At June 30, 2023, the School Board had no unassigned fund balance.

The School Board had the following classifications of fund balances at June 30, 2023

Component Unit - School Board	
Nonspendable:	
Inventories	$ 83,703
Restricted for:	
Food service	22,824,570
Total restricted	22,824,570
Assigned to:	
Instruction	8,071,209
Administration, attendance and he	1,333,503
Transportation	2,082,295
and maintenance	55,326,558
Technology	958,056
School activity funds	6,667,247
Total assigned	74,438,868
Total fund balances	$ 97,347,141

3. Significant Transactions of the County and Component Units

A. School Board

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

1) The School Board can neither levy taxes nor incur debt under Virginia law. Therefore, the County issues debt "on behalf" of the School Board. The debt obligation is recorded as a liability of the County's governmental activities. Proceeds from general obligation debt issued "on behalf" of the School Board are reported in the School Capital Projects Fund, a major fund of the primary government, and used to pay for school capital expenditures. Proceeds from financed purchases for vehicles and equipment owned by the School Board is debt of the School Board, which is reported in the School Operating Fund.

2) The County's charter states that title to all real property of the school system shall be vested in the County. The purchase and/or construction of School Board real property is accounted for in the School Capital Projects Fund, which is reported as a major fund of the primary government. The capital assets are reported in the governmental activities of the County. Depreciation and accumulated depreciation related to School Board real property are reported in the County's governmental activities within the appropriate government-wide statement. Operational and maintenance costs related to School Board real property are reported by the School Board.

3) The primary government's budgeting process provides funding to the School Board component unit for debt service payments. The School Board is responsible for appropriating debt service payments for debt issued by the primary government on its behalf. These transactions are reported as transfers on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund and as transfers and debt service payments on the School Board's Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual. GAAP requires that debt issued "on behalf" of the School Board and related debt service payments be reported by the primary government for financial reporting purposes. Therefore, School Board debt service payments for "on behalf" debt are eliminated in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund. The primary government eliminates budgetary transfers for these "on behalf" debt service payments for financial reporting purposes in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

B. Economic Development Authority

1. <u>Primary Government</u>

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

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

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

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

The EDA maintains bond proceeds for County sewer line improvements and makes payments for the costs of the project on behalf of the County. On June 30, 2023, the EDA non-major Enterprise Fund reported a restricted cash balance of $3,143,625 and amounts due to the County Capital Projects Fund of $3,141,775.

2. Chippenham Place Community Development Authority

On October 1, 2011, the EDA entered into a Financing Agreement with the Chippenham Place CDA. In accordance with the Financing Agreement, the EDA issued a Tax-Exempt Revenue Note in an amount up to $8 million and provided the proceeds of the Note to the Chippenham Place CDA to finance the infrastructure improvements at the former Cloverleaf Mall site. The outstanding amount of the Special Assessment Revenue Note, Series 2011, at December 1, 2014 was $6,670,000. On December 1, 2014, the EDA entered into a new Financing Agreement with the CDA. In accordance with the new Financing Agreement, the EDA issued a Tax-Exempt Revenue Note, Series 2014B, in an amount of $12,577,548, the proceeds of which were used to pay the outstanding balance of the Special Assessment Revenue Note, Series 2011; reimburse the County for infrastructure improvements; and pay the costs of issuing the Note. On May 1, 2017, the EDA entered into a new Financing Agreement with the Chippenham Place CDA. In accordance with the new Financing Agreement, the EDA issued a Special Assessment Revenue Note, Series 2017, in an amount of $11,774,028, the proceeds of which were used to pay the outstanding principal balance and interest on the EDA's Note solely from the revenues and other property pledged to the payment of this Note. The Chippenham Place CDA dissolved on June 29, 2023. As a result of the dissolution, the County assumed the outstanding Series 2017 Revenue Refunding Bond, with a balance of $7,639,543.

4. Deposits and Investments

A. Primary Government:

As of June 30, 2023, the carrying value of the County's deposits and investments, excluding Trust Funds, but including Custodial Funds, with their respective credit ratings, was as follows:

		Credit Quality Rating			
Asset Type	Fair Value	AAA/AAAm	AA	A1	N/A
Demand deposits	$ 112,356,271	$ -	$ -	$ -	$ 112,356,271
LGIP	128,660,058	128,660,058	-	-	-
VIP Stable NAV Liquidity Pool	420,692,210	420,692,210	-	-	-
SNAP	340,310,810	340,310,810	-	-	-
VIP 1 - 3 Year High Quality Bond Fund	48,565,646	-	48,565,646	-	-
Negotiable certificates of deposit	160,059,490	-	30,053,297	130,006,193	-
Commercial paper	14,726,346	-	9,914,320	4,812,026	-
Corporate notes	460,588,418	149,540,292	311,048,126	-	-
Municipal bonds	5,553,822	-	5,553,822	-	-
Treasury Bill	19,497,333	-	19,497,333	-	-
Federal Home Loan Bank	293,268,022	16,651,860	276,616,162	-	-
Federal Farm Credit Bank	103,152,610	4,663,810	98,488,800	-	-
Total	$ 2,107,431,036	$ 1,060,519,040	$ 799,737,506	$ 134,818,219	$ 112,356,271

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

Credit Risk:

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

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

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

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

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

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

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

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

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the depositor will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. As of June 30, 2023, all demand deposits were insured or collateralized.

Concentration of Credit Risk:

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

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

As of June 30, 2023, the portion of the County's portfolio, excluding demand deposits and SNAP, that represents 5% or more of the total portfolio is as follows:

Issuer	% of Portfolio
Corporate notes	27.8%
VIP Stable NAV Liquidity Pool	25.4%
Federal Home Loan Bank	17.7%
Negotiable certificates of deposit	9.7%
LGIP	7.8%
Federal Farm Credit Bank	6.2%

Interest Rate Risk:

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

As of June 30, 2023, the County had the following pooled deposits and investments:

		Investment Maturity			
Asset Type	**Fair Value/NAV**	**Less than 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**3 - 4 Years**
LGIP	$ 128,660,058	$ 128,660,058	$ -	$ -	$ -
VIP Stable NAV Liquidity Pool	420,692,210	420,692,210	-	-	-
SNAP	340,310,810	340,310,810	-	-	-
VIP 1 - 3 Year High Quality Bond Fund	48,565,646	-	48,565,646 (a)	-	-
Commercial paper	14,726,346	14,726,346	-	-	-
Corporate notes	460,588,418	238,439,624	174,797,331 (b)	44,680,872 (c)	2,670,591
Municipal bonds	5,553,822	3,759,473	1,794,349	-	-
Treasury Bill	19,497,333	19,497,333	-	-	-
Federal Home Loan Bank	293,268,021	41,143,551 (c)	106,442,279 (d)	145,682,191	-
Federal Farm Credit Bank	103,152,611	78,530,921 (e)	24,621,690 (f)	-	-
Negotiable certificates of deposit	160,059,490	160,059,490	-	-	-
Total	$ 1,995,074,765	$ 1,445,819,815	$ 356,221,295	$ 190,363,063	$ 2,670,591

(a) The weighted average effective duration for this investment is 1.83 years.
(b) $15,708,885 of these bonds have a call date of March 11, 2024.
(c) $31,391,751 of these bonds have call dates from one time to September 29, 2023.
(d) These bonds have quarterly call dates from current to September 30,2023.
(e) These bonds have continuous call dates to July 25, 2023.
(f) $19,957,880 of these bonds have a call date of September 6, 2023.

Fair Value Hierarchy:

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

Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs). The County's portfolio has the following recurring fair value measurements for debt securities as of June 30, 2023:

Investments by fair value - Level 2	**Fair Value**
Negotiable certificates of deposit	$ 160,059,490
Commercial paper	14,726,346
Corporate notes	460,588,418
Municipal bonds	5,553,822
Treasury Bill	19,497,333
Federal Home Loan Bank	293,268,021
Federal Farm Credit Bank	103,152,611
Federal National Mortgage Association	
Total investments by fair value - Level 2	$ 1,056,846,041
Investments measured at the net asset value (NAV)	
VIP 1 - 3 Year High Quality Bond Fund	$ 48,565,646

The VIP 1 - 3 Year Bond Fund (Portfolio) is a fixed income investment portfolio designed to provide a pooled investment alternative with an investment horizon greater than that of money market instruments, typically one year or longer. The Portfolio measures its returns against the ICE Bank of America Merrill

Lynch 1 – 3 Year AAA/AA U. S. Corporate and Government Index and aims to exceed the return of the benchmark over three-year periods while preserving participant capital. The Portfolio is managed as a variable NAV pool. Fair value and NAV are determined on the 15th and the last business day of each month. If the 15th is not a business day, the fair value and the NAV will be determined on the preceding business day. The pool transacts with participants based on a floating NAV per share that is determined by the market, the same as reporting. Redemptions must be at least $10,000 and may be made twice per month on the first business day following the portfolio valuation.

Chesterfield County Supplemental Retirement Plan:

As of June 30, 2023, the carrying value of the County Supplemental Retirement Plan Pension Trust Fund's (Plan) deposits and investments was as follows:

Asset Type	Fair Value
Demand deposits	$ 3,284,123
Mutual funds	8,994,159
Common and preferred stocks	10,558,033
Corporate bonds	5,121,588
Municipal bonds	60,913
Funds of funds	6,592,599
Exchange traded funds	8,195,479
Collateralized mortgage backed securities	593,765
U. S. Treasuries	1,468,063
Federal National Mortgage Association	1,886,610
Federal Home Loan Mortgage Corporation	1,189,857
Government National Mortgage Association	812,272
Total deposits and investments	$ 48,757,461

The Plan's investments include funds of funds, which are investment funds that use a strategy of holding a portfolio of other investment funds rather than investing directly in shares, bonds or other securities, resulting in greater portfolio diversification. At June 30, 2023, the underlying investments in the Plan's funds of funds consisted primarily of equities and fixed income securities.

Credit Risk:

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

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. Of the Plan's $3,284,123 of demand deposits, $2,784,124 is invested in bank deposits or money market funds that are uninsured and uncollateralized.

Concentration of Credit Risk:

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

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

Interest Rate Risk:

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

At June 30, 2023, the Plan had investments of $593,765 (1.31% of total portfolio excluding demand deposits) in collateralized mortgage backed securities. These securities are based on cash flows from interest and principal payments on underlying mortgages of commercial income producing properties and, therefore, are sensitive to interest rate changes.

As of June 30, 2023, the Plan held the following investments and maturities:

		Investment Maturity		
Asset Type	Fair Value	0 - 5 Years	5 - 10 Years	10 - 30 Years
Corporate bonds and collateralized mortgage backed securities	$ 5,715,353	$ 1,815,420	$ 1,546,816	$ 2,353,117
Municipal bonds	60,913	-	-	60,913
U. S. Treasuries	1,468,063	652,586	46,217	769,260
Federal National Mortgage Association	1,886,610	-	-	1,886,610
Federal Home Loan Mortgage Corporation	1,189,857	-	19,899	1,169,958
Government National Mortgage Association	812,272	6,101	-	806,171
Total	$ 11,133,068	$ 2,474,107	$ 1,612,932	$ 7,046,029

Fair Value Hierarchy:

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

The Plan's portfolio has the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using	
Investments by fair value level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt securities:			
U. S. Treasuries	$ 1,468,063	$ -	$ 1,468,063
U. S. agencies and sponsored enterprises	3,888,739	-	3,888,739
Municipal bonds	60,913	-	60,913
Collateralized mortgage-backed securities	593,765	-	593,765
Corporate bonds	5,121,588	-	5,121,588
Total debt securities	11,133,068	-	11,133,068
Equity securities:			
Common and preferred stocks	10,558,033	10,558,033	-
Exchange traded funds	8,195,479	8,195,479	-
Mutual funds	8,994,159	8,994,159	-
Total equity securities	27,747,671	27,747,671	-
Total investments by fair value level	38,880,739	$ 27,747,671	$ 11,133,068
Investments measured at the net asset value (NAV)			
Multi-strategy alternative funds	6,592,599		
Total investments measured at fair value	$ 45,473,338		

Investments measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
(1) Multi-strategy alternative investment	$ 1,279,455	$ 308,339	None	N/A
(2) Multi-strategy alternative investment	1,052,900	876,420	None	N/A
(3) Multi-strategy alternative investment	1,986,489	None	Semi-annual	95 days
(4) Multi-strategy alternative investment	2,273,756	None	Quarterly	100 days
Total investments measured at fair value	$ 6,592,599			

(1) *Multi-strategy alternative investment.* This investment is a multi-strategy fund designed to provide investors with exposure to a well-diversified private markets portfolio across strategy, investment type and vintage year. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the investments.

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

(3) *Multi-strategy alternative investment.* This investment's objective is capital appreciation with limited variability of returns. This includes relative value strategies that attempt to capture pricing anomalies between assets that for all economic purposes are identical; market neutral and low net equity strategies that involve the purchase of a stock or basket of stocks that is relatively underpriced as well as selling short a stock or basket of stocks that is relatively overpriced; and event driven strategies that involve the assessment of how, when and if specific transactions will be completed and the effect on corporations and financial assets. A common event driven strategy is merger arbitrage. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the investments.

(4) *Multi-strategy alternative investment.* This investment's objective is to achieve a substantial return on capital with limited volatility through investments in a broadly diversified portfolio of securities. The fund seeks to achieve this through an actively managed, opportunistic, multi-strategy portfolio of hedge fund investments to produce consistent alpha through a full market cycle by focusing on fundamentally-oriented managers with the skills and adaptability to generate returns in a broad range of market conditions and by maintaining flexible research and implementation processes. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the investments.

Investment Policy and Long-term Rate of Return:

Asset Class	Target Allocation	Style Target	Arithmetic Long-Term Expected Rate of Return
U.S. Large Cap Equity	25.0%		
Large Cap Growth		12.5%	9.4%
Large Cap Value		12.5%	9.2%
U.S. Small Cap Equity	10.0%		
Small Cap Growth		5.0%	9.2%
Small Cap Value		5.0%	10.1%
International Developed and Emerging Markets	20.0%		
Developed International Equity		15.0%	8.3%
Emerging Markets Equity		5.0%	10.1%
Fixed Income - U.S. Core Broad	25.0%		3.9%
Alternative Investments	15.0%		
Hedge funds		10.0%	6.5%
Private Equity		5.0%	11.9%
Real Estate (Investment Trusts)	5.0%		14.0%
Total	100.0%		7.8%

County and School Board Retiree Healthcare OPEB Funds and County Line of Duty OPEB Fund:

As of June 30, 2023, the carrying value of the County Retiree Healthcare OPEB Fund's deposits and investments held by the Trust and their respective credit rating was as follows:

Asset Type	Fair Value	Credit Rating
Investment in pooled funds	$ 42,412,079	N/A

As of June 30, 2023, the carrying value of the School Board Retiree Healthcare OPEB Fund's deposits and investments held by the Trust and their respective credit rating was as follows:

Asset Type	Fair Value	Credit Rating
Cash	$ 1,000,000	
Investment in pooled funds	27,284.556	N/A
Total	$28,284,556	

As of June 30, 2023, the carrying value of the County Line of Duty OPEB Fund's deposits and investments held by the Trust and their respective credit rating was as follows:

Asset Type	Fair Value	Credit Rating
Cash	$ 2,800,000	
Investment in pooled funds	13,754.326	N/A
Total	$16,554,326	

As of June 30, 2023, excluding the pooled funds, there were no other investments. Accordingly, there is no credit risk, concentration of credit risk or interest rate risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The entire pooled funds in the County and School Board Retiree Healthcare OPEB Funds and the County Line of Duty OPEB Fund are uninsured and uncollateralized.

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

Investment Policy and Long-term Rate of Return:

Asset Class	Target Allocation	Arithmetic Long-term Expected Rate of Return
Equity:		
Large Cap	21.0%	7.2%
Small Cap	10.0%	8.6%
International	13.0%	8.1%
Emerging Markets	5.0%	9.3%
Private	10.0%	10.6%
Long/Short Equity	6.0%	5.8%
Fixed Income:		
Core Bonds	5.0%	2.6%
Core Plus	11.0%	2.9%
Liquid Absolute Return	4.0%	3.3%
Real Assets:		
Core Real Estate	10.0%	6.5%
Opportunitstic Real Estate	5.0%	9.5%
Total	100%	7.01%

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

B. Component Unit – School Board

As of June 30, 2023, the carrying value of the School Board operating and custodial funds' deposits with their respective credit rating were as follows:

Asset Type	Fair Value	Credit Rating
Demand deposits	$ 14,999,400	N/A
SNAP	186,123	AAAm
Total	$ 15,185,523	

School Board deposits are invested in accordance with the County's investment policy. As of June 30, 2023, excluding the demand deposits, School Board investments were limited to SNAP. Descriptions of credit risk, concentration of credit risk and interest rate risk for SNAP investments is included Note 4.A. Primary Government.

School Board Supplemental Retirement Program:

As of June 30, 2023, the carrying value of the School Board Supplemental Retirement Program Pension Trust Fund's (Program) deposits and investments, with their respective credit ratings, was as follows:

Asset Type	Fair Value
Demand Deposits	$ 1,204,942
Common stocks	20,346,098
Mutual funds - equity	8,637,274
Mutual funds - fixed income	27,947,393
Exchange traded funds - equity	14,484,144
Exchange traded funds - fixed income	2,081,565
Total deposits and investments	$ 74,701,416

Credit Risk:

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

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

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Program will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. Of the money market accounts held by the program, $825,607 is uninsured and uncollateralized.

Concentration of Credit Risk:

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

Interest Rate Risk:

Program investments sensitive to interest rate risk are managed by an investment manager specializing in global fixed income investments. The investment manager is responsible for monitoring economic outlook and investment strategy and has discretionary authority to buy, sell, or hold individual securities within the guidelines of the stated methodology. Performance of the investments is reviewed, monitored, and evaluated quarterly by the Committee. As of June 30, 2023, the Program held the following investments and maturities:

		Investment Maturity[1]	
Asset Type	Fair Value	0 - 5 Years	5 - 13 Years
Exchange traded funds fixed income	$ 2,081,565	$ 2,081,565	$ -
Mutual funds - fixed income	27,947,393	18,315,941	9,631,452
Total	$ 30,028,958	$ 20,397,506	$ 9,631,452

[1] Estimated using average effective maturity.

Fair Value Hierarchy:

The Program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Program has the following recurring fair value measurements using quoted market prices (Level 1 inputs) as of June 30, 2023:

Investments by Fair Value	Fair Value	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Common stocks	$ 20,346,098	$ 20,346,098	$ -
Mutual funds - equity	8,637,274	8,637,274	-
Mutual funds - fixed income	27,947,393	16,053,950	11,893,443
Exchange traded funds - equity	14,484,144	14,484,144	-
Exchange traded funds - fixed income	2,081,565	2,081,565	-
Total	$ 73,496,474	$ 61,603,031	$ 11,893,443

Investment Policy and Long-term Rate of Return:

Asset Class	Target Allocation	Style Target	Arithmetic Long-Term Expected Rate of Return
Equity:			
U.S. Large Cap Equity	32.0%		
Large Cap Growth		13.0%	9.4%
Large Cap Value		19.0%	9.2%
U.S. Small/Mid Cap Equity	12.0%		
Mid Cap Growth		3.0%	9.8%
Mid Cap Value		5.0%	9.8%
Small Cap Growth		1.0%	9.2%
Small Cap Value		3.0%	10.1%
International Developed Equity	11.0%		8.3%
Emerging Markets Equity	5.0%		10.1%
Global Fixed Income	40.0%		
Ultra-Short Term Fixed Income		4.0%	3.1%
Short-term Fixed Income		11.0%	3.5%
U. S. Taxable Core		14.0%	3.9%
Inflation Linked Securities		3.0%	5.0%
Global Fixed Income Other		8%	3.8%
Total	100.0%		7.8%

5. Receivables

A. Real and Personal Property Taxes

Property tax revenues may be used to fund any general governmental services authorized by the Code of Virginia and the County Board. Property taxes levied by the County are not subject to any statutory maximum; however, a public hearing must be held prior to setting the current tax rate. The tax rate is set by the County Board in March or April and is applied to the assessed value as of January 1 of the calendar year. The assessed value of all classes of property approximates market value. January 1 is also the date an enforceable legal claim to the asset applies. Real Property taxes are due June 5th and December 5th in two equal installments. Installments due on June 5, 2023, are levied for fiscal year 2023 and, when unavailable in the current period, are reported as deferred inflows of resources. Installments due on December 5, 2023, are levied for fiscal year 2024 and, therefore, are unearned and reported as deferred inflows of resources.

Personal property taxes, which do not create a lien on property, are due on June 5th and levied for fiscal year 2023 on property with situs in the County as of January 1st. The County prorates personal property taxes levied on motor vehicles acquiring or losing situs after January 1.

The Personal Property Tax Relief Act of 1998 (PPTRA) provided for the Commonwealth to reimburse a portion of the personal property tax levied on the first $20,000 of personal use cars, motorcycles and trucks. During the 2005 Special Session I, the Virginia General Assembly passed Senate Bill 5005. The bill provides for the Commonwealth to reimburse a portion of the tangible personal property tax levied based on a fixed relief amount. The fixed relief amount was capped at $950,000,000 in total for all localities with the County's share capped at $41,092,048, which the County received during the year ended June 30, 2023. The Commonwealth requires localities to record the revenue from PPTRA as received from other governments, not as property taxes.

B. Stormwater Utility Fees

Stormwater utility fees are billed to each property owner subject to the fee in the same manner as the real property tax. Stormwater utility fees are due June 5th and December 5th in two equal installments. Installments due on June 5, 2023, are levied for fiscal year 2023 and, when unavailable in the current period, are reported as deferred inflows of resources in the fund statements. Installments due on December 5, 2023, are levied for fiscal year 2024 and are reported as deferred inflows of resources in the fund statements and government-wide statements.

C. Leases

The County leases land, building, office space and equipment to third parties which are presented with accounts receivable on the financial statements. As of June 30, 2023, the County's lease receivables were valued at $23,477,481 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases was $23,074,022.

The lease receivables reported in Receivables, net of allowance for uncollectibles, for Governmental and Business-Type Activities at June 30, 2023 were as follows:

GOVERNMENTAL ACTIVITIES		
Land leases - annual lease payments totaling $140,008 plus interest at rates ranging from 0.980% to 3.446%, due dates ranging from July 24, 2023 to October 31, 2052.	$	1,729,513
Infrastructure leases - annual lease payments totaling $218,404 plus interest at rates ranging from 0.980% to 3.446%, due dates ranging from July 1, 2023 to December 31, 2059.		1,418,925
Building and office space leases - annual lease payments totaling $997,932 plus interest at rates ranging from 0.814% to 3.489%, due dates ranging from July 1, 2023 to June 30, 2067.		11,210,991
Total Governmental Activities Lease Receivables	$	14,359,429

BUSINESS-TYPE ACTIVITIES		
Land leases - annual lease payments totaling $11,397 plus interest at rates ranging from 1.296% to 2.425%, due dates ranging from November 1, 2023 to January 31, 2060.	$	406,017
Infrastructure leases - annual lease payments totaling $113,035 plus interest at rates ranging from 1.872% to 2.343%, due dates ranging from September 1, 2023 to September 30, 2047.		3,403,818
Building and office space leases - annual lease payments totaling $281,769 plus interest at rates ranging from 0.435% to 2.425%, due dates ranging from October 1, 2023 to January 31, 2060.		5,308,217
Total Business-Type Activities Lease Receivables	$	9,118,052

D. Receivables

Receivables at June 30, 2023 were as follows:

Governmental Activities	General Fund	County Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Taxes	$ 299,440,909	-	$ 2,435,841	$ -	$ 301,876,750
Accounts	15,748,884	964,951	19,822,073	118,600	36,654,508
Leases	14,359,429	-	-	-	14,359,429
Interest	2,404,116	-	1,142,866	-	3,546,982
Lease interest	51,147	-	-	-	51,147
Special assessments	782,716	-	-	-	782,716
Commonwealth of Virginia	42,473,945	14,194,985	9,051,013	7,309	65,727,252
Federal government	28,581	3,736,055	2,571,937	-	6,336,573
Gross receivables	375,289,727	18,895,991	35,023,730	125,909	429,335,357
Less: Allowance for uncollectibles	(13,687,742)	-	(8,081,837)	-	(21,769,579)
Net receivables	$ 361,601,985	$ 18,895,991	$ 26,941,893	$ 125,909	$ 407,565,778

Business-type Activities	Water Fund	Wastewater Fund	Non-major Enterprise Funds	Total
Accounts	$ 11,366,731	$ 9,449,641	$ 98,006	$ 20,914,378
Leases	3,403,817	-	5,714,235	9,118,052
Interest	1,821,764	2,239,552	9,290	4,070,606
Special assessments	30,716	220,496	-	251,212
Commonwealth of Virginia	-	-	4,464,478	4,464,478
Federal government	193,729	-	161,826	355,555
Gross receivables	16,816,757	11,909,689	10,447,835	39,174,281
Less: Allowance for uncollectibles	(434,322)	(334,512)	-	(768,834)
Net receivables	$ 16,382,435	$ 11,575,177	$ 10,447,835	$ 38,405,447

Component Unit	School Board
Accounts	$ 2,409,744
Commonwealth of Virginia	10,033,023
Federal government	15,727,247
Gross receivables	$ 28,170,014

Special assessments of $20,392 and $186,677, respectively, in the Water and Wastewater funds, in addition to $161,148 of accrued interest on those special assessments in the Wastewater fund, are not expected to be collected within one year.

6. Payables

Payables at June 30, 2023, were as follows:

Governmental Activities

	General Fund	County Capital Projects Fund	School Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Vendors	$ 9,506,343	$ 28,517,973	$ 14,804,668	$ 3,946,539	$ 4,573,286	$ 61,348,809
Wages and benefits	9,225,916	5,914	-	1,444,772	285,341	10,961,943
Retainages	-	2,115,913	1,934,134	172,301	5,000	4,227,348
Deposits	376,430	2,732,224	-	-	-	3,108,654
Total	$ 19,108,689	$ 33,372,024	$ 16,738,802	$ 5,563,612	$ 4,863,627	79,646,754
					Accrued interest	11,709,451
					Total per government-wide	$ 91,356,205

Business-type Activities

	Water Fund	Wastewater Fund	Non-major Enterprise Funds	Total
Vendors	$ 5,939,775	$ 3,241,714	$ 328,370	$ 9,509,859
Wages and benefits	419,660	337,484	711	757,855
Accrued interest	46,247	94,401	221,932	362,580
Retainages	923,101	620,031	904,504	2,447,636
Other	2,045,753	31,661	3,824,154	5,901,568
Total	$ 9,374,536	$ 4,325,291	$ 5,279,671	$ 18,979,498

Component Unit

	School Board
Vendors	$ 11,182,171
Wages and benefits	53,548,991
Retainages	614,724
Accrued interest	138,711
Total	$ 65,484,597

7. Reporting Entity - Internal Transactions

Internal receivable and payable balances at June 30, 2023, were as follows:

Fund	Internal Receivables	Internal Payables
Internal Receivables/Payables Other Funds		
Governmental Activities:		
General Fund	$ -	$ 1,674,493
County Capital Projects Fund	3,141,775	-
Business-type Activities:		
Non-major Economic Development Authority	1,674,493	3,141,775
Total primary government	$ 4,816,268	$ 4,816,268
Receivables/Payables Primary Government and Component Units		
Primary Government:		
General Fund	$ -	$ 120,640,764
Discretely Presented Component Unit:		
School Board	120,640,764	-
Total	$ 120,640,764	$ 120,640,764

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

Transfers are used (1) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) to use revenues collected in the General Fund to finance various grants, projects or programs accounted for in other funds in accordance with budgetary authorization and (3) to provide funding for capital expenditures or budgeted subsidies for operations. Interfund transfers in the fund financial statements during fiscal year 2023 were as follows:

Transfers In:		
Governmental Funds		
General Fund from:		
Grants Fund	$ 2,871,300	
Mental Health Fund	305,200	$ 3,176,500
County Capital Projects Fund from:		
General Fund	34,489,685	
Central Virginia Transportation Authority - Local	7,960,548	
Mental Health Fund	251,453	42,701,686
Grants Fund from:		
General Fund	2,299,402	
Mental Health Fund	339,526	
Jail Canteen Fund	28,000	2,666,928
Children's Services Fund from:		
General Fund		1,907,700
Mental Health Fund from:		
General Fund		15,384,067
Proprietary Funds		
Economic Development Authority from:		
General Fund		33,759,058
Airport Fund from:		
General Fund		871,608
Internal Service Funds		
Vehicle and Communications Maintenance Fund from:		
General Fund		848,006
Risk Management Fund from:		
General Fund		20,400
Healthcare Fund from:		
General Fund		2,600,000
Total transfers in		$ 103,935,953

Transfers Out:		
Governmental Funds		
General Fund to:		
County Capital Projects Fund	$34,489,685	
Grants Fund	2,299,402	
Children's Services Fund	1,907,700	
Healthcare Fund	2,600,000	
Mental Health Fund	15,384,067	
Economic Development Authority	33,759,058	
Airport Fund	871,608	
Vehicle and Communications Maintenance Fund	848,006	
Risk Management Fund	20,400	$ 92,179,926
Central Virginia Transportation Authority - Local Fund to:		
County Capital Projects Fund		7,960,548
Grants Fund to:		
General Fund		2,871,300
Mental Health Fund to:		
General Fund	305,200	
County Capital Projects Fund	251,453	
Grants Fund	339,526	896,179
Jail Canteen Fund to:		
Grants Fund		28,000
Total transfers out		$ 103,935,953

8. Capital and Intangible Assets

A. Governmental Activities

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	$ 102,731,011	$ 18,366,353	$ 18,000	$ 121,079,364
Construction in progress	103,725,563	94,580,919	93,376,776	104,929,706
Subscriptions in progress	-	548,018	-	548,018
Total assets, not being depreciated	206,456,574	113,495,290	93,394,776	226,557,088
Capital assets, being depreciated and or amortized:				
Buildings	1,585,600,342	74,533,287	2,163,360	1,657,970,269
Improvements other than buildings	120,641,069	7,670,196	194,713	128,116,552
Machinery and equipment	231,590,680	12,874,292	16,211,777	228,253,195
Infrastructure	43,740,494	1,002,536	-	44,743,030
Right-to-use land	124,030	-	-	124,030
Right-to-use buildings	9,380,719	2,973,033	310,269	12,043,483
Right-to-use equipment	24,468	961,954	24,468	961,954
Right-to-use subscriptions	-	12,426,493	-	12,426,493
Total at historical cost	1,991,101,802	112,441,791	18,904,587	2,084,639,006
Less accumulated depreciation and amortization for:				
Buildings	562,378,356	34,780,933	1,831,441	595,327,848
Improvements other than buildings	67,568,200	4,721,626	118,413	72,171,413
Machinery and equipment	149,738,479	17,147,096	14,229,458	152,656,117
Infrastructure	13,862,556	641,161	-	14,503,717
Right-to-use land	37,209	37,209	-	74,418
Right-to-use buildings	2,134,481	2,647,016	310,269	4,471,228
Right-to-use equipment	12,234	188,592	24,468	176,358
Right-to-use subscriptions	-	4,799,298	-	4,799,298
Total accumulated depreciation/ amortization	795,731,515	64,962,931	16,514,049	844,180,397
Total capital assets, being depreciated, net	1,195,370,287	47,478,860	2,390,538	1,240,458,609
Governmental activities capital assets, net	$ 1,401,826,861	$ 160,974,150	$ 95,785,314	$ 1,467,015,697

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

Governmental activities capital assets, net of accumulated depreciation at June 30, 2023, are comprised of the following:

General capital assets, net	$ 1,449,117,927
Internal Service Funds capital assets, net	17,897,770
Total	$ 1,467,015,697

Depreciation and amortization expense was charged to the following functions:

General government	$	7,981,149
Administration of justice		1,662,655
Public safety		14,288,501
Public works		1,682,869
Health and welfare		2,181,897
Education - School Board		28,119,325
Parks, recreation and cultural		5,938,370
Community development		1,381,466
Capital assets held by the County's Internal Service Funds		1,726,699
Total depreciation expense	$	64,962,931

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

Function		Committed at June 30, 2023
General government	$	6,238,403
Administration of justice		1,055,361
Public safety		69,972,021
Public works		17,699,102
Parks, recreation and cultural		53,491,239
Education - School Board		182,322,937
Community development		2,552,207
Total construction in progress commitments	$	333,331,270

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

Function		Committed at June 30, 2023
General government	$	269,472
Community development		278,547
Total subscriptions in progress commitments	$	548,019

B. Business-type Activities

Intangible and capital asset activity for the year ended June 30, 2023, was as follows:

Water Fund	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Intangible assets:				
Capacity rights, net of amortization	$ 64,564,034	$ 3,569,187	$ 2,556,128	$ 65,577,093
Capital assets, not being depreciated:				
Land	11,157,959	1,357,042	-	12,515,001
Construction in progress	30,479,512	23,658,062	27,099,476	27,038,098
Total assets, not being depreciated	41,637,471	25,015,104	27,099,476	39,553,099
Capital assets, being depreciated:				
Buildings	76,175,196	6,040,900	247,493	81,968,603
Improvements other than buildings	9,245,021	1,766,856	86,519	10,925,358
Machinery and equipment	555,386,276	40,500,950	374,443	595,512,783
Totals at historical cost	640,806,493	48,308,706	708,455	688,406,744
Less accumulated depreciation for:				
Buildings	30,013,782	1,852,338	172,120	31,694,000
Improvements other than buildings	6,933,637	277,736	49,509	7,161,864
Machinery and equipment	220,698,925	12,392,219	369,904	232,721,240
Total accumulated depreciation	257,646,344	14,522,293	591,533	271,577,104
Total capital assets, being depreciated, net	383,160,149	33,786,413	116,922	416,829,640
Water capital and intangible assets, net	$ 489,361,654	$ 62,370,704	$ 29,772,526	$ 521,959,832

Wastewater Fund	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Intangible assets:				
Capacity rights, net of amortization	$ 1,664,275	$ -	$ 118,877	$ 1,545,398
Capital assets, not being depreciated:				
Land	4,699,178	685,722	-	5,384,900
Construction in progress	13,474,914	16,809,075	8,680,437	21,603,552
Total assets, not being depreciated	18,174,092	17,494,797	8,680,437	26,988,452
Capital assets, being depreciated:				
Buildings	158,763,914	609,125	-	159,373,039
Improvements other than buildings	19,734,128	6,376	-	19,740,504
Machinery and equipment	615,477,377	34,711,628	1,498,763	648,690,242
Totals at historical cost	793,975,419	35,327,129	1,498,763	827,803,785
Less accumulated depreciation for:				
Buildings	72,847,589	3,529,337	-	76,376,926
Improvements other than buildings	10,833,015	482,280	-	11,315,295
Machinery and equipment	294,691,159	16,660,663	1,450,995	309,900,827
Total accumulated depreciation	378,371,763	20,672,280	1,450,995	397,593,048
Total capital assets, being depreciated, net	415,603,656	14,654,849	47,768	430,210,737
Wastewater capital and intangible assets, net	$ 435,442,023	$ 32,149,646	$ 8,847,082	$ 458,744,587

Non-major	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Intangible assets:				
Capacity rights, net of amortization	$ -	$ 2,830,412	$ -	$ 2,830,412
Capital assets, not being depreciated:				
Land and improvements	$ 48,238,534	$ 6,095,432	$ 5,980,485	$ 48,353,481
Construction in progress	692,145	1,977,777	1,420,247	1,249,675
Total assets, not being depreciated	48,930,679	8,073,209	7,400,732	49,603,156
Capital assets, being depreciated:				
Buildings	9,023,372	-	83,716	8,939,656
Improvements other than buildings	30,228,394	128,359	-	30,356,753
Machinery and equipment	4,010,542	170,469	9,889	4,171,122
Infrastructure	9,887,662	-	2,636,860	7,250,802
Totals at historical cost	53,149,970	298,828	2,730,465	50,718,333
Less accumulated depreciation for:				
Buildings	4,035,131	213,340	57,521	4,190,950
Improvements other than buildings	21,649,863	1,104,401	-	22,754,264
Machinery and equipment	1,559,537	209,413	9,889	1,759,061
Infrastructure	1,891,311	352,406	615,267	1,628,450
Total accumulated depreciation	29,135,842	1,879,560	682,677	30,332,725
Total capital assets, being depreciated, net	24,014,128	(1,580,732)	2,047,788	20,385,608
Non-major business-type activities capital assets, net	$ 72,944,807	$ 9,322,889	$ 9,448,520	$ 72,819,176

Total Business-type Activities	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Intangible assets:				
Capacity rights, net of amortization	$ 66,228,309	$ 6,399,599	$ 2,675,005	$ 69,952,903
Capital assets, not being depreciated:				
Land	64,095,671	8,138,196	5,980,485	66,253,382
Construction in progress	44,646,571	42,444,914	37,200,160	49,891,325
Total assets, not being depreciated	108,742,242	50,583,110	43,180,645	116,144,707
Capital assets, being depreciated:				
Buildings	243,962,482	6,650,025	331,209	250,281,298
Improvements other than buildings	59,207,543	1,901,591	86,519	61,022,615
Machinery and equipment	1,174,874,195	75,383,047	1,883,095	1,248,374,147
Infrastructure	9,887,662	-	2,636,860	7,250,802
Totals at historical cost	1,487,931,882	83,934,663	4,937,683	1,566,928,862
Less accumulated depreciation for:				
Buildings	106,896,502	5,595,015	229,641	112,261,876
Improvements other than buildings	39,416,515	1,864,417	49,509	41,231,423
Machinery and equipment	516,949,621	29,262,295	1,830,788	544,381,128
Infrastructure	1,891,311	352,406	615,267	1,628,450
Total accumulated depreciation	665,153,949	37,074,133	2,725,205	699,502,877
Total capital assets, being depreciated, net	822,777,933	46,860,530	2,212,478	867,425,985
Total business-type activities capital and intangible assets, net	$ 997,748,484	$ 103,843,239	$ 48,068,128	$ 1,053,523,595

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

Water	$	2,556,128
Wastewater		118,877
Total amortization expense	$	2,675,005
Water	$	14,522,293
Wastewater		20,672,280
Non-major funds		1,879,560
Total depreciation expense	$	37,074,133

C. Component Unit - School Board

Capital asset activity for the year ended June 30, 2023, for the School Board component unit was as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated:				
Construction in progress	$ 680,525	$ 205,431	$ 680,524	$ 205,432
Capital assets, being depreciated:				
Machinery and equipment	183,492,400	23,673,157	2,287,553	204,878,004
Right-to-use buildings	2,052,740	221,018	153,365	2,120,393
Right-to-use equipment	81,538	-	-	81,538
Right-to-use subscriptions	-	5,722,994	-	5,722,994
Total at historical cost	185,626,678	29,617,169	2,440,918	212,802,929
Less accumulated depreciation and amortization for:				
Machinery and equipment	101,416,037	21,453,132	1,797,744	121,071,425
Right-to-use buildings	267,055	302,534	153,365	416,224
Right-to-use equipment	18,918	25,125	-	44,043
Right-to-use subscriptions	-	1,345,893	-	1,345,893
Less accumulated depreciation/amortization	101,702,010	23,126,684	1,951,109	122,877,585
Total capital assets, being depreciated, net	83,924,668	6,490,485	336,444	89,925,344
School Board capital assets, net	$ 84,605,193	$ 6,695,916	$ 1,016,968	$ 90,130,776

Current year depreciation and amortization on capital assets of the School Board was $23,126,684.

9. Long-term Obligations

A. General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities of the primary government and including those used by the School Board component unit. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The general obligation bonds are payable from the General Fund. In the event of default on payment of principal or interest on these bonds and upon the affidavit of any bond owner or any paying agent of the bonds, the Governor must take certain actions through the State Aid Intercept Program. These actions could include directing the Comptroller of the Commonwealth to withhold its payments to the County until such default is cured. At June 30, 2023, general obligation bonds offered for public sale were outstanding as follows:

	Original Issue Amount	Interest Rates	Future Principal Requirements	Total Outstanding
General Obligation Bonds				
2011A School, due 2032	$ 15,630,000	4.05 - 5.05%	$780,000	$ 7,020,000
2012B School, due 2033	18,595,000	3.05 - 5.05%	925,000 - 930,000	9,295,000
2013A School, due 2034	18,305,000	3.05 - 5.05%	915,000	10,065,000
2014 General Improvement & Refunding, due 2025	60,645,000	4.00 - 5.00%	3,115,000 - 3,855,000	6,970,000
2015 General Improvement & Refunding, due 2029	92,110,000	3.00 - 5.00%	1,735,000 - 11,930,000	44,720,000
2016 General Improvement & Refunding, due 2036	86,480,000	2.125 - 5.00%	2,095,000 - 5,370,000	48,250,000
2017B General Improvement, due 2037	82,270,000	3.00 - 5.00%	4,110,000 - 4,115,000	57,580,000
2018A General Improvement, due 2038	51,450,000	3.00 - 5.00%	2,570,000 - 2,575,000	38,575,000
2018B School, due 2039	13,735,000	3.55 - 5.05%	685,000 - 690,000	10,975,000
2019A General Improvement, due 2039	69,925,000	2.50 - 5.00%	3,495,000 - 3,500,000	55,925,000
2020A School, due 2041	38,340,000	2.90%	1,915,000 - 1,920,000	34,500,000
2020 General Improvement, due 2040	59,755,000	2.00 - 5.00%	2,985,000 - 2,990,000	50,790,000
2020B General Improvement, due 2035	41,485,000	0.55 - 1.55%	1,760,000 - 5,935,000	37,135,000
2022 School, due 2042	116,605,000	2.00 - 5.00%	5,830,000 - 5,835,000	110,775,000
2023 General Improvement, due 2043	104,800,000	4.00 - 5.00%	2,740,000 - 5,375,000	104,800,000
Total general obligation bonds				627,375,000
Add: Premium				51,845,260
Net general obligation bonds				$ 679,220,260

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

Year Ending June 30	General Obligation Bonds Principal	Interest	Total
2024	$ 50,310,000	$ 21,325,591	$ 71,635,591
2025	52,800,000	21,659,630	74,459,630
2026	48,980,000	19,377,370	68,357,370
2027	45,580,000	17,291,229	62,871,229
2028	41,845,000	15,292,436	57,137,436
2029-2033	179,600,000	51,754,664	231,354,664
2034-2038	142,195,000	22,953,454	165,148,454
2039-2043	66,065,000	5,215,063	71,280,063
Total	$ 627,375,000	$ 174,869,437	$ 802,244,437

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

Year Ending June 30	Schedule of Expected Interest Credits 2011A	2012B	2013A	Total
2024	$ 52,275	$ 46,425	$ 21,968	$ 120,668
2025	55,025	45,175	76,437	176,637
2026	50,325	43,925	73,997	168,247
2027	51,125	42,675	70,965	164,765
2028	52,175	45,025	68,250	165,450
2029-2033	212,825	217,725	308,989	739,539
2034	-	-	56,098	56,098
Total	$ 473,750	$ 440,950	$ 676,704	$ 1,591,404

B. Revenue Bonds

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

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

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

Revenue bonds outstanding at June 30, 2023, are as follows:

	Original Issue Amount	Interest Rates	Future Principal Requirements	Amount Outstanding
Governmental Activities				
2019 EDA Public Facility Revenue Bonds, due 2039	$ 45,705,000	3.00 - 5.00%	$2,285,000	$ 36,560,000
2020 EDA Public Facility Revenue Bonds, due 2041	85,000,000	2.00 - 5.00%	4,250,000	76,500,000
Total governmental-type activities revenue bonds				113,060,000
Add: Premium				13,782,710
Net governmental-type activities				126,842,710
Business-type Activities				
Major Enterprise Funds				
2016 Water and Sewer, due 2027	$ 53,695,000	5.00%	$2,005,000 - 6,315,000	16,970,000
Add: Premium				947,350
Net business-type activities				17,917,350
Total revenue bonds				$ 144,760,060

The Water and Wastewater Funds are responsible for the following revenue bonds:

	Water	Wastewater	Total
Total revenue bonds	$ 5,580,000	$ 11,390,000	$ 16,970,000
Net revenue bonds	5,766,635	12,150,715	17,917,350

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

Year Ending	Governmental Activities			Business-type Activities		
June 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ 6,535,000	$ 4,221,700	$ 10,756,700	$ 6,315,000	$ 690,625	$ 7,005,625
2025	6,535,000	3,894,950	10,429,950	5,365,000	398,625	5,763,625
2026	6,535,000	3,568,200	10,103,200	3,285,000	182,375	3,467,375
2027	6,535,000	3,241,450	9,776,450	2,005,000	50,125	2,055,125
2028	6,535,000	2,914,700	9,449,700	-	-	-
2029-2033	32,675,000	9,832,200	42,507,200	-	-	-
2034-2038	32,675,000	4,048,500	36,723,500	-	-	-
2039-2041	15,035,000	578,550	15,613,550	-	-	-
Total	$ 113,060,000	$ 32,300,250	$ 145,360,250	$ 16,970,000	$ 1,321,750	$ 18,291,750

C. Special Subfund Revenue Bonds

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

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

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

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

The County has a moral obligation to appropriate and pay the amounts due for subfund revenue bonds issued by the VRA from the General Fund. In the event of default, the lender may provide prompt, written notice declaring the entire unpaid balance as due and payable. The lender also has the option of applying to the State Aid Intercept Program and request that the Commonwealth withholds its payments to the County to be applied to the defaulted amount as a cure for nonpayment. Amounts outstanding as of June 30, 2023 for the Special Subfund Revenue Bonds are:

	Original Issue Amount	Interest Rates	Future Principal Requirements	Amount Outstanding
Governmental Activities				
2016A Virginia Resource Authority, due 2037	$19,760,324	3.807 - 5.125%	$330,000 - 2,034,203	$ 10,071,521
2017A Virginia Resource Authority, due 2037	6,550,000	3.125 - 5.125%	285,000 - 475,000	5,320,000
2017B Virginia Resource Authority, due 2037	7,185,000	3.125 - 5.125%	375,000 - 380,000	5,290,000
2017C Virginia Resource Authority, due 2037	2,675,000	3.125 - 5.125%	140,000 - 145,000	1,965,000
2018A Virginia Resource Authority, due 2039	14,775,000	4.125 - 5.125%	735,000 - 740,000	11,815,000
2018B Virginia Resource Authority, due 2039	4,710,000	3.407 - 4.407%	235,000	3,760,000
Total governmental special subfund revenue bonds				38,221,521
Add: Premium				2,818,043
Less: Discount				(22,098)
Net governmental activities				41,017,466
Business-type Activities				
2016A Virginia Resource Authority due 2028	$ 44,676	4.476 - 5.125%	$ 2,618 - 5,797	18,479
Add: Premium				1,253
Net business-type activities				19,732
Total special subfund revenue bonds				$ 41,037,198

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

	Primary Government					
Year Ending	Governmental Activities			Business-type Activities		
June 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ 3,505,274	$ 1,638,933	$ 5,144,207	$ 4,726	$ 792	$ 5,518
2025	3,829,203	1,454,966	5,284,169	5,797	522	6,319
2026	2,932,314	1,287,300	4,219,614	2,686	309	2,995
2027	2,937,348	1,144,049	4,081,397	2,652	181	2,833
2028	2,942,382	1,004,501	3,946,883	2,618	58	2,676
2029-2033	11,060,000	3,434,192	14,494,192	-	-	-
2034-2038	10,045,000	1,083,203	11,128,203	-	-	-
2039-2043	970,000	20,338	990,338	-	-	-
Total	$ 38,221,521	$ 11,067,482	$ 49,289,003	$ 18,479	$ 1,862	$ 20,341

D. Public Facility Lease Revenue Bonds and Certificates of Participation

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

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

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

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

Amounts outstanding as of June 30, 2023 on the Certificates of Participation are as follows:

Governmental Activities	Original Issue Amount	Interest Rates	Future Principal Requirements	Amount Outstanding
2012 Certificates of Participation - Refunding, due 2025	$ 19,011,905	4.00 - 5.00%	$327,211 - 1,539,815	$ 1,867,026
Add: Premium				22,602
Net governmental activities				1,889,628
Business-type Activities				
2012 Certificates of Participation - Refunding, due 2025	$ 743,095	4.00 - 5.00%	$ 12,789 - 60,185	72,974
Add: Premium				900
Net business-type activities				73,874
Total certificates of participation				$ 1,963,502

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

Year Ending	Primary Government					
	Governmental Activities			Business-Type Activities		
June 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ 1,539,815	$ 43,885	$ 1,583,700	$ 60,185	$ 1,715	$ 61,900
2025	327,211	6,544	333,755	12,789	256	13,045
Total	$ 1,867,026	$ 50,429	$ 1,917,455	$ 72,974	$ 1,971	$ 74,945

E. Direct Borrowings

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

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

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

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

The Chippenham Place CDA dissolved on June 29, 2023. As a result of the dissolution, the County assumed the outstanding Series 2017 Revenue Refunding Bond, with a balance of $7,639,543.

Direct borrowings as of June 30, 2023 are as follows:

	Original Issue Amount	Interest Rates	Future Principal Requirements	Total Outstanding
Governmental Activities				
Chippenham Place Special Assessment Note, due 2032	$ 11,774,028	2.89%	$755,367 - $948,731	$ 7,639,543
2019 EDA Tax Exempt Revenue Bond, due 2032	15,000,000	2.35%	691,000 - 1,459,000	11,457,000
Chester Arts Community Center, due 2032	6,899,800	3.09	459,987	4,139,883
2020C EDA Refunding Bond, due 2030	5,659,000	1.00	389,000 - 790,000	3,606,000
2020D EDA Refunding Bond, due 2025	2,611,000	0.75	638,000 - 642,000	1,280,000
2020E EDA Refunding Bond, due 2035	6,246,000	2.00	385,000 - 479,000	5,162,000
2022 EDA Spring Rock Green Loan, due 2043	23,000,000	4.34	599,000 - 1,694,000	23,000,000
Total governmental activities				$ 56,284,426

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

Year Ending	Governmental Activities		
June 30	Principal	Interest	Total
2024	$ 4,869,354	$ 1,802,900	$ 6,672,254
2025	5,096,183	1,614,663	6,710,846
2026	4,189,645	1,492,950	5,682,595
2027	4,279,755	1,376,618	5,656,373
2028	4,373,533	1,257,191	5,630,724
2029-2033	18,484,956	4,443,770	22,928,726
2034-2038	7,211,000	2,419,989	9,630,989
2039-2043	7,780,000	873,425	8,653,425
Total	$ 56,284,426	$ 15,281,506	$ 71,565,932

F. Financed Purchases – School Board

The School Board has acquired equipment under financed purchases arrangements. Financed Purchases are liquidated by the School Operating Fund. In the event of default, the lessor may declare the entire unpaid principal of and interest on the leases due and payable or take repossession of the leased equipment. Amounts outstanding as of June 30, 2023 are as follows:

	Original Issue Amount	Interest Rates	Future Principal Requirements	Amount Outstanding
Chromebooks	$ 11,617,038	3.48%	3,889,470	$ 3,889,470
Total School Board financed purchases				$ 3,889,470

Future minimum lease payments at June 30, 2023 for these financed purchases are as follows:

Year Ending June 30	Component Unit School Board Principal	Interest	Total
2024	$ 3,889,470	$ 124,217	$ 4,013,687

G. Airport Revolving Loan

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

As of June 30, 2023, $1,476,800 remained outstanding on the loan. Projected future debt service payments on the full amount of the loan are as follows:

Year Ending June 30	Business-type Activities Principal	Interest	Total
2024	$ 92,300	$ 20,749	$ 113,049
2025	92,300	38,904	131,204
2026	92,300	36,311	128,611
2027	92,300	33,717	126,017
2028	92,300	31,124	123,424
2029-2033	461,500	116,713	578,213
2034-2038	461,500	51,873	513,373
2039	92,300	2,594	94,894
Total	$ 1,476,800	$ 331,985	$ 1,808,785

H. Defeased Debt

In prior years, the County defeased certain general obligation bonds by placing funds in irrevocable escrow accounts to provide for future debt service payments on the defeased debt. Accordingly, the escrow account assets and the liability for the defeased debt are not included in the County's financial statements. At June 30, 2023, the outstanding balance of the defeased debt was $17,690,000.

I. Conduit Debt Obligations

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

Retirement Facilities First Mortgage Revenue Bonds to finance construction of facilities for the residence and care of the aged. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector facility. On June 30, 2023, the bonds had an outstanding principal balance of $29,775,913.

Multifamily Housing Revenue Bonds to finance the acquisition, construction and equipping of multi-family housing developments. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector facility. On June 30, 2023, the outstanding principal balance was $34,075,363 with $4,330,637 remaining on a draw down structure issue.

J. Compensated Absences Payable

The County recorded a liability for compensated absences in the Statement of Net Position of the government-wide statements for the Primary Government and the School Board component unit and in the fund financial statements of the proprietary funds. The governmental activities of the primary government recorded $31,048,850 and $3,261,202 for accrued vacation and sick leave benefits, respectively, and the business-type activities of the Primary Government recorded $2,035,348 and $349,228 for accrued vacation and sick leave benefits, respectively. The School Board component unit recorded $18,249,147 and $7,502,317 for accrued vacation/personal leave and sick leave benefits, respectively. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

K. Judgments and Claims

The County recorded a liability for workers' compensation claims in the government-wide statements for the Primary Government and the School Board component unit and in the fund financial statements of the proprietary funds. The workers' compensation liability recorded is $7,664,429 for the governmental activities of the Primary Government, $233,571 for the business-type activities of the Primary Government and $5,014,000 for the School Board component unit. A liability of $4,124,104 has been recorded for judgment and claims in the Risk Management Fund. These liabilities consist of a) liabilities for claims incurred, reported and outstanding as of June 30, 2023, and b) liabilities for claims incurred but not reported as of June 30, 2023. These liabilities have been estimated based upon a case-by-case review, investigation and historical experience. Payments for workers' compensation liabilities are recorded as a charge to the fund that incurred the liability. Judgments and claims recorded in the Risk Management Fund are payable from the Risk Management Fund.

Effective January 1, 2014, the County and School Board began participating in a self-insured health care program covering medical and prescription drug costs. Medical and drug claims that exceed $300,000 per member are covered by specific excess risk insurance. Additionally, claims in the aggregate that exceed 125% of expected medical and drug claims are covered by aggregate excess risk insurance. Claims paid by the third party claims administrator, but not reimbursed by the County as of June 30, 2023, are reported as accounts payable in the Healthcare Fund. An estimate of claims incurred but not reported as of June 30, 2023 is reported as a current claims liability in the Healthcare Fund in the amount of $8,231,000.

In October 1991, the U. S. Environmental Protection Agency (EPA) issued a rule establishing municipal solid waste landfills (MSWLF) closure requirements for all MSWLF's that accepted solid waste after October 9, 1991 and postclosure requirements for all MSWLF's that accepted solid waste after October 9, 1993. The County operated one landfill, which was closed on October 8, 1993, and completed the final cover during fiscal year 1995. The County has met the Commonwealth's ten-year requirement to perform maintenance and monitoring postclosure functions at the site and has applied for certification from the Commonwealth to release it from further maintenance and monitoring requirements. The County anticipates it will incur an additional postclosure care liability of $701,232 at June 30, 2023. This amount represents the estimated total current cost of landfill postclosure care for an additional ten years, based on the use of 100 percent of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Actual costs may be lower if the County is released from postclosure maintenance and monitoring by the Commonwealth. Payments for this liability will be recorded as a charge to the General Fund. The County is not required by state and federal laws or regulations to make annual contributions to a trust to finance postclosure care. The County expects to pay additional postclosure care cost from the General Fund with charges to users of the County's solid waste transfer stations, General Fund tax revenue and/or General Fund assigned fund balance.

GAAP require that the County estimate the financial liabilities associated with pollution remediation obligations when certain obligating events occur. One such obligating event is being named by a regulator as a potentially responsible party for remediation. The U.S. Department of Interior National Park Service (NPS) has named the County as a Primary Responsible Party (PRP) for cleanup efforts for a landfill site that was closed in 1972 and subsequently transferred to the NPS by the County. As a current owner of the landfill site, the NPS is also a potentially responsible party, with the liability for paying for the costs of cleanup. In December 2015, an Engineering Evaluation and Cost Analysis report was released by the NPS estimating the future cost of cleanup. In January 2016, the County received a cost package summarizing the response costs incurred by the NPS to date. However, neither document apportions liability between the NPS and the County. Therefore, as of June 30, 2023, the County's portion of the liability of the shared costs of cleanup is not reasonably estimable.

L. Net Pension Liabilities

As required by GAAP, a long-term liability has been recorded for the VRS Plan, the County Supplemental Retirement Plan and the School Board Supplemental Retirement Program for the cumulative difference between the total pension liabilities and fiduciary net position as of the measurement date. The governmental activities of the Primary Government recorded net pension liabilities of $168,856,007 for the VRS Local Plan and $7,318,344 for the County Supplemental Retirement Plan. The business-type activities of the Primary Government recorded net pension liabilities of $7,741,742 the VRS Local Plan. The School Board component unit recorded net pension liabilities of $7,527,866 and $374,120,493 for the VRS Local and Teachers' Pool Plans and $8,415,065 for the School Board Supplemental Retirement Program. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

M. Other Postemployment Benefits Liabilities

As required by GAAP, a long-term liability has been recorded for the County and Schools OPEB - Retiree Healthcare, the County Line of Duty Plan, the County and Schools VRS Group Life Insurance Plan and the Schools VRS cost-sharing Teachers' Pool Health Insurance Credit Program for the cumulative difference between the total OPEB liabilities and fiduciary net position as of the measurement date. The governmental activities of the Primary Government recorded net OPEB liabilities of $36,070,510 for OPEB-Retiree Healthcare, $5,720,158 for OPEB-Line of Duty, and

$11,510,255 for the County's share of VRS cost-sharing Group Life Insurance Plan. The business-type activities of the Primary Government recorded net OPEB liabilities of $3,488,311 for OPEB-Retiree Healthcare and $903,738 for the County's share of VRS cost-sharing Group Life Insurance Plan. The School Board component unit recorded net OPEB liabilities of $112,514,248 for OPEB-Retiree Healthcare, $21,736,469 for the School Board's share of VRS cost-sharing Group Life Insurance Plan, and $49,141,862 for the School Board's share of the VRS cost-sharing Teachers' Pool Health Insurance Credit Program. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

N. Changes in Long-term Obligations

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

Governmental Activities	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
General obligation bonds	$ 570,320,000	$ 104,800,000	$ 47,745,000	$ 627,375,000	$ 50,310,000
Add: Premium	46,146,224	12,020,974	6,321,938	51,845,260	6,919,904
Net bonds payable	616,466,224	116,820,974	54,066,938	679,220,260	57,229,904
Revenue bonds payable	119,595,000	-	6,535,000	113,060,000	6,535,000
Add: Premium	15,388,575	-	1,605,865	13,782,710	1,517,177
Net bonds payable	134,983,575	-	8,140,865	126,842,710	8,052,177
Subfund revenue bonds	41,487,560	-	3,266,039	38,221,521	3,505,274
Add: Premium	3,356,748	-	538,705	2,818,043	475,188
Less: Discount	(24,994)	2,896	-	(22,098)	(2,718)
Net subfund revenue bonds payable	44,819,314	2,896	3,804,744	41,017,466	3,977,744
Certificates of participation	3,830,290	-	1,963,264	1,867,026	1,539,815
Add: Premium	82,424	-	59,822	22,602	20,128
Net certificates of participation	3,912,714	-	2,023,086	1,889,628	1,559,943
Direct borrowings	29,140,870	30,639,543	3,495,987	56,284,426	4,869,354
Total bonds and loans	829,322,697	147,463,413	71,531,620	905,254,490	75,689,122
Other liabilities:					
Compensated absences	37,168,264	3,651,346	6,509,558	34,310,052	4,796,349
Judgments and claims:					
Workers' compensation and risk claims	10,514,032	1,938,377	663,876	11,788,533	6,477,223
Healthcare claims	8,467,000	-	236,000	8,231,000	8,231,000
Landfill	661,119	40,113	-	701,232	138,629
Arbitrage	-	3,071,694	-	3,071,694	-
Total judgements and claims	19,642,151	5,050,184	899,876	23,792,459	14,846,852
Leases Payable	7,423,561	3,365,909	2,672,899	8,116,571	1,920,805
Subscriptions Payable	-	9,903,791	4,030,050	5,873,741	3,331,002
Net pension liabilities	97,352,349	82,037,754	3,215,752	176,174,351	-
Net other postemployment benefits obligations	58,804,232	843,564	6,346,873	53,300,923	-
Total other liabilities	220,390,557	104,852,548	23,675,008	301,568,097	24,895,008
Total long-term liabilities	$ 1,049,713,254	$ 252,315,961	$ 95,206,628	$ 1,206,822,587	$ 100,584,130

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. At year end, $619,322 for compensated absences, $12,911,812 for judgments and claims, $3,117,331 for net pension liabilities, and $1,223,269 for net OPEB liabilities for internal service funds are included in the above amounts. Except for the amounts for internal service funds, the long-term liabilities for governmental activities are generally liquidated by the General Fund.

Business-type Activities	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Water Fund					
Revenue bonds payable	$ 8,750,000	$ -	$ 3,170,000	$ 5,580,000	$ 3,340,000
Add: Premium	452,489	-	265,854	186,635	145,078
Net bonds payable	9,202,489	-	3,435,854	5,766,635	3,485,078
Other liabilities:					
Compensated absences	1,297,411	113,772	160,301	1,250,882	170,712
Judgments and claims	181,237	-	188	181,049	79,798
Net pension liabilities	2,228,111	1,723,249	-	3,951,360	-
Net other postemployment benefits obligations	2,252,204	21,351	283,536	1,990,019	-
Total other liabilities	5,958,963	1,858,372	444,025	7,373,310	250,510
Total long-term liabilities	15,161,452	1,858,372	3,879,879	13,139,945	3,735,588
Wastewater Fund					
Revenue bonds payable	14,220,000	-	2,830,000	11,390,000	2,975,000
Add: Premium	1,215,794	-	455,079	760,715	351,926
Net bonds payable	15,435,794	-	3,285,079	12,150,715	3,326,926
Other liabilities:					
Compensated absences	1,218,555	114,016	234,789	1,097,782	150,140
Judgments and claims	36,578	15,944	-	52,522	23,149
Net pension liabilities	2,032,407	1,646,479	-	3,678,886	-
Net other postemployment benefits obligations	2,627,136	28,631	321,411	2,334,356	-
Total other liabilities	5,914,676	1,805,070	556,200	7,163,546	173,289
Total long-term liabilities	21,350,470	1,805,070	3,841,279	19,314,261	3,500,215
Non-major					
Certificates of participation	149,710	-	76,736	72,974	60,185
Add: Premium	3,283	-	2,383	900	801
Net certificates of participation	152,993	-	79,119	73,874	60,986
Subfund revenue bonds	22,440	-	3,961	18,479	4,726
Add: Premium	1,913	-	660	1,253	520
Net subfund revenue bonds payable	24,353	-	4,621	19,732	5,246
Airport Revolving Loan Fund	1,569,100	-	92,300	1,476,800	92,300
Total certificates of participation, revolving loan funds and revenue bonds payable	1,746,446	-	176,040	1,570,406	158,532
Other liabilities:					
Compensated absences	41,109	220	5,417	35,912	4,548
Net pension liabilities	48,851	62,645	-	111,496	-
Net other postemployment benefits obligations	75,541	980	8,847	67,674	-
Total other liabilities	165,501	63,845	14,264	215,082	4,548
Total long-term liabilities	1,911,947	63,845	190,304	1,785,488	163,080

Total Business-type Activities	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Revenue bonds payable	$ 22,970,000	$ -	$ 6,000,000	$ 16,970,000	$ 6,315,000
Add: Premium	1,668,283	-	720,933	947,350	497,004
Net bonds payable	24,638,283	-	6,720,933	17,917,350	6,812,004
Certificates of participation	149,710	-	76,736	72,974	60,185
Add: Premium	3,283	-	2,383	900	801
Net certificates of participation	152,993	-	79,119	73,874	60,986
Subfund revenue bonds	22,440	-	3,961	18,479	4,726
Add: Premium	1,913	-	660	1,253	520
Net subfund revenue bonds payable	24,353	-	4,621	19,732	5,246
Airport Revolving Loan Fund	1,569,100	-	92,300	1,476,800	92,300
Total bonds, certificates of participation revolving fund loans and revenue bonds payable	26,384,729	-	6,896,973	19,487,756	6,970,536
Other liabilities:					
Compensated absences	2,557,075	228,008	400,507	2,384,576	325,400
Judgments and claims	217,815	15,944	188	233,571	102,947
Net pension liabilities	4,309,369	3,432,373	-	7,741,742	-
Net other postemployment benefits obligations	4,954,881	50,962	613,794	4,392,049	-
Total other liabilities	12,039,140	3,727,287	1,014,489	14,751,938	428,347
Total long-term liabilities	$ 38,423,869	$ 3,727,287	$ 7,911,462	$ 34,239,694	$ 7,398,883

Summaries of long-term obligation transactions for the School Board component unit for the year ended June 30, 2023, are as follows:

School Board	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Financed purchases	$ 8,289,318	$ -	$ 4,399,848	$ 3,889,470	$ 3,889,470
Compensated absences	23,897,807	4,309,327	2,455,670	25,751,464	1,804,136
Judgments and claims	4,524,000	490,000	-	5,014,000	2,209,934
Leases payable	1,878,690	221,018	300,196	1,799,512	295,133
Subscription payable	-	5,191,135	2,029,052	3,162,083	936,005
Net pension liabilities	311,311,877	82,293,867	3,542,320	390,063,424	-
Net other postemployment benefits obligations	190,442,398	1,813,981	8,863,800	183,392,579	-
Total long-term liabilities	$ 540,344,090	$ 94,319,328	$ 21,590,886	$ 613,072,532	$ 9,134,678

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

According to State law, the School Board component unit is not allowed to issue general obligation debt and, therefore, is not legally obligated to repay general obligation debt issued on its behalf by the Primary Government. Debt from general obligation bonds of $513,175,019 is reported in the government-wide statements of the Primary Government on behalf of the School Board component unit. In addition, revenue bonds of $45,000,000, issued by EDA on behalf of the County for use on Schools projects, are also reported in the government-wide statements on behalf of the School Board component unit.

In addition to the general obligation debt and financed purchase obligations, the Primary Government has also recorded accrued interest payable of $8,847,210 in the government-wide financial statements on behalf of the School Board component unit; $8,353,926 for the general obligation bonds and $410,246 for the revenue bonds issued by the EDA on behalf of the County for use on School projects. The School Board component unit has recorded accrued interest payable of $83,038 in the government-wide financial statements.

P. Lease Payable

The County is a lessee for noncancellable leases of land, building, office space and equipment. At June 30, 2023, the County's lease payable of $8,116,571 was composed of the following:

Governmental Activities

Land leases - annual payments totaling $37,602 plus interest at a rate of .648%.	$	49,906
Building and office space leases - annual payments totaling $1,802,844 plus interest at rates ranging from .435% to 2.656%.		7,274,229
Vehicles and equipment - annual payments totaling $34,837 plus interest at a rate of .435%.		792,436
Total Governmental Activities Lease Payable	$	8,116,571

The future principal and interest lease payments as of June 30, 2023, were as follows:

Year Ending	Governmental Activities					
June 30		Principal		Interest		Total
2024	$	1,920,805	$	123,420	$	2,044,225
2025		1,746,141		93,525		1,839,666
2026		1,492,785		65,422		1,558,207
2027		1,119,870		40,821		1,160,691
2028		537,617		23,951		561,568
2029-2032		1,299,353		32,035		1,331,388
Total	$	8,116,571	$	379,174	$	8,495,745

The School Board Component Unit is a lessee for non-cancelable leases for building, office space, and equipment. At June 30, 2023, the School's lease payable of $1,799,512 was composed of the following:

School Board Component Unit

Building and office space leases - annual payments totaling $303,316 plus interest at rates ranging from .308% to 1.714%.	$	1,761,735
Vehicles and equipment - annual payments totaling $19,094 plus interest at rates ranging from .435% to .948%.		37,777
Total School Board Component Unit Activities Lease Payable	$	1,799,512

The future principal and interest lease payments as of June 30, 2023, were as follows:

Year Ending	School Component Unit		
June 30	Principal	Interest	Total
2024	$ 295,133	$ 27,277	$ 322,410
2025	224,185	21,638	245,823
2026	188,824	18,517	207,341
2027	191,373	15,602	206,975
2028	200,669	12,570	213,239
2029-2032	699,328	18,181	717,509
Total	$ 1,799,512	$ 113,785	$ 1,913,297

Q. Subscription Payable

The County has entered into agreements for subscription software with annual payments totaling $3,455,014 plus interest rates ranging from 1.58% to 3.07% for Governmental Activities and $996,171 plus interest rates ranging from 1.89% to 2.84% for School Board Component Unit.

The future principal and interest subscription payments as of June 30, 2023 were as follows:

Year Ending	Governmental Activities			School Component Unit		
June 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ 3,331,002	$ 124,012	$ 3,455,014	$ 936,005	$ 60,166	$ 996,171
2025	1,211,318	56,067	1,267,385	975,397	54,083	1,029,480
2026	845,429	30,369	875,798	729,099	28,413	757,512
2027	355,174	11,476	366,650	389,556	12,233	401,789
2028	20,890	3,290	24,180	132,026	3,202	135,228
2029-2033	109,928	7,493	117,421	-	-	-
Total	$ 5,873,741	$ 232,707	$ 6,106,448	$ 3,162,083	$ 158,097	$ 3,320,180

10. Commitments and Contingent Liabilities

A. Other Commitments

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

B. Contingent Liabilities

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

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

11. Risk Management – Claims Liability

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

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

Workers' compensation claims are funded annually by appropriations in the various funds. The County maintains an excess insurance policy for claims greater than self-insured retention. The self-insured retention as of January 1, 2023 was $750,000 for non-public safety county employees, $1,000,000 for public safety employees and $750,000 for public school employees. Claims are administered by Risk Management staff with an independent claims audit conducted periodically. Environmental, Health and Safety professionals and representatives of the third-party insurance companies provide additional loss prevention consultation.

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

	County		School Board	
	2023	2022	2023	2022
Workers' Compensation:				
Liability, July 1	$ 6,940,000	$ 6,755,196	$ 4,524,000	$ 4,220,465
Current year claims	2,956,000	2,740,000	2,079,000	1,156,000
Changes in estimates	2,409,825	1,172,457	186,751	1,061,925
Claim payments	(4,407,825)	(3,727,653)	(1,775,751)	(1,914,390)
Liability, June 30	$ 7,898,000	$ 6,940,000	$ 5,014,000	$ 4,524,000

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

	2023	2022
Risk Management Fund:		
Liability, July 1	$ 3,791,847	$ 2,576,293
Current year claims	3,471,034	3,573,034
Changes in estimates	(1,522,179)	987,654
Claim payments	(1,616,598)	(3,345,134)
Liability, June 30	$ 4,124,104	$ 3,791,847

12. Retirement Plans

A. Virginia Retirement System – Local Plans and Teachers' Pool

1. Plan Description and Membership

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

a. Employees hired before July 1, 2010, and who were vested as of January 1, 2013, are covered under Plan 1, a defined benefit (pension) plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.

b. Employees hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2, a defined benefit (pension) plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least five years of service credit or when the sum of their age and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least five years of service credit.

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

d. Eligible hazardous duty employees (law enforcement officers, firefighters and sheriffs) in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least five years of service credit.

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

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

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

	Primary Government	Component Unit - School Board
Inactive members or their beneficiaries currently receiving benefits	2,779	979
Inactive members:		
Vested	660	154
Non-vested	1,067	485
Active elsewhere in VRS	1,064	261
Total inactive members	2,791	900
Active members	3,597	719
Total	9,167	2,598

VRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements, required supplementary information and detailed information about the fiduciary net position of the VRS plans. A copy of that report may be downloaded from their web site at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf or obtained by writing to VRS at P.O. Box 2500, Richmond, VA, 23218-2500.

2. Contributions

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

a. VRS Local Plans

The County's and School Board's actual contributions of $43,027,384 and $2,102,568, representing contribution rates of 17.12% and 8.97% of covered employee compensation, respectively, were equal to contractually required contributions. The contractually required contribution rates were determined as part of the June 30, 2021, actuarial valuation. This rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

b. VRS Teachers' Pool

The School Board's actual contribution to the VRS Teachers' Pool for fiscal year 2023 was $64,494,566. The contractually required contribution rate for the year ended June 30, 2023, excluding the 5% member rate, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of the June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

In June 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's share of this non-employer contribution was $17,383,370.

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

a. VRS Local Plans

Primary Government

At June 30, 2023, the County reported a net pension liability of $176,597,749 measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022. Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2023, the County recognized pension expense of $35,637,338. Deferred outflows of resources and deferred inflows of resources related to the VRS Local Plan were reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ -	$ 33,705,659
Difference between expected and actual experience	11,403,282	9,419,652
Contributions subsequent to the measurement date	43,027,384	-
Changes of assumptions	24,572,564	-
Total	$ 79,003,230	$ 43,125,311

Deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Deferred (Inflows)/Outflows of Resources
2024	$ 1,133,249
2025	(4,056,395)
2026	(20,488,273)
2027	16,261,955
Total	$ (7,149,464)

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

	1% Decrease 5.75%	Current Discount 6.75%	1% Increase 7.75%
Net pension liability	$ 355,906,788	$ 176,597,749	$ 29,556,845

Component Unit – School Board

At June 30, 2023, the School Board reported a net pension liability of $7,527,866 measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

For the year ended June 30, 2023, the School Board recognized pension income of $721,696. Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ -	$ 1,647,953
Difference between expected and actual experience	-	3,562,470
Contributions subsequent to the measurement date	2,102,568	-
Changes of assumptions	43,187	-
Total	$ 2,145,755	$ 5,210,423

Deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Deferred (Inflows)/Outflows of Resources
2024	$ (2,957,132)
2025	(1,423,161)
2026	(2,382,185)
2027	1,595,242
Total	$ (5,167,236)

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

	1% Decrease 5.75%	Current Discount 6.75%	1% Increase 7.75%
Net pension liability	$ 21,136,490	$ 7,527,866	$ (3,799,600)

b. VRS Teachers' Pool

At June 30, 2023, the School Board reported a net pension liability of $374,120,493 for its proportionate share of the net pension liability in the VRS Teachers' Pool. 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 June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The School Board's proportionate share of net pension liability was based on actual contributions made to the plan during the measurement period. At the measurement date, the School Board's proportionate share was 3.92959%, which was an increase of 0.12715% from June 30, 2022.

For the year ended June 30, 2023, the School Board recognized pension expense of $26,131,594. Deferred outflows of resources and deferred inflows of resources to pensions were reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	$ -	$ 48,777,477
Difference between expected and actual experience	-	25,797,087
Changes in proportionate share of contributions	21,105,508	2,272,780
Contributions subsequent to the measurement date	64,494,566	-
Changes of assumptions	35,272,026	-
Total	$ 120,872,100	$ 76,847,344

Deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Deferred (Inflows)/Outflows of Resources
2024	$ (6,854,283)
2025	(11,885,610)
2026	(26,626,028)
2027	24,896,111
Total	$ (20,469,810)

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

	1% Decrease 5.75%	Current Discount 6.75%	1% Increase 7.75%
Net Pension Liability	$ 668,207,840	$ 374,120,493	$ 134,668,721

4. Actuarial Assumptions

Total pension liabilities in the VRS plans were 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.

a. VRS Local Plans

1. Non-hazardous Duty

The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2022, applied to the total pension liabilities for non-hazardous employees in the County and School Board VRS Local Plans:

Inflation 2.50%
Salary increases,
including inflation .... 3.50% - 5.35%
Investment rate of return........................ 6.75%, net of pension plan investment expenses
Mortality rates: 20% of deaths are assumed to be service related
Pre-retirement............................... Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-retirement .... Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rate for males; 105% of rates for females set forward 3 years

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

2. Hazardous Duty

The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2022, applied to the total pension liability for hazardous duty employees in the County VRS Local Plan:

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

b. VRS Teachers' Pool

The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2022, applied to the total pension liability for employees in the School Board VRS Teachers' Pool Plan:

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Mortality rates:	
Pre-retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
Post-retirement	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
Post-disablement	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

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

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

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

*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. 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 was roughly at the 40^{th} 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%.

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that VRS member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. Through the fiscal year ending June 30, 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 continue to contribute 100% of the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

5. Changes in Net Pension Liabilities

a. VRS Local Plan – Primary Government

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2021	$ 1,287,171,815	$ 1,196,044,193	$ 91,127,622
Service Cost	30,587,307	-	30,587,307
Interest	86,866,400	-	86,866,400
Difference between expected and actual experience	9,028,885	-	9,028,885
Contributions - employer	-	32,237,745	(32,237,745)
Contributions - employee	-	10,722,370	(10,722,370)
Net investment income	-	(1,233,341)	1,233,341
Benefit payments, including refunds of employee contributions	(61,698,983)	(61,698,983)	-
Administrative expense	-	(741,927)	741,927
Other changes	-	27,618	(27,618)
Net changes	64,783,609	(20,686,518)	85,470,127
Balance at June 30, 2022	$ 1,351,955,424	$ 1,175,357,675	$ 176,597,749

b. VRS Local Plan – School Board Component Unit

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2021	$ 123,887,472	$ 119,720,100	$ 4,167,372
Changes:			
Service cost	1,662,841	-	1,662,841
Interest	8,210,649	-	8,210,649
Difference between expected and actual experience	(3,497,194)	-	(3,497,194)
Contributions - employer	-	2,085,968	(2,085,968)
Contributions - employee	-	1,062,855	(1,062,855)
Net investment income	-	(55,453)	55,453
of employee contributions	(7,822,138)	(7,822,138)	-
Administrative expense	-	(75,309)	75,309
Other changes	-	(2,259)	2,259
Net Changes	(1,445,842)	(4,806,336)	3,360,494
Balance at June 30, 2022	$ 122,441,630	$ 114,913,764	$ 7,527,866

6. Payables to the VRS Plans

At June 30, 2023, the County and the School Board component unit owed the following amounts to the VRS plans due to the timing of when contractually required contributions payments become due.

VRS Local plan – Primary Government	$2,640,785
VRS Local plan – School Board	70,828
VRS Teachers' Pool - School Board	3,504,321

B. Supplemental Retirement Plan – Primary Government

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

1. Summary of Significant Accounting Policies

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

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

2. Plan Description and Membership

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

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

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

b) Membership: Membership of the Plan consisted of the following at June 30, 2023:

Active members	1,353
Terminated members with vested rights	59
Retired members with benefits in pay status and beneficiaries of deceased members receiving benefits	371
Total	1,783

3. Contributions

The Plan provides for annual employer contributions at actuarially determined amounts, which will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the cost of all basic benefits when due. The actuarially determined contribution for the fiscal year ended June 30, 2023 was determined as part of the June 30, 2022 actuarial valuation. The County contributed $3,869,688, which was greater than the actuarially determined contribution.

4. Rate of Return

As of June 30, 2023, the annual money-weighted rate of return on cash flows on the plan investments, net of pension plan investment expense, was 7.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

a) Pension liabilities: The County reported a net pension liability of $7,318,344. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023. Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions are allocated to funds based on their proportionate share of projected monthly benefits.

b) Pension expense: For the year ended June 30, 2023, the County recognized pension expense of $5,265,700.

c) Deferred outflows of resources and deferred inflows of resources related to pensions: Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 3,076,795	$ -
Difference between expected and actual experience	4,520,119	1,667,474
Change in assumptions	1,030,450	-
Total	$ 8,627,364	$ 1,667,474

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

Year ending June 30:	Deferred (Inflows)/ Outflows of Resources
2024	$ 3,662,413
2025	1,671,841
2026	1,554,074
2027	71,562
Total	$ 6,959,890

6. Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2022	$55,528,003	$44,993,907	$10,534,096
Service cost	453,634	-	453,634
Interest	3,556,824	-	3,556,824
Change in assumptions	1,373,934	-	1,373,934
Contributions - employer	-	3,869,688	(3,869,688)
Net investment income	-	2,607,329	(2,607,329)
Administrative expenses	-	(100,172)	100,172
Difference between expected and actual experience	(2,223,299)	-	(2,223,299)
Benefit payments	(2,522,540)	(2,522,540)	-
Net changes	638,553	3,854,305	(3,215,752)
Balance at June 30, 2023	$56,166,556	$48,848,212	$ 7,318,344

7. Actuarial Methods and Significant Assumptions

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

Measurement date	June 30, 2023
Actuarial cost method	Entry age normal
Valuation date	July 1, 2023
Investment rate of return	6.5%
Projected salary increases, including inflation	3.5%-5%
Inflation rate	4.0% for 2023, 2.5% for 2024, 2.4% for 2025 and thereafter

Mortality (post-retirement) .... Pub-2010 General Amount-Weighted mortality table, with future generational mortality improvements projected according to Scale MP-21

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

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

	1% Decrease 5.5%	Current Discount 6.5%	1% Increase 7.5%
Net pension liability	$ 14,796,992	$ 7,318,344	$ 1,142,570

Fiduciary Net Position

As of June 30, 2023, the Plan fiduciary net position of $48,848,212, as a percentage of the total pension liability, was 86.97%.

Chesterfield County, Virginia
Supplemental Retirement
Pension Trust

Assets	
Cash and cash equivalents	$ 3,284,123
Accounts receivable	85,191
Due from broker	5,560
Investments	45,473,338
Total assets	48,848,212
Fiduciary net position	
Restricted for pension benefits	$ 48,848,212
Additions:	
Contributions	$ 3,869,688
Investment earnings	2,808,134
Less investment expenses	(200,805)
Net investment income	2,607,329
Total additions, net	6,477,017
Deductions:	
Benefit payments	2,522,540
Administrative expenses	100,172
Total deductions	2,622,712
Increase in net position restricted for pension benefits	3,854,305
Fiduciary net position - July 1, 2022	44,993,907
Fiduciary net position - June 30, 2023	$ 48,848,212

C. Supplemental Retirement Program – Component Unit - School Board

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

1. Summary of Significant Accounting Policies

a) Basis of Accounting: The Program's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the Program. It is included in the School Board Component Unit reporting entity as a Pension Trust Fund.

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

2. Program Description and Membership

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

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

b) Membership: Membership of the Program consisted of the following at June 30, 2023:

Active participants	2,370
Retirees (vested)	486
Retirees (non-vested)	136
Total	2,992

3. Contributions

The Program provides for annual employer contributions based on actuarially determined rates. The actuarially determined contribution for the fiscal year ended June 30, 2023, was determined as part of the June 30, 2023 valuation. Actual contributions, by policy, are expected to be the actuarially determined amount or the amount of expected benefit payments, if higher. The School Board contributed $4,715,000, which was greater than the actuarially determined contribution, to the Program.

4. Rate of Return

As of June 30, 2023, the annual money-weighted rate of return on cash flows on the Program's long-term investments, net of investment expense, was 13.36%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

a) Pension liabilities: As of June 30, 2023, the School Board reported a net pension liability of $8,415,065, measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by the June 30, 2023 actuarial valuation date.

b) Pension expense: For the year ended June 30, 2023, the School Board recognized pension expense of $4,552,128.

c) Deferred outflows of resources and deferred inflows of resources related to pensions: Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 1,159,581	$ -
Difference between expected and actual experience	9,291,438	1,971,893
Change in assumptions	4,801,566	2,454,301
Total	$ 15,252,585	$ 4,426,194

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

Year ending June 30:	Deferred (Inflows)/ Outflows of Resources
2024	$ 2,604,965
2025	1,410,882
2026	3,204,666
2027	1,852,128
2028	1,753,750
Thereafter	-
Total	$ 10,826,391

6. Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2022	$ 81,708,058	$ 69,750,673	$ 11,957,385
Service cost	1,140,205	-	1,140,205
Interest	5,160,201	-	5,160,201
Differences between expected and actual experience	2,167,670	-	2,167,670
Contributions - employer	-	4,715,000	(4,715,000)
Net investment income	-	7,543,486	(7,543,486)
Administrative expenses	-	(248,090)	248,090
Benefit payments	(6,921,101)	(6,921,101)	-
Net changes	1,546,975	5,089,295	(3,542,320)
Balance at June 30, 2023	$ 83,255,033	$ 74,839,968	$ 8,415,065

7. Actuarial Method and Significant Assumptions

a) Actuarial methods and significant assumptions: The total pension liability was determined as part of the actuarial valuation at June 30, 2023. Assumptions were determined from an experience study dated May 19, 2022.

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

b) Discount Rate: The projection of cash flows used to determine the discount rate assumed that School Board contributions will be made at the current contribution rates. Based on this assumption, the Program's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 6.5% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 5.5%	Current Discount 6.5%	1% Increase 7.5%
Net pension liability	$ 13,937,133	$ 8,415,065	$ 3,349,960

8. Fiduciary Net Position

As of June 30, 2023, the Plan fiduciary net position of $74,839,968 as a percentage of the pension total liability was 89.89%.

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

Assets	
Cash, cash equivalents and investments	$ 74,701,416
Interest Receivable	108,442
Due from broker	46,112
Total assets	74,855,970
Liabilities	
Due to broker	16,002
Fiduciary Net Position	
Restricted for pension benefits	$ 74,839,968
Additions:	
Contributions	$ 4,715,000
Investment earnings	7,543,486
Total additions	12,258,486
Deductions:	
Benefit payments	6,921,101
Administrative expenses	248,090
Total deductions	7,169,191
Increase in net position restricted for pension benefits	5,089,295
Fiduciary net position - July 1, 2022	69,750,673
Fiduciary net position - June 30, 2023	$ 74,839,968

D. Summary of Deferred Outflows of Resources and Deferred Inflows of Resources by Retirement Plan

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Deferred Outflows of Resources related to Pensions				
Deferred contributions:				
VRS Local Plan	$ 41,299,455	$ 1,727,928	$ 43,027,383	$ 2,102,568
VRS Teachers' Pool	-	-	-	64,494,566
Deferred investment experience:				
Supplemental Retirement Plan	3,076,795	-	3,076,795	1,159,581
Deferred pension difference between expected and actual:				
VRS Local Plan	10,945,341	457,941	11,403,282	-
Supplemental Retirement Plan	4,520,119	-	4,520,119	9,291,438
Deferred change in assumptions:				
VRS Local Plan	23,585,761	986,804	24,572,565	43,187
VRS Teachers Pool	-	-	-	35,272,026
Supplemental Retirement Plan	1,030,450	-	1,030,450	4,801,566
Deferred change in proportionate share:				
VRS Teachers' Pool	-	-	-	21,105,508
Total deferred outflows of resources related to pensions	$ 84,457,921	$ 3,172,673	$ 87,630,594	$ 138,270,440

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Deferred Inflows of Resources related to Pensions				
Deferred investment experience:				
VRS Local Plan	$ 32,352,079	$ 1,353,580	$ 33,705,659	$ 3,562,470
VRS Teachers' Pool	-	-	-	48,777,477
Deferred pension difference between expected and actual:				
VRS Local Plan	9,041,370	378,282	9,419,652	1,647,953
VRS Teachers' Pool	-	-	-	25,797,087
Supplemental Retirement Plan	1,667,474	-	1,667,474	1,971,893
Deferred change in assumptions:				
Supplemental Retirement Plan	-	-	-	2,454,301
Deferred change in proportionate share:				
VRS Teachers' Pool	-	-	-	2,272,780
Total deferred inflows of resources related to pensions	$ 43,060,923	$ 1,731,862	$ 44,792,785	$ 86,483,961

Enterprise funds	Water	Wastewater	Non-major Airport	Total
Deferred Outflows of Resources related to Pensions				
Deferred contributions:				
VRS Local Plan	$ 867,518	$ 828,872	$ 31,538	$ 1,727,928
Deferred pension difference between expected and actual:				
VRS Local Plan	229,914	219,670	8,357	457,941
Deferred change in assumptions:				
VRS Local Plan	495,432	473,364	18,008	986,804
Total deferred outflows of resources related to pensions	$ 1,592,864	$ 1,521,906	$ 57,903	$ 3,172,673

Enterprise funds	Water	Wastewater	Non-major Airport	Total
Deferred Inflows of Resources related to Pensions				
Deferred investment experience:				
VRS Local Plan	$ 679,572	$ 649,302	$ 24,706	$ 1,353,580
Deferred pension difference between expected and actual:				
VRS Local Plan	189,922	181,457	6,903	378,282
Total deferred inflows of resources related to pensions	$ 869,494	$ 830,759	$ 31,609	$ 1,731,862

Internal Service funds	Vehicle and Communications	Risk Management	Total
Deferred Outflows of Resources related to Pensions			
Deferred contributions:			
VRS Local Plan	$ 610,447	$ 161,192	$ 771,639
Deferred pension difference between expected and actual:			
VRS Local Plan	161,783	42,720	204,503
Deferred change in assumptions:			
VRS Local Plan	348,620	92,057	440,677
Total deferred outflows of resources related to pensions	$ 1,120,850	$ 295,969	$ 1,416,819

Internal Service funds	Vehicle and Communications	Risk Management	Total
Deferred Inflows of Resources related to Pensions			
Deferred investment experience:			
VRS Local Plan	$ 478,197	$ 126,265	$ 604,462
Deferred pension difference between expected and actual:			
VRS Local Plan	133,637	35,293	168,930
Total deferred inflows of resources related to pensions	$ 611,834	$ 161,558	$ 773,392

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Net Pension Liability				
VRS Local	$ 168,856,007	$ 7,741,742	$ 176,597,749	$ 7,527,866
VRS Local - Teachers' Pool	-	-	-	374,120,493
Supplemental Retirement	7,318,344	-	7,318,344	8,415,065
Total net pension liability	$ 176,174,351	$ 7,741,742	$ 183,916,093	$ 390,063,424
Pension Expense				
VRS Local	$ 34,206,186	$ 1,431,152	$ 35,637,338	$ (721,696)
VRS Local - Teachers' Pool	-	-	-	26,131,594
Supplemental Retirement	5,265,700	-	5,265,700	4,552,128
Total pension expense	$ 39,471,886	$ 1,431,152	$ 40,903,038	$ 29,962,026

Enterprise funds	Water	Wastewater	Non-major Airport	Total
Net Pension Liability				
VRS Local	$ 3,951,360	$ 3,678,886	$ 111,496	$ 7,741,742
Pension Expense				
VRS Local	$ 718,520	$ 686,511	$ 26,121	$ 1,431,152

Internal Service funds	Vehicle and Communications	Risk Management	Total
Net Pension Liability			
VRS Local	$ 2,763,411	$ 353,920	$ 3,117,331
Pension Expense			
VRS Local	$ 505,600	$ 133,507	$ 639,107

13. Other Postemployment Benefits Plans

A. Postemployment Retiree Healthcare Benefits – Primary Government

1. Plan Description

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

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

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

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

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

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

All retired employees, active employees who are age 65 and over, public safety employees with 25 or more years of service and non-public safety employees with 30 or more years of service (all as of January 1, 2009), will receive a County contribution toward their post-Medicare coverage no greater than $255 per month indexed at 3% per year plus $40 reimbursement for prescription coverage. For all other retirees, with the exception of access only, the County limits its contribution toward post-Medicare coverage based on years of service. The County will contribute $4 per month for each year of service plus a static $40 per month for a Medicare Part D plan cost reimbursement.

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

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

	Primary Government
Inactive members or their beneficiaries currently receiving benefits	1,321
Active members	3,759
Total	5,080

2. Contributions

As of June 30, 2023, the County has $42,412,080 in plan fiduciary net position accumulated for payment of future benefits. The County made contributions and paid premiums to the trust totaling $8,564,180, which was greater than the actuarially determined contribution (ADC) of $6,359,758. The County intends to fully fund the ADC in future fiscal years. Actual contributions to the plan are appropriated on an annual basis. Employees' contributions vary according to individual elections of coverage and the level of County contribution which is based on eligibility requirements.

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

At June 30, 2023, the County reported a net OPEB liability of $39,558,821, measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2023. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2023, the County recognized OPEB expense of $608,751. Deferred outflows of resources and deferred inflows of resources related to the County's OPEB-Retiree Healthcare was reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 1,339,739	$ -
Difference between expected and actual experience	803,376	8,258,659
Change in assumptions or other inputs	2,474,256	8,691,888
Total	$ 4,617,371	$ 16,950,547

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

Year ending June 30:	Deferred (Inflows) of Resources
2024	$ (3,549,827)
2025	(3,806,144)
2026	(1,967,496)
2027	(1,877,630)
2028	(819,514)
Thereafter	(312,565)
Total	$ (12,333,176)

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

	1% Decrease 6%	Net OPEB liability Discount Rate Current Discount 7%	1% Increase 8%
Net OPEB liability	$ 46,294,353	$ 39,558,821	$ 33,616,414

	1% Decrease	Net OPEB liability Health Care Cost Trend Current Cost Trend	1% Increase
Net OPEB liability	$ 34,935,413	$ 39,558,821	$ 44,849,643

4. Actuarial Assumptions

Total OPEB liabilities in the OPEB Plan for the Primary Government were based on an actuarial valuation as of June 30, 2023, using census data and recent health care cost information for current retirees and active employees eligible for coverage under the plan. The projections are based on GAAP, using the entry age normal actuarial cost method and the following actuarial assumptions based on GAAP. The total OPEB liability was determined as part of the actuarial valuation at the date indicated, using the following actuarial assumptions:

Valuation date .... June 30, 2023
Investment rate of return 7.00%
Inflation...2.70%
Salary increases.................................... 3.50% - 5.35%; based on Top 10 non-Hazardous Duty and Top 10 Hazardous Duty assumption used in the June 30, 2021 VRS valuation
Healthcare cost trend rates .... 6.80% for 2023 decreasing to and ultimate rate of 4.14% by 2076

Mortality-locality non-hazardous duty employees:

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

Mortality-locality hazardous duty employees:

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

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

Asset Class	Target Allocation	Arithmetic Long-term Expected Real Rate
Total Equity		
Large Cap Equity	21.00%	7.17%
Small Cap Equity	10.00%	8.61%
International Equity	13.00%	8.06%
Emerging Markets Equity	5.00%	9.33%
Private Equity	10.00%	10.55%
Long/Short Equity	6.00%	5.77%
Fixed Income		
Core Bonds	5.00%	2.58%
Core Plus	11.00%	2.89%
Liquid Absolute Return	4.00%	3.25%
Real Assets		
Core Real Estate	10.00%	6.54%
Opportunistic Real Estate	5.00%	9.54%
Total	100.00%	7.01%

5. Changes to Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2022	$ 85,955,347	$ 39,435,859	$ 46,519,488
Service cost	977,095	-	977,095
Interest	5,790,594	-	5,790,594
Change in assumptions	2,648,613	-	2,648,613
Differences in expected and actual experience	(4,836,568)	-	(4,836,568)
Net investment income	-	2,976,721	(2,976,721)
Administrative expenses	-	(500)	500
Employer contributions	-	8,564,180	(8,564,180)
Benefit payments	(8,564,180)	(8,564,180)	-
Net changes	(3,984,446)	2,976,221	(6,960,667)
Balance at June 30, 2023	$ 81,970,901	$ 42,412,080	$ 39,558,821

6. OPEB Liability

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

a) Rate of Return: As of June 30, 2023, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was 7.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b) Net OPEB Liability: The components of the net OPEB liability as of June 30, 2023 were as follows:

	Net OPEB Liability
Total OPEB liability	$ 81,970,901
Plan fiduciary net position	(42,412,080)
Net OPEB liability	$ 39,558,821
Fiduciary net position as a percent of total OPEB liability	51.74%

Chesterfield County, Virginia
Postemployment Retiree Healthcare
Benefits Trust - County

Assets	
Cash, investments and receivable	$ 42,412,080
Fiduciary net position	
Restricted for other postemployment benefits	$ 42,412,080
Additions:	
Contributions	$ 8,564,180
Investment earnings	3,005,894
Less investment expenses	(29,173)
Net investment income	2,976,721
Total additions, net	11,540,901
Deductions:	
Benefit payments	8,564,180
Administrative expenses	500
Total deductions	8,564,680
Increase in net position restricted for other postemployment benefits	2,976,221
Fiduciary net position - July 1, 2022	39,435,859
Fiduciary net position - June 30, 2023	$ 42,412,080

B. Other Postemployment Benefit Plan – Primary Government – Line of Duty

1. Plan Description

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

2. Contributions

As of June 30, 2023, the County had $16,557,404 in plan fiduciary net position accumulated for payment of future benefits. The County made contributions and paid premiums to the trust totaling $3,762,808 which was greater than the actuarially determined contribution (ADC) of $1,704,305. The County intends to fund at least the ADC amount in future fiscal years. Actual contributions to the plan are appropriated on an annual basis.

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

At June 30, 2023, the County reported a net OPEB liability of $5,720,158, measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2023. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2023, the County recognized OPEB expense of $1,810,395. Deferred outflows of resources and deferred inflows of resources related to the County's OPEB-Retiree Healthcare was reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 548,096	$ -
Difference between expected and actual experience	2,642,411	2,662,425
Change in assumptions	3,843,291	3,375,101
Total	$ 7,033,798	$ 6,037,526

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

Year ending June 30:	Deferred Outflows/ (Inflows) of Resources
2024	$ 129,970
2025	50,484
2026	515,169
2027	55,353
2028	50,720
Thereafter	194,576
Total	$ 996,272

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

	1% Decrease 6%	Net OPEB liability Discount Rate Current Discount 7%	1% Increase 8%
Net OPEB liability	$ 8,085,305	$ 5,720,158	$ 3,696,307

	1% Decrease	Net OPEB liability Health Care Cost Trend Current Cost Trend	1% Increase
Net OPEB liability	$ 2,793,370	$ 5,720,158	$ 9,264,560

4. Actuarial Assumptions

Total OPEB liabilities in the OPEB Plan for the Primary Government - Line of Duty were based on an actuarial valuation as of June 30, 2023, using census data and recent health care cost information for current retirees and active employees eligible for coverage under the plan. The projections are based on GAAP, using the entry age normal actuarial cost method and the following actuarial assumptions based on GAAP.

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

Valuation date	June 30, 2023
Investment rate of return	7.0%
Inflation	2.70%
Salary increases	3.50% - 4.75%; based on top 10 Hazardous Duty assumption used in the June 30, 2021 VRS LODA valuation
Healthcare cost trend rates	6.80% for 2023 and decreasing to an ultimate rate of 4.14% by 2076
Pre-retirement mortality	Pub-2010 Public Safety Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement mortality	Pub-2010 Public Safety Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Disabled	Pub-2010 Public Safety Disabled Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021

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

Asset Class	Target Allocation	Arithmetic Long-term Expected Real Rate
Total Equity		
Large Cap Equity	21.00%	7.17%
Small Cap Equity	10.00%	8.61%
International Equity	13.00%	8.06%
Emerging Markets Equity	5.00%	9.33%
Private Equity	10.00%	10.55%
Long/Short Equity	6.00%	5.77%
Fixed Income		
Core Bonds	5.00%	2.58%
Core Plus	11.00%	2.89%
Liquid Absolute Return	4.00%	3.25%
Real Assets		
Core Real Estate	10.00%	6.54%
Opportunistic Real Estate	5.00%	9.54%
Total	100.00%	7.01%

5. Changes to Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2022	$ 18,315,142	$ 12,789,484	$ 5,525,658
Service cost	1,287,800	-	1,287,800
Interest	1,339,078	-	1,339,078
Change in assumptions	3,165,231	-	3,165,231
Differences in expected and actual experience	(866,881)	-	(866,881)
Net investment income	-	968,420	(968,420)
Administrative expenses	-	(500)	500
Employer contributions	-	3,762,808	(3,762,808)
Benefit payments	(962,808)	(962,808)	-
Net changes	3,962,420	3,767,920	194,500
Balance at June 30, 2023	$ 22,277,562	$ 16,557,404	$ 5,720,158

6. OPEB Liability

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

a) Rate of Return: As of June 30, 2023, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was 7.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b) Net OPEB Liability: The components of the net OPEB liability as of June 30, 2023 were as follows:

	Net OPEB Liability
Total OPEB liability	$ 22,277,562
Plan fiduciary net position	(16,557,404)
Net OPEB liability	$ 5,720,158
Fiduciary net position as a percent of total OPEB liability	74.32%

Chesterfield County, Virginia
Postemployment Retiree Healthcare
Benefits Trust - Schools

Assets	
Cash, investments and receivable	$ 28,285,245
Fiduciary Net Position	
Restricted for other postemployment benefits	$ 28,285,245
Additions:	
Contributions	$ 15,347,907
Investment earnings	1,934,435
Less investment expenses	(18,601)
Net investment income	1,915,834
Total additions, net	17,263,741
Deductions:	
Benefit payments	14,347,907
Administrative expenses	500
Total deductions	14,348,407
Increase in net position restricted for other postemployment benefits	2,915,334
Fiduciary net position - July 1, 2022	25,369,911
Fiduciary net position - June 30, 2023	$ 28,285,245

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

1. Plan Description

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

Employees with a combination of age and fulltime service greater than or equal to 60 years as of July 1, 2007, including at least 10 years of service, will be grandfathered. Non-grandfathered employees will receive health benefits at age 55 or disabled with at least 15 years of full-time Chesterfield County Public Schools service. Employees retiring between age 50 - 55 with at least 30 years of full-time Chesterfield County Public Schools service will be allowed to purchase retiree healthcare at the School Board's group rate with no School Board contribution from the time of retirement until age 55. At age 55, they will begin to receive the School Board contribution based on years of service. School Board contributions for pre-65 health and dental benefits at July 1, 2022 are:

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

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

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

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

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

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

2. Contributions

As of June 30, 2023, the School Board has $28,285,245 in plan fiduciary net position accumulated for payment of future benefits. The School Board made contributions and paid premiums to the trust totaling $15,347,907 which was greater than the actuarially determined contribution (ADC) of $11,906,200. At a minimum, the School Board intends to fund the ADC amount in future fiscal years. Actual contributions to the plan are appropriated on an annual basis.

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

At June 30, 2023, the School Board reported a net OPEB liability of $112,514,248, measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2023. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2023, the School Board recognized OPEB expense of $(724,683). Deferred outflows of resources and deferred inflows of resources related to the School Board's OPEB - Retiree Healthcare was reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 904,451	$ -
Difference between expected and actual experience	448,127	25,729,237
Change in assumptions	2,445,455	7,663,318
Total	$ 3,798,033	$ 33,392,555

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

Year ending June 30:	Deferred Outflows/ (Inflows) of Resources
2024	$ (10,394,058)
2025	(8,278,754)
2026	(6,190,344)
2027	(4,233,005)
2028	(498,361)
Total	$ (29,594,522)

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

	1% Decrease 6%	Net OPEB liability Discount Rate Current Discount 7%	1% Increase 8%
Net OPEB liability	$ 123,708,160	$ 112,514,248	$ 102,649,790

	1% Decrease	Net OPEB liability Health Care Cost Trend Current Cost Trend	1% Increase
Net OPEB liability	$ 105,325,870	$ 112,514,248	$ 120,625,984

4. Actuarial Assumptions

Total OPEB liabilities in the OPEB Plan for Retiree Healthcare – School Board were based on an actuarial valuation as of June 30, 2023, using census data and recent health care cost information for current retirees and active employees eligible for coverage under the plan. The projections are based on GAAP, using the entry age normal actuarial cost method and the following actuarial assumptions based on GAAP.

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

Valuation date	June 30, 2023
Investment rate of return	7.0%
Inflation	2.70%
Salary increases	3.50% - 5.95% for Teachers (based on Teachers assumption used in the June 30, 2021 VRS valuation) 3.50% - 5.35% for non-Teachers (based on Top 10 non-Hazardous Duty assumption used in the June 30, 2021 VRS valuation)
Healthcare cost trend rates	6.80% for 2023 decreasing to and ultimate rate of 4.14% by 2076
Pre-retirement mortality	Teachers: Pub-2010 Teachers Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021 Non-Teachers: Pub-2010 General Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement mortality	Teachers: Pub-2010 Teachers Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021 Non-Teachers: Pub-2010 General Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021

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

Asset Class	Target Allocation	Arithmetic Long-term Expected Real Rate
Total Equity		
Large Cap Equity	21.00%	7.17%
Small Cap Equity	10.00%	8.61%
International Equity	13.00%	8.06%
Emerging Markets Equity	5.00%	9.33%
Private Equity	10.00%	10.55%
Long/Short Equity	6.00%	5.77%
Fixed Income		
Core Bonds	5.00%	2.58%
Core Plus	11.00%	2.89%
Liquid Absolute Return	4.00%	3.25%
Real Assets		
Core Real Estate	10.00%	6.54%
Opportunistic Real Estate	5.00%	9.54%
Total	100.00%	7.01%

5. Changes to Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2022	$ 146,747,958	$ 25,369,911	$ 121,378,047
Service cost	1,505,537	-	1,505,537
Interest	9,884,061	-	9,884,061
Change in assumptions	689,007	-	689,007
Differences in expected and actual experience	(3,679,163)	-	(3,679,163)
Net investment income	-	1,915,834	(1,915,834)
Administrative expenses	-	(500)	500
Employer contributions	-	15,347,907	(15,347,907)
Benefit payments	(14,347,907)	(14,347,907)	-
Net changes	(5,948,465)	2,915,334	(8,863,799)
Balance at June 30, 2023	$ 140,799,493	$ 28,285,245	$ 112,514,248

6. OPEB Liability

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

a) Rate of Return: As of June 30, 2023, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was 7.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b) Net OPEB Liability: The components of the net OPEB liability as of June 30, 2023 were as follows:

	Net OPEB Liability
Total OPEB liability	$ 140,799,493
Plan fiduciary net position	(28,285,245)
Net OPEB liability	$ 112,514,248
Fiduciary net position as a percent of total OPEB liability	20.09%

Chesterfield County, Virginia
Postemployment Retiree Healthcare
Benefits Trust - Schools

Assets	
Cash, investments and receivable	$ 28,285,245
Fiduciary Net Position	
Restricted for other postemployment benefits	$ 28,285,245
Additions:	
Contributions	$ 15,347,907
Investment earnings	1,934,435
Less investment expenses	(18,601)
Net investment income	1,915,834
Total additions, net	17,263,741
Deductions:	
Benefit payments	14,347,907
Administrative expenses	500
Total deductions	14,348,407
Increase in net position restricted for other postemployment benefits	2,915,334
Fiduciary net position - July 1, 2022	25,369,911
Fiduciary net position - June 30, 2023	$ 28,285,245

D. Other Postemployment Benefits – Group Life Insurance Program

1. Plan Description

The County and School Board component unit participate in the VRS GLI Program, a multiple employer, cost-sharing defined benefit plan. Upon employment, all full-time, salaried and permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by GLI Program. Coverage ends for employees who leave their positions before retirement eligibility or who take a refund of their member contributions and accrued interest. This plan is administered by VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth. Detail information about the GLI Program's fiduciary net position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at VRS ACFR for the Fiscal Year Ended June 30, 2022 (varetire.org) or by writing to the VRS system's Chief Financial Officer at P. O. Box 2500, Richmond, VA 23218-2500.

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

b) Contribution – The total contribution rate for the GLI Program was 1.34% of covered employee compensation. This rate was allocated into an employee and an employer component using a 60/40 split. Although not required, the County and School Board component unit elected to pay the employee component, which is separate from the contractually required employer contribution. Each participating employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was determined from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program for the years ended June 30, 2023 and June 30, 2022 by the County and School Board component unit are as follows:

Description	2023	2022
County	$1,419,348	$1,211,011
School Board - non-professional	146,180	131,343
School Board – professional	2,209,987	1,986,082

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

c) Liabilities – At June 30, 2023, the County, School Board component unit non-professional and Professional groups reported liabilities of $12,413,993, $1,349,551 and $20,386,918, respectively, for their proportionate shares of the net Group Life Insurance Program OPEB (GLI OPEB) liability. The net GLI OPEB liability was measured as of June 30, 2022 and the total GLI

OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined contributions to the GLI Program for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. The proportion for the County, School Board component unit non-professional and professional groups for the years ended June 30, 2023 and June 30, 2022 were as follows:

Description	2023	2022
County	1.03098%	1.00612%
School Board - non-professional	0.11208%	0.09994%
School Board - professional	1.69313%	1.63459%

For the year ended June 30, 2023, the County recognized GLI OPEB expense of $466,043 and School Board component unit non-professional group recognized GLI OPEB expense of $38,324. The School Board component unit professional group recognized GLI OPEB expense of $1,033,407. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the County, School Board component unit non-professional and professional groups reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

(i) County:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 983,032	$ 498,020
Net difference between projected and actual earnings on GLI OPEB program investments	-	775,692
Change in assumptions	463,022	1,209,173
Changes in proportion	420,515	38,523
Employer contributions subsequent to measurement date	1,419,348	-
Total	$ 3,285,917	$ 2,521,408

(ii) School Board - non-professional group:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 106,867	$ 54,141
Net difference between projected and actual earnings on GLI OPEB program investments	-	84,327
Change in assumptions	50,336	131,452
Changes in proportion	266,136	108,686
Employer contributions subsequent to the measurement date	146,180	-
Total	$ 569,519	$ 378,606

(iii) School Board - professional group:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,614,387	$ 817,874
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,273,882
Change in assumptions	760,400	1,985,768
Changes in proportion	1,402,607	192,649
Employer contributions subsequent to the measurement date	2,209,987	-
Total	$ 5,987,381	$ 4,270,173

County, School Board component unit non-professional and professional contributions of $1,419,348, $146,180, and $2,209,987, respectively, made subsequent to the measurement date and recognized as deferred outflows of resources related to the GLI OPEB will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year ended June 30	County	School Board Non-Professional	School Board Professional
2024	$ (141,189)	$ 11,372	$ (19,854)
2025	(118,758)	36,394	(80,717)
2026	(533,654)	(44,873)	(797,237)
2027	173,943	23,804	421,769
2028	(35,181)	18,036	(16,740)
Thereafter	-	-	-
Total	$ (654,839)	$ 44,733	$ (492,779)

d) Actuarial assumptions – The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021 using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increased, including inflation:	
Locality general purpose employees	3.50% - 5.35%
Locality hazardous duty employees	3.50% - 4.75%
Teachers	3.50% - 5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

1) Mortality rates – locality general employees (County and School Board - non-professional groups):

Pre-retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
Post-retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
Post-disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

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

Mortality rates (all)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability rates	No change
Salary scale	No change
Discount rate	No change

2) Mortality rates – locality hazardous duty employees:

Pre-retirement	PUB2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% for females set forward 2 years
Post-retirement	PUB2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-disablement	PUB2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

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

Mortality rates (all)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement rates	Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70 for all
Withdrawal rates	Decreased rates
Disability rates	No change
Salary scale	No change
Line of duty disability	No change
Discount rate	No change

3) Mortality rates – School Board - professional:

Pre-retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality rates (all)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement rates	Adjusted rates to better fit experience for Plan1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability rates	No change
Salary scale	No change
Discount rate	No change

e) Net GLI OPEB Liabilities – The net GLI OPEB liability represents the GLI program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of the measurement date June 30, 2022, the net GLI OPEB liability is as follows:

Total for the Cost-Sharing Employer Plans - GLI (all employers)	Group Life Insurance OPEB Program
Total GLI OPEB Liability	$ 3,672,085,295
Plan Fiduciary Net Position	(2,467,988,880)
Employers' Net GLI OPEB Liability	$ 1,204,096,415
Plan Fiduciary Net Position as a % of the Total GLI OPEB Liability	67.21%

The total GLI OPEB liability is calculated by the VRS system's actuary and each plan's fiduciary net position is reported in the VRS system's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GAAP in the VRS system's notes to the financial statements and required supplementary information.

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

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

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

g) Discounts - The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by participating entities for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate.

From July 1, 2022 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

h) Sensitivity – The following presents the employers' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current discount rate.

Employer's proportionate share of the net GLI OPEB liability	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	$18,063,813	$12,413,993	$7,848,166
School Board - non-professional	1,963,755	1,349,551	853,191
School Board - professional	29,665,352	20,386,918	12,888,673

i) Payables – At June 30, 2023, the County and School Board component unit owed the following amounts to the VRS GLI Program due to the timing of when contractually required contribution payments become due.

County	$ 120,426
School Board - non-professional	12,294
School Board - professional	197,205

E. Other Postemployment Benefits – Health Insurance Credits

1. Plan Description

Professional staff of the School Board component unit participate in the VRS Teacher Employee HIC Program, a multiple employer, cost-sharing defined benefit plan. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Program. The benefit vests with eligible employees who retire with at least 15 years of service credit. The benefit ends upon the retiree's death. This plan is administered by VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth. Detail information about the HIC Program's fiduciary net position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at VRS Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022 (varetire.org) or by writing to the VRS system's Chief Financial Officer at P. O. Box 2500, Richmond, VA 23218-2500.

a) Benefit - Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to the VRS. The HIC is a tax-free reimbursement in an amount set by the Virginia General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering spouses or dependents, and cannot exceed the actual amount of the premium paid. For teacher and other professional school employees who retire, the monthly benefit is $4 per year of service per month with no cap on the benefit amount. For teachers and other professional employees who retire on disability, the monthly benefit is either $4 per month multiplied by twice the amount of service credit or $4 per month multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

b) Contribution - Each school division's contractually required employer contribution rate for the year ended June 30, 2022 and 2023 was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the HIC Program were $4,937,179 and $4,436,922 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $12 million to the VRS Teacher Health Insurance Credit Program. 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.

c) Liabilities – At June 30, 2023, the School Board component unit reported a liability of $49,141,862 for its proportionate share of the net HIC Program OPEB (HIC OPEB) liability. The net HIC OPEB liability was measured as of June 30, 2022 and the total HIC Program OPEB liability used to calculate the net HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The School Board component unit's proportionate share of the net HIC OPEB liability was based on the school division's actuarially determined employer contributions to the HIC OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board component unit's proportion of the HIC Program was 3.93% compared to 3.81% at June 30, 2021.

For the year ended June 30, 2023, the School Board component unit recognized HIC OPEB expense of $4,425,954. Since there was a change in proportionate share between June 30, 2021 and June 30, 2022, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the School Board component unit reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 2,003,100
Net difference between projected and actual earnings on HIC OPEB program investments	-	49,325
Change in assumptions	1,435,685	125,492
Changes in proportion	2,909,175	427,011
Employer contributions subsequent to measurement date	4,937,179	-
Total	$ 9,282,039	$ 2,604,928

$4,937,179 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board component unit's contributions subsequent to the measurement date will be recognized as a reduction of the net HIC OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year ended June 30	School Board Professional
2024	$ 348,655
2025	349,018
2026	271,422
2027	371,883
2028	270,159
Thereafter	128,795
Total	$ 1,739,932

d) Actuarial assumptions – The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021 using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation.. 2.5%
Salary increased, including inflation:
Teachers... 3.50% - 5.95%
Investment rate of return .... 6.75%, net of investment expenses, including inflation*

Mortality rates:

Pre-retirement................................Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

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

Post-disablement...........................Pub-2010 Amount Weighted Teachers Disable Rates projected generationally; 110% rates for males and females

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

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

Mortality rates (all)...........................Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement rates.............................Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

Withdrawal rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability rates	No change
Salary scale	No change
Discount rate	No change

e) Net HIC OPEB Liabilities - The net HIC OPEB liability represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2022, the net HIC OPEB liability is as follows:

Total for the Cost-Sharing Employer Plans - HIC (all employers)	Teachers' Health Insurance Credit Program
Total HIC OPEB Liability	$ 1,470,891,106
Plan Fiduciary Net Position	(221,844,577)
Employers' Net HIC OPEB Liability	$ 1,249,046,529
Plan Fiduciary Net Position as a % of the Total HIC OPEB Liability	15.08%

The total HIC OPEB liability is calculated by the VRS system's actuary, and each plan's fiduciary net position is reported in the VRS system's financial statements. The net HIC OPEB liability is disclosed in accordance with the requirements of GAAP in the VRS system's notes to the financial statements and required supplementary information.

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

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

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

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

h) Sensitivity - The following presents the employers proportionate share of the net HIC OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current discount rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Employer's proportionate share of the net HIC OPEB liability	$55,383,443	$49,141,862	$43,851,032

i) Payables - At June 30, 2023, the School Board component unit owed $439,543 to the VRS HIC Program due to the timing of when contractually required contribution payments become due.

F. Summary of Deferred Outflows of Resources and Deferred Inflows of Resources by OPEB Plan

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Deferred Outflows of Resources related to OPEB				
Deferred investment experience:				
Other Postemployment Benefit Trust	$ 1,221,601	$ 118,138	$ 1,339,739	$ 904,451
Other Postemployment Benefit Trust - Line of Duty	548,096	-	548,096	-
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	732,534	70,842	803,376	448,127
Other Postemployment Benefit Trust - Line of Duty	2,642,411	-	2,642,411	-
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,614,387
VRS cost-sharing Group Life Insurance Plan	911,468	71,564	983,032	106,867
Deferred change in assumptions:				
Other Postemployment Benefit Trust	2,256,076	218,180	2,474,256	2,445,455
Other Postemployment Benefit Trust - Line of Duty	3,843,291	-	3,843,291	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	1,435,685
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	760,400
VRS cost-sharing Group Life Insurance Plan	429,313	33,709	463,022	50,336
Deferred change in proportionate share:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	2,909,175
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,402,607
VRS cost-sharing Group Life Insurance Plan	389,901	30,614	420,515	266,136
Deferred contributions:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	4,937,179
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	2,209,987
VRS cost-sharing Group Life Insurance Plan	1,316,020	103,328	1,419,348	146,180
Total deferred outflows of resources related to OPEB	$ 14,290,711	$ 646,375	$ 14,937,086	$ 19,636,972

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Deferred Inflows of Resources related to OPEB				
Deferred investment experience:				
VRS cost-sharing Teacher Health Insurance Credit Program				$ 49,325
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool				1,273,882
VRS cost-sharing Group Life Insurance Plan	$ 719,224	$ 56,468	$ 775,692	84,327
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	7,530,407	728,252	8,258,659	25,729,237
Other Postemployment Benefit Trust - Line of Duty	2,662,425	-	2,662,425	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	2,003,100
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	817,874
VRS cost-sharing Group Life Insurance Plan	461,763	36,257	498,020	54,141
Deferred change in assumptions:				
Other Postemployment Benefit Trust	7,925,435	766,453	8,691,888	7,663,318
Other Postemployment Benefit Trust - Line of Duty	3,375,101	-	3,375,101	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	125,492
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,985,768
VRS cost-sharing Group Life Insurance Plan	1,121,145	88,028	1,209,173	131,452
Deferred change in proportionate share:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	427,011
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	192,649
VRS cost-sharing Group Life Insurance Plan	35,719	2,804	38,523	108,686
Total deferred inflows of resources related to OPEB	$ 23,831,219	$ 1,678,262	$ 25,509,481	$ 40,646,262

Enterprise funds	Water	Wastewater	Non-major Airport	Total
Deferred Outflows of Resources related OPEB				
Deferred investment experience:				
Other Postemployment Benefit Trust	$ 54,572	$ 61,863	$ 1,703	$ 118,138
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	32,726	37,093	1,023	70,842
VRS cost-sharing Group Life Insurance Plan	29,983	40,206	1,375	71,564
Deferred change in assumptions				
Other Postemployment Benefit Trust	100,785	114,250	3,145	218,180
VRS cost-sharing Group Life Insurance Plan	14,122	18,939	648	33,709
Deferred change in proportionate share				
VRS cost-sharing Group Life Insurance Plan	12,825	17,200	589	30,614
Deferred contributions:				
VRS cost-sharing Group Life Insurance Plan	43,290	58,051	1,987	103,328
Total deferred outflows of resources related to OPEB	$ 288,303	$ 347,602	$ 10,470	$ 646,375

Enterprise funds		Water		Wastewater		Non-major Airport		Total
Deferred Inflows of Resources related to OPEB								
Deferred investment experience:								
VRS cost-sharing Group Life Insurance Plan	$	23,659	$	31,724	$	1,085	$	56,468
Deferred OPEB difference between expected and actual:								
Other Postemployment Benefit Trust		336,408		381,347		10,497		728,252
VRS cost-sharing Group Life Insurance Plan		15,189		20,370		698		36,257
Deferred change in assumptions:								
Other Postemployment Benefit Trust		354,055		401,348		11,050		766,453
VRS cost-sharing Group Life Insurance Plan		36,880		49,456		1,692		88,028
Deferred change in proportionate share:								
VRS cost-sharing Group Life Insurance Plan		1,174		1,578		52		2,804
Total deferred inflows of resources related to OPEB	$	767,365	$	885,823	$	25,074	$	1,678,262

Internal Service funds		Vehicle and Communications		Risk Management		Total
Deferred Outlfows of Resources related to OPEB						
Deferred investment experience:						
Other Postemployment Benefit Trust	$	27,291	$	3,289	$	30,580
Deferred OPEB difference between expected and actual:						
Other Postemployment Benefit Trust		16,363		1,975		18,338
VRS cost-sharing Group Life Insurance Plan		19,661		5,701		25,362
Deferred change in assumptions						
Other Postemployment Benefit Trust		50,401		6,078		56,479
VRS cost-sharing Group Life Insurance Plan		9,260		2,686		11,946
Deferred change in proportionate share:						
VRS cost-sharing Group Life Insurance Plan		8,410		2,438		10,848
Deferred contributions:						
VRS cost-sharing Group Life Insurance Plan		28,387		8,232		36,619
Total deferred outflows of resources related to OPEB	$	159,773	$	30,399	$	190,172

Internal Service funds	Vehicle and Communications	Risk Management	Total
Deferred Inflows of Resources related to OPEB			
Deferred investment experience:			
VRS cost-sharing Group Life Insurance Plan	$ 15,515	$ 4,501	$ 20,016
Deferred OPEB difference between expected and actual:			
Other Postemployment Benefit Trust	168,232	20,284	188,516
VRS cost-sharing Group Life Insurance Plan	9,960	2,887	12,847
Deferred change in assumptions:			
Other Postemployment Benefit Trust	177,057	21,347	198,404
VRS cost-sharing Group Life Insurance Plan	24,184	7,013	31,197
Deferred change in proportionate share:			
VRS cost-sharing Group Life Insurance Plan	771	221	992
Total deferred inflows of resources related to OPEB	$ 395,719	$ 56,253	$ 451,972

G. Summary of Net OPEB Liability and Expense by OPEB Plan

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Net OPEB Liability				
Postemployment Retiree Healthcare Benefits	$ 36,070,510	$ 3,488,311	$ 39,558,821	$ 112,514,248
Line of Duty	5,720,158	-	5,720,158	-
Group Life Insurance Plan	11,510,255	903,738	12,413,993	1,349,551
Group Life Insurance Plan - Teachers' Pool	-	-	-	20,386,918
Health Insurance Credits	-	-	-	49,141,862
Toal net OPEB liability	$ 53,300,923	$ 4,392,049	$ 57,692,972	$ 183,392,579
OPEB Expense				
Postemployment Retiree Healthcare Benefits	$ 555,071	$ 53,680	$ 608,751	$ (724,683)
Line of Duty	1,810,395	-	1,810,395	-
Group Life Insurance Plan	432,116	33,927	466,043	38,324
Group Life Insurance Plan - Teachers' Pool	-	-	-	1,033,407
Health Insurance Credits	-	-	-	4,425,954
Total OPEB expense	$ 2,797,582	$ 87,607	$ 2,885,189	$ 4,773,002

Enterprise funds	Water	Wastewater	Non-major Airport	Total
Net OPEB Liability				
Postemployment Retiree Healthcare Benefits	$ 1,611,392	$ 1,826,625	$ 50,294	$ 3,488,311
Group Life Insurance Plan	378,627	507,731	17,380	903,738
Toal net OPEB liability	$ 1,990,019	$ 2,334,356	$ 67,674	$ 4,392,049
OPEB Expense				
Postemployment Retiree Healthcare Benefits	$ 24,797	$ 28,109	$ 774	$ 53,680
Group Life Insurance Plan	14,214	19,061	652	33,927
Total OPEB expense	$ 39,011	$ 47,170	$ 1,426	$ 87,607

Internal Service funds	Vehicle and Communications	Risk Management	Total
Net OPEB Liability			
Postemployment Retiree Healthcare Benefits	$ 805,829	$ 97,159	$ 902,988
Group Life Insurance Plan	248,280	72,001	320,281
Toal net OPEB liability	$ 1,054,109	$ 169,160	$ 1,223,269
OPEB Expense			
Postemployment Retiree Healthcare Benefits	$ 12,401	$ 1,495	$ 13,896
Group Life Insurance Plan	9,321	2,703	12,024
Total OPEB expense	$ 21,722	$ 4,198	$ 25,920

14. Tax Abatements

A. General

Incentive Program for Rehabilitation of Commercial Properties - The County has adopted an ordinance granting a partial tax exemption for certain commercial or industrial structures that have been rehabilitated, renovated or replaced. This program is established under the authority provided by the Code of Virginia §58.1-3221. Upon approval, the partial exemption will be in effect for seven years. The amount of the exemption is based solely on the increase in assessed value and does not change over the seven-year period. Generally, to qualify, the commercial or industrial structures must be no less than 25 years of age, the increase in assessed value must be 15% or more and the taxpayer must apply for the exemption within 12 months after the filing date of the building permit application for the rehabilitation, renovation or replacement structure. Because real property taxes are not abated until after the improvements have been made, there are no provisions for recapturing abated taxes. In fiscal year 2023, tax abatements for the County's incentive program for rehabilitation of commercial properties totaled $198,801. No other commitments are made by the County as part of these agreements.

B. Technology Zone Programs

The County has five technology zones, which are distinct geographical areas of the County, that provide a package of incentives designed to encourage business expansion and recruitment. This program is established under the authority provided by the Code of Virginia §58.1-3245.

Machinery and Tools – Any business which after January 1, 2006 either locates in a technology zone or undergoes a facility expansion or renovation which results in an increase of 15% or $50,000, whichever is greater, in the assessed value of its machinery and tools over the value of its machinery and tools from the previous year can qualify for a 100% rebate of the increase in machinery and tools taxes for five consecutive years. The taxpayer must apply for and access the rebate within one year of start of operations in the technology zone, or within one year of a qualifying facility expansion or renovation in order to receive the rebate. In fiscal year 2023, tax abatements for the County's Technology Zone Programs for Machinery and Tools taxes totaled $68,142. No other commitments are made by the County as part of these agreements.

Business License – Any business required to obtain a license based on gross receipts or purchases and is located in or makes improvements to a building within a technology zone, on or after the date on which the technology zone was established, may be qualified to receive tax relief of the increase in gross receipts or purchases over the business' gross receipts or purchase during the base year. To qualify for the relief, the business must apply within one year of start of operations in the zone. The tax and fee relief period will begin in the tax year after the business qualifies for the relief and will last for four additional tax years, or for so long as the business remains within any technology zone, whichever period is shorter. In fiscal year 2023, tax abatements for the County's Technology Zone Programs for Business License fees totaled $75,962. No other commitments are made by the County as part of these agreements.

C. Tourism, Public Entertainment and Recreation, and Other Grants

Under the authority provided by the Code of Virginia §15.2-4905, the Board may approve, through local resolution, individual incentive packages to encourage growth that provides significant economic benefits to the County in terms of capital investment, sports tourism and/or public entertainment and recreation. Economic Development staff negotiate the terms of these agreements and the County agrees to rebate a portion of agreed upon taxes and, in exchange, the taxpayer agrees to meet certain performance measures, which typically include a minimum capital investment and the creation of a minimum number of new, full-time jobs. Each performance agreement specifies the duration of the tax abatement period and other any terms or conditions that apply to the transaction. There were no rebates paid in fiscal year 2023.

D. Tax Increment Financing

Under the authority of Code of Virginia §58.1-3245.2, the County adopted various tax increment financing agreements with community development authorities that were created by the County for the purpose of financing, planning, acquisition and construction of infrastructure improvements within each authority's designated development district. The authorities have pledged the tax increments to pay debt service on long-term debt issued to finance infrastructure improvements. Based on the individual agreements, the County has agreed to pay a range of 64% to 100% of incremental real estate taxes that exceed base amounts to each authority. In fiscal year 2023, the County paid $1,256,086 in real property tax increments. The County also agreed to pay from 34% to 100% of its the local portion of sales tax revenue collected each calendar year from retail establishments within the districts to each authority. For fiscal year 2023, the County paid $562,717 in sales tax revenues related to calendar year 2022.

E. Land Trust

Under the authority of Code of Virginia §15.2-7501 the County designated Maggie Walker Community Land Trust to carry out the functions of a land bank entity for the purpose of assisting the County to address vacant, abandoned, and tax delinquent properties in the County. Under the authority of Code of Virginia §15.2-7509 when real property is conveyed by the land bank entity, fifty percent of the real property taxes collected on such property shall be remitted to the land bank entity. Such remittance of real property taxes collected shall commence with the first taxable year following the date of conveyance and continue for a period of ten years. The remittance shall not be renewed at the conclusion of the ten-year period. There were no remittances to the Land Bank in fiscal year 2023.

15. Joint Ventures

A. Appomattox River Water Authority

The County, in conjunction with the Counties of Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights, participated in the creation of the Appomattox River Water Authority (Water Authority). The Water Authority was established under the provisions of the Virginia Water and Sewer Authorities Act. The Water Authority, whose five-member board is comprised of one representative from each participating entity, is responsible for providing a supply of filtered water to be purchased by the members of the Water Authority and for improvements and expansion to meet the current and future demands of the participating jurisdictions.

The County retains an ongoing financial responsibility for the joint venture due to the requirement to purchase water and the capacity rights, (note 1.D.6), received in connection with the expansion of the treatment plant. The County's purchases of water for the year ended June 30, 2023 were $8,510,080. Complete financial statements for the Water Authority can be obtained from the Water Authority's Office at 21300 Chesdin Road, South Chesterfield, Virginia 23803.

B. Capital Region Airport Commission

The County, together with the City of Richmond and the Counties of Henrico and Hanover, participates in an intergovernmental joint venture, the Capital Region Airport Commission (Commission). The Commission owns and operates the Richmond International Airport (Airport).

The Commission is comprised of a fourteen-member board of directors, with four members each being appointed by the City of Richmond, County of Henrico and County of Chesterfield governing bodies and two members being appointed by the County of Hanover governing body. The Commission generates revenues from service charges to users of the Airport facilities to recover the costs of maintaining, repairing and operating the Airport. Virginia law requires that the Commission submit an annual budget showing estimated revenues and estimated expenditures to the governing bodies of the localities for their approval. The Commission's budget submittal must identify any deficits and the proportion of the deficit to be borne by, or requested of, each participating locality's governing body. Allocation of the Commission's deficit among the participating localities shall be proportionate to their respective populations. If a participating locality's governing body approves the Commission's operating and capital budgets with deficits, the locality shall appropriate to the Commission its share of the deficit. If during any fiscal year the Commission shall receive general fund revenues in excess of those estimated in its approved operating budget, the budgeted deficit shall be reduced and so shall the proportionate appropriation of the participating localities unless otherwise agreed upon by the parties. No contribution was made by the County in fiscal year 2023. Complete financial statements for the Commission can be obtained from the Commission's Office at Richmond International Airport, 1 Richard E. Byrd Terminal Dr., Suite A, Richmond, VA 23250.

C. Greater Richmond Convention Center Authority

The Greater Richmond Convention Center Authority (the Convention Authority) is a political subdivision of the Commonwealth of Virginia and was created by the City of Richmond and the Counties of Chesterfield, Hanover and Henrico for the purpose of expanding, owning and operating a regional convention center facility. The Convention Authority is governed by a five-member commission comprised of the chief administrative officer of each of the four incorporating political subdivisions and the President of the InUnison (https://inunison.org/).

Each participating jurisdiction is authorized to levy an 8% transient occupancy tax and has agreed in the Hotel Tax Payment Agreement to appropriate and to pay to the Convention Authority an amount equal to the total amount of transient occupancy tax collected. The County recorded an expenditure of $7,070,316 for transient occupancy tax to the Convention Authority during the year ended June 30, 2023.

Each participating jurisdiction intends that its respective tax payment will be sufficient to fund its allocated share of operating costs as defined in the Interlocal Agreement. The County received $5,755,425 from the Convention Authority for tax payments made in excess of its allocated share of operating costs during the year ended June 30, 2023.

On May 19, 1998, the Convention Authority entered into a fiscal services agreement with the County. The agreement specifies that the County provide services to the Convention Authority to (1) direct and monitor the investment and disbursement of funds from future revenue bonds held by the trustee; (2) receive and manage revenues transferred on behalf of the Convention Authority to the Treasurer of Chesterfield County; (3) maintain accounting records in accordance with generally accepted accounting principles and coordinate with outside independent auditors; (4) monitor and control the Convention Authority's budget; and (5) secure arbitrage reporting and financial advisory services. In accordance with the terms of the fiscal agent agreement, the Convention Authority made payments of $134,890 to the County for the year ended June 30, 2023. The agreement is effective until the Convention Authority or the County gives written notice to the other of its desire to terminate the agreement. Complete financial statements for the Convention Authority can be obtained from Chesterfield County, Accounting Department, 9901 Lori Road, Chesterfield, VA 23832.

D. Greater Richmond Transit Company

The Greater Richmond Transit Company (GRTC) is a public service corporation organized to provide mass transportation services to the Richmond metropolitan area. GRTC is owned jointly by the County and the City of Richmond, each owning a 50% share of the corporation. The County does not have an explicit or measurable claim to the resources of GRTC.

The Board of Directors is comprised of nine members, with three members each representing the jurisdictions of the City of Richmond, Chesterfield County and Henrico County. The majority of the capital, operating and liability costs are paid by fare revenue, state and federal grants, and when necessary, route subsidies. Each locality participates in GRTC's cost only to the extent that the locality chooses to have GRTC operate routes within its jurisdiction. The County's ongoing financial responsibility in GRTC is due to this commitment. A $250,057 contribution was made by the County in fiscal year 2023. Complete financial statements for GRTC can be obtained from GRTC at 301 East Belt Blvd., Richmond, VA, 23224.

E. Riverside Regional Jail Authority

The Riverside Regional Jail Authority (RRJA) was created by Chapter 726 of the 1990 Acts of the General Assembly and was formed on June 21, 1990. RRJA is comprised of the Cities of Colonial Heights, Hopewell and Petersburg and the Counties of Charles City, Chesterfield, Prince George and Surry. A fourteen-member board comprised of one appointed member and the sheriff from each participating jurisdiction governs RRJA. Each member must reside in and be appointed by the governing body of his political subdivision.

The regional jail is located in the County of Prince George adjacent to the Federal Correctional Institution and is used to hold prisoners primarily from each member jurisdiction. In accordance with the Jail Authority Service Agreement, each participating locality is required to commit a determined percentage of its inmates, paying per diem rates, to the jail. The County retains an ongoing financial responsibility for this joint venture due to this requirement of the agreement. The County's per diem payments for the year ended June 30, 2023 were $7,289,434. Complete financial statements for RRJA can be obtained from the Riverside Regional Jail Authority's office at 500 Folar Trail, North Prince George, VA 23860.

F. South Central Wastewater Authority

On July 2, 1996, the County, in conjunction with the Counties of Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights participated in the creation of the South Central Wastewater Authority (Wastewater Authority), by concurrent resolutions in accordance with the Virginia Water and Sewer Authorities Act. The purpose of the Wastewater Authority, whose five-member board is comprised of one representative from each participating jurisdiction, is to acquire, finance, construct, expand, improve, operate and maintain wastewater treatment and related facilities and for compliance with all requirements of applicable laws and regulations, except as otherwise provided in the service agreements.

The County paid $4,786,709 on July 2, 1996, representing its share of acquired debt and an initial operations and maintenance deposit. The County will be responsible for its portion of operation and maintenance expenses on a monthly basis, based on the Service Agreement. The County's purchases of wastewater services for the year ended June 30, 2023 were $786,015. Complete financial statements for the Wastewater Authority can be obtained from the South Central Wastewater Authority's Office at 900 Magazine Road, Petersburg, VA 23803.

16. Related Organizations and Jointly Governed Organizations

A. Health Center Commission for the County of Chesterfield

The Health Center Commission for the County of Chesterfield (Health Center Commission) was created on January 13, 1993 by the County Board, pursuant to Chapter 37, Title 15.1 of the Code of Virginia, for the purpose of operating a long-term care facility and independent living campus (Lucy Corr Village). The seven members of the Health Center Commission are appointed by the Board; however there is no ability of the Board to direct the members of the Health Center Commission with respect to carrying out the Health Center Commission's fiscal and management functions and the Health Center Commission has no significant financial benefit or financial burden relationship with the County. The County provides support services to the Health Center Commission on a cost basis. For fiscal year 2023, the County received $25,798 from the Health Center Commission for providing support services.

B. Central Virginia Waste Management Authority

The Central Virginia Waste Management Authority (Waste Authority) was established under the provision of the Virginia Water and Sewer Authorities Act. The Waste Authority's board is comprised of representatives from the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George, the Cities of Colonial Heights, Petersburg, Hopewell and Richmond and the Town of Ashland. The nineteen member board is comprised of no less than one and up to no more than four members from each of the participating jurisdictions, determined on a population basis. The County has three representatives serving. The Waste Authority is responsible for creating and implementing recycling and solid waste management programs for its local member jurisdictions in order to meet waste reduction mandates set by the Virginia General Assembly. Except for contribution requirements and direct payments for special projects, no participant has any ongoing financial interest or responsibility in the Waste Authority. The County's contribution and direct payments for special projects for the year ended June 30, 2023 were $3,726,746.

C. Greater Richmond Partnership

The Greater Richmond Partnership is comprised of members from the City of Richmond and the Counties of Chesterfield, Hanover, and Henrico. Together in partnership with the business leadership of the area, the Greater Richmond Partnership's purpose is to further economic development of the metropolitan area. The County has two representatives serving on the Greater Richmond Partnership's fifteen member Board of Directors and contributed $385,000 for the year ended June 30, 2023.

D. Richmond Region Tourism

Richmond Region Tourism (RRT), formerly the Richmond Metropolitan Convention and Visitors Bureau, serves the Cities of Richmond and Colonial Heights, the Town of Ashland and the Counties of Chesterfield, Hanover, Henrico, and New Kent by promoting conventions, tourism and development in the Metropolitan Richmond area in order to increase revenues, provide increased employment and improve the economic health of all jurisdictions involved. The RRT has twenty-four members and the County has one representative serving on RRT's Board of Directors and contributed $556,500 for the year ended June 30, 2023.

E. Plan RVA

Plan RVA, (formerly Richmond Regional Planning District Commission) is comprised of thirty-three members from the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, the City of Richmond and the Town of Ashland. The major objectives of Plan RVA are to promote regional cooperation; coordinate the activities and policies of member local governments; resolve service delivery problems involving more than one government within the region and provide planning assistance to local governments. In accordance with its Charter, Plan RVA promotes the orderly physical, social and economic development of the region through planning and encouraging local governments to plan for the future. The County has seven representatives serving on Plan RVA and paid total dues of $191,761 for the year ended June 30, 2023.

F. Lower Magnolia Green Community Development Authority

Lower Magnolia Green Community Development Authority (LMGCDA) was established by an ordinance adopted by the County’s Board of Supervisors on August 22, 2007 at the request of the owner of the property at that time, and pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Section 15.2-5152 of the Code of Virginia. The sole purpose of the LMGCDA is to finance, construct and maintain certain public improvements within the Lower Magnolia Green Special Assessment District (LMGSAD). The operating revenue of LMGCDA is primarily from Special Assessments collected by the County on behalf of LMGCDA against the taxable real property in the LMGSAD. The County agreed to manage the construction of road improvements to be paid for by

LMGCDA. The total cost of the project is estimated to be $25,000,000. In fiscal year 2023, the County received reimbursements for expenditures relating to the LMGCDA road widening project in the amount of $25,200.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Local Plan

Schedule of Changes in Net Pension Liability and Related Ratios*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability									
Service cost	$ 22,359,979	$ 22,190,584	$ 22,272,468	$ 23,239,284	$ 23,782,639	$ 23,887,734	$ 26,311,332	$ 26,220,272	$ 30,587,307
Interest	60,537,206	63,626,498	65,494,255	67,908,912	70,546,359	73,176,982	75,395,644	79,713,046	86,866,400
Changes of assumptions	-	-	-	2,022,586	-	33,012,481	-	48,781,987	-
Difference between expected and actual experience	-	(17,191,373)	(8,183,531)	(6,527,022)	(3,619,063)	(2,807,910)	20,446,165	(18,700,096)	9,028,885
Benefit payments, including refunds of member contributions	(37,609,453)	(39,919,429)	(43,967,501)	(46,208,684)	(51,723,215)	(54,535,995)	(56,828,478)	(59,554,807)	(61,698,983)
Net change in total pension liability	45,287,732	28,706,280	35,615,691	40,435,076	38,986,720	72,733,292	65,324,663	76,460,402	64,783,609
Plan total pension liability - beginning	883,621,959	928,909,691	957,615,971	993,231,662	1,033,666,738	1,072,653,458	1,145,386,750	1,210,711,413	1,287,171,815
Plan total pension liability - ending	$ 928,909,691	$ 957,615,971	$ 993,231,662	$ 1,033,666,738	$ 1,072,653,458	$ 1,145,386,750	$ 1,210,711,413	$ 1,287,171,815	$ 1,351,955,424
Plan fiduciary net position									
Contributions - employer	$ 26,084,703	$ 26,685,876	$ 27,306,288	$ 23,642,700	$ 24,044,622	$ 25,567,311	$ 26,735,004	$ 29,952,331	$ 32,237,745
Contributions - employee	8,820,383	8,787,349	9,096,346	9,245,876	9,212,218	9,462,407	9,910,875	10,001,761	10,722,370
Net investment income	103,473,934	34,502,076	13,653,023	95,910,844	64,159,374	60,814,725	18,184,370	259,941,671	(1,233,341)
Benefit payments, including refunds of member contributions	(37,609,453)	(39,919,429)	(43,967,501)	(46,208,684)	(51,723,215)	(54,535,995)	(56,828,478)	(59,554,807)	(61,698,983)
Administrative expense	(554,506)	(469,584)	(484,906)	(555,458)	(558,774)	(606,813)	(625,503)	(648,038)	(741,927)
Other changes	5,455	(7,320)	(5,789)	(85,337)	(56,997)	(38,278)	(21,791)	21,064	27,618
Net change in Plan fiduciary net position	100,220,516	29,578,968	5,597,461	81,949,941	45,077,228	40,663,357	(2,645,523)	239,713,982	(20,686,518)
Plan fiduciary net position - beginning	655,888,263	756,108,779	785,687,747	791,285,208	873,235,149	918,312,377	958,975,734	956,330,211	1,196,044,193
Plan fiduciary net position - ending	$ 756,108,779	$ 785,687,747	$ 791,285,208	$ 873,235,149	$ 918,312,377	$ 958,975,734	$ 956,330,211	$ 1,196,044,193	$ 1,175,357,675
Plan net pension liability - ending	$ 172,800,912	$ 171,928,224	$ 201,946,454	$ 160,431,589	$ 154,341,081	$ 186,411,016	$ 254,381,202	$ 91,127,622	$ 176,597,749
Plan fiduciary net position as a percentage of the total pension liability	81.40%	82.05%	79.67%	84.48%	85.61%	83.73%	78.99%	92.92%	86.94%
Covered payroll	$ 173,942,815	$ 175,451,036	$ 181,566,910	$ 184,361,751	$ 187,590,142	$ 202,738,683	$ 202,618,965	$ 218,503,269	$ 258,376,156
Plan net pension liability as a percentage of covered payroll	99.34%	97.99%	111.22%	87.02%	82.28%	91.95%	125.55%	41.71%	68.35%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

Per GAAP, net pension liabilities are reported using the measurement date, which is one year prior to the reporting date.

* Schedules are intended to show information for 10 years. Since 2014 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Local Plan

Schedule of Changes in Net Pension Liability and Related Ratios*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability									
Service cost	$ 2,949,849	$ 2,915,998	$ 2,651,127	$ 2,018,689	$ 1,479,580	$ 1,744,280	$ 1,829,998	$ 1,836,935	$ 1,662,841
Interest	7,295,839	7,583,876	7,846,485	7,895,142	7,789,094	7,694,378	7,676,782	7,763,263	8,210,649
Difference between expected and actual experience	-	406,101	(1,687,860)	(2,853,536)	(2,665,360)	(532,711)	(211,953)	(1,107,815)	(3,497,194)
Changes of assumptions	-	-	-	(400,345)	-	2,931,319	-	4,361,917	-
Benefit payments, including refunds of member contributions	(5,762,476)	(6,499,271)	(7,809,560)	(8,419,736)	(7,930,103)	(7,982,718)	(8,070,970)	(7,956,272)	(7,822,138)
Net change in total pension liability	4,483,212	4,406,704	1,000,192	(1,759,786)	(1,326,789)	3,854,548	1,223,857	4,898,028	(1,445,842)
Plan total pension liability - beginning	107,107,506	111,590,718	115,997,422	116,997,614	115,237,828	113,911,039	117,765,587	118,989,444	123,887,472
Plan total pension liability - ending	$ 111,590,718	$ 115,997,422	$ 116,997,614	$ 115,237,828	$ 113,911,039	$ 117,765,587	$ 118,989,444	$ 123,887,472	$ 122,441,630
Plan fiduciary net position									
Contributions - employer	$ 3,168,042	$ 2,839,204	$ 2,166,394	$ 1,485,751	$ 1,585,825	$ 2,490,225	$ 2,478,507	$ 1,775,380	$ 2,085,968
Contributions - employee	1,388,336	1,317,080	994,249	772,643	815,103	999,604	970,747	921,367	1,062,855
Net investment income	12,967,640	4,266,413	1,577,265	10,957,663	7,077,891	6,456,989	1,896,056	26,368,154	(55,453)
Benefit payments, including refunds of member contributions	(5,762,476)	(6,499,271)	(7,809,560)	(8,419,736)	(7,930,103)	(7,982,718)	(8,070,970)	(7,956,272)	(7,822,138)
Administrative expense	(70,338)	(59,811)	(61,331)	(67,765)	(64,350)	(66,968)	(67,564)	(68,836)	(75,309)
Other changes	683	(897)	(685)	(9,587)	(6,181)	(4,052)	(3,378)	2,249	(2,259)
Net change in Plan fiduciary net position	11,691,887	1,862,718	(3,133,668)	4,718,969	1,478,185	1,893,080	(2,796,602)	21,042,042	(4,806,336)
Plan fiduciary net position - beginning	82,963,489	94,655,376	96,518,094	93,384,426	98,103,395	99,581,580	101,474,660	98,678,058	119,720,100
Plan fiduciary net position - ending	$ 94,655,376	$ 96,518,094	$ 93,384,426	$ 98,103,395	$ 99,581,580	$ 101,474,660	$ 98,678,058	$ 119,720,100	$ 114,913,764
Plan net pension liability - ending	$ 16,935,342	$ 19,479,328	$ 23,613,188	$ 17,134,433	$ 14,329,459	$ 16,290,927	$ 20,311,386	$ 4,167,372	$ 7,527,866
Plan fiduciary net position as a percentage of the total pension liability	84.82%	83.21%	79.82%	85.13%	87.42%	86.17%	82.93%	96.64%	93.85%
Covered payroll	$ 27,158,776	$ 25,240,789	$ 19,762,536	$ 16,006,363	$ 17,089,386	$ 20,822,912	$ 21,813,838	$ 20,159,457	$ 26,972,026
Plan net pension liability as a percentage of covered payroll	62.36%	77.17%	119.48%	107.05%	83.85%	78.24%	93.11%	20.67%	27.91%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

Per GAAP, net pension liabilities are reported using the measurement date, which is one year prior to the reporting date.

* Schedules are intended to show information for 10 years. Since 2014 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Teachers' Pool

Schedule of School Board's Proportionate Share of the Net Pension Liability*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Employer's proportion of the Net Pension Liability	3.65792%	3.68087%	3.64488%	3.68164%	3.75075%	3.72883%	3.70121%	3.80244%	3.92959%
Employer's proportionate share of the Net Pension Liability	$ 442,048,000	$ 463,287,000	$ 510,798,000	$ 452,768,000	$ 441,087,000	$ 490,735,218	$ 538,623,255	$ 295,187,120	$ 374,120,493
Employer's covered payroll	267,338,117	273,364,177	277,791,240	290,256,816	303,034,105	312,334,155	323,215,546	336,644,633	370,997,230
Employer's proportionate share of the Net Pension Liability as a percentage of its covered payroll	165.35%	169.48%	183.88%	155.99%	145.56%	157.12%	166.65%	87.69%	100.84%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.48%	85.82%	82.51%

Notes to Schedule:

Per GAAP, net pension liabilities are reported using the measurement date, which is one year prior to the reporting date.

* Schedules are intended to show information for 10 years. Since 2014 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer VRS Contributions

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Primary Government*				
2015	$ 26,685,876	$ 26,685,876	$ -	$ 175,451,036	15.21%
2016	27,306,288	27,306,288	-	181,566,910	15.04
2017	23,642,700	23,642,700	-	184,361,751	12.82
2018	24,044,622	24,044,622	-	187,590,142	12.82
2019	25,567,311	25,567,311	-	202,738,683	12.61
2020	26,735,004	26,735,004	-	202,618,965	13.19
2021	29,952,322	29,952,322	-	218,503,269	13.71
2022	32,237,731	32,237,731	-	258,376,156	12.48
2023	43,027,384	43,027,384	-	261,445,033	16.46
	School Board Component Unit - Non-professional*				
2015	$ 2,839,204	$ 2,839,204	$ -	$ 25,240,789	11.25%
2016	2,166,394	2,166,394	-	19,762,536	10.96
2017	1,485,751	1,485,751	-	16,006,363	9.28
2018	1,585,825	1,585,825	-	17,089,386	9.25
2019	2,490,225	2,490,225	-	20,822,912	11.96
2020	2,478,507	2,478,507	-	21,813,838	11.36
2021	1,775,565	1,775,565	-	20,159,457	8.63
2022	2,085,968	2,085,968	-	26,972,026	7.73
2023	2,102,568	2,102,568	-	26,838,927	7.83
	School Board Component Unit - Professional (Teachers)*				
2015	$ 39,521,472	$ 39,521,472	$ -	$ 273,364,177	14.46%
2016	38,757,881	38,757,881	-	277,791,240	13.95
2017	41,864,534	41,864,534	-	290,256,816	14.42
2018	48,478,812	48,478,812	-	303,034,105	16.00
2019	47,755,750	47,755,750	-	312,334,155	15.29
2020	48,971,623	48,971,623	-	323,215,546	15.15
2021	53,746,776	53,746,776	-	336,644,633	15.97
2022	58,258,828	58,258,828	-	370,997,230	15.70
2023	64,494,566	64,494,566	-	408,031,322	15.81

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

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System
Notes to VRS Required Supplemental Information

Change in benefit terms -

Primary Government and School Board Component Unit Non-professional:
There have been no actuarially significant changes to the System provisions since the prior actuarial valuation.

Changes of assumptions -

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

Largest 10 - Non-Hazardous Duty:
- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted rates to better fit experience at each year age and service through 9 years of age
- No change to disability rates
- No change to line of duty disability rate
- No change to discount rate

Largest 10 - Hazardous Duty:
- Updated to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience and changed final retirement age from 65 to 70
- Decreased withdrawal rates
- No change to disability rates
- No change to salary scale
- No change to line of duty disability
- No change to discount rate

VRS Teachers Pool:
The following changes in actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as
- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to discount rate

Methods and assumptions used to determine contribution rates:

Primary Government and School Board Component Unit - Non-professional:

	Non-Hazardous	Hazardous Duty
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percent closed	Level percent closed
Remaining amortization period	14-23 years	14-23 years
Asset valuation method	5-year smoothed fair value	5-year smoothed fair value
Inflation rate	2.5%	2.5%
Projected salary increases	3.50% - 5.35%	3.50% - 4.75 %
Investment rate of return	6.75%	6.75%

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government
(See Accompanying Report of the Independent Auditor)
Supplemental Retirement Plan

Schedule of Changes in Net Pension Liability and Related Ratios*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability										
Service cost	$ 436,406	$ 403,634	$ 389,168	$ 341,753	$ 276,487	$ 278,100	$ 282,413	$ 267,803	$ 376,731	$ 453,634
Interest	2,175,203	2,230,938	2,246,553	2,356,749	2,328,557	2,390,185	2,474,123	2,623,719	3,121,684	3,556,824
Difference between expected and actual experience	(326,029)	(771,910)	314,521	(1,267,047)	272,174	690,599	(1,741,882)	6,964,276	5,558,100	(2,223,299)
Changes of assumptions	-	-	-	-	-	-	3,491,791	-	-	1,373,934
Benefit payments, including refunds of member contributions	(1,380,465)	(1,467,615)	(1,574,809)	(1,753,487)	(1,846,337)	(2,015,074)	(2,128,601)	(2,252,109)	(2,355,365)	(2,522,540)
Net change in total pension liability	905,115	395,047	1,375,433	(322,032)	1,030,881	1,343,810	2,377,844	7,603,689	6,701,150	638,553
Plan total pension liability - beginning	34,117,066	35,022,181	35,417,228	36,792,661	36,470,629	37,501,510	38,845,320	41,223,164	48,826,853	55,528,003
Plan total pension liability - ending	$ 35,022,181	$ 35,417,228	$ 36,792,661	$ 36,470,629	$ 37,501,510	$ 38,845,320	$ 41,223,164	$ 48,826,853	$ 55,528,003	$ 56,166,556
Plan fiduciary net position										
Contributions - employer	$ 2,400,000	$ 2,200,000	$ 1,779,372	$ 1,614,144	$ 1,210,600	$ 734,151	$ 711,711	$ 1,554,869	$ 6,687,871	$ 3,869,688
Net investment income (loss)	3,988,515	836,727	(68,103)	3,212,058	2,482,713	2,287,966	1,197,704	8,807,696	(5,340,399)	2,607,329
Benefit payments, including refunds of member contributions	(1,292,402)	(1,467,615)	(1,574,809)	(1,753,487)	(1,846,337)	(2,015,074)	(2,128,601)	(2,252,109)	(2,355,365)	(2,522,540)
Administrative expense	(88,063)	(76,370)	(77,676)	(78,142)	(92,337)	(81,499)	(82,843)	(84,400)	(90,758)	(100,172)
Net change in Plan fiduciary net position	5,008,050	1,492,742	58,784	2,994,573	1,754,639	925,544	(302,029)	8,026,056	(1,098,651)	3,854,305
Plan fiduciary net position - beginning	26,134,199	31,142,249	32,634,991	32,693,775	35,688,348	37,442,987	38,368,531	38,066,502	46,092,558	44,993,907
Plan fiduciary net position - ending	$ 31,142,249	$ 32,634,991	$ 32,693,775	$ 35,688,348	$ 37,442,987	$ 38,368,531	$ 38,066,502	$ 46,092,558	$ 44,993,907	$ 48,848,212
Plan net pension liability - ending	$ 3,879,932	$ 2,782,237	$ 4,098,886	$ 782,281	$ 58,523	$ 476,789	$ 3,156,662	$ 2,734,295	$ 10,534,096	$ 7,318,344
Plan fiduciary net position as a percentage of the total pension liability	88.92%	92.14%	88.86%	97.86%	99.84%	98.77%	92.34%	94.40%	81.03%	86.97%
Covered payroll	$ 152,639,449	$ 146,058,394	$ 137,953,101	$ 127,044,622	$ 126,065,622	$ 122,908,897	$ 113,542,877	$ 111,878,471	$ 120,058,140	$ 119,379,659
Plan net pension liability as a percentage of covered payroll	2.54%	1.90%	2.97%	0.62%	0.05%	0.39%	2.78%	2.44%	8.77%	6.13%

Notes to Schedule:

There were no benefit changes or changes to actuarial assumptions or methods for the 2014-2016 Plan year. In 2017, the inflation rate was changed to 2%.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual money-weighted rate of return	16.08%	3.37%	0.30%	11.34%	6.94%	6.39%	3.02%	23.60%	(11.20%)	7.87%

* Schedules are intended to show information for 10 years. Since 2014 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Supplemental Retirement Program

Schedule of Changes in Net Pension Liability and Related Ratios*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability										
Service cost	$ 1,938,164	$ 1,668,165	$ 1,915,218	$ 2,888,145	$ 1,000,515	$ 926,887	$ 874,851	$ 860,716	$ 836,867	$ 1,140,205
Interest	6,885,837	5,057,421	4,964,736	5,476,927	6,582,063	5,110,745	4,864,125	4,704,307	4,774,409	5,160,201
Change in benefit terms	-	-	-	-	(7,428,337)	-	-	-	-	-
Difference between expected and actual experience	(5,862,476)	-	8,053,289	3,425,955	(5,915,675)	3,648,076	1,465,604	3,510,913	2,258,905	2,167,670
Changes of assumptions	3,954,534	(2,088,417)	10,225,013	(11,095,641)	(2,062,950)	-	1,021,847	-	4,416,348	-
Benefit payments, including refunds of member contributions	(12,252,008)	(12,268,111)	(11,252,201)	(12,270,541)	(14,402,588)	(15,072,710)	(11,782,929)	(9,559,129)	(6,388,086)	(6,921,101)
Net change in total pension liability	(5,335,949)	(7,630,942)	13,906,055	(11,575,155)	(22,226,972)	(5,387,002)	(3,556,502)	(483,193)	5,898,443	1,546,975
Program total pension liability - beginning	91,811,165	86,475,216	105,132,384	119,038,439	107,463,284	85,236,312	79,849,310	76,292,808	75,809,615	81,708,058
Program total pension liability - ending	$ 86,475,216	$ 78,844,274	$ 119,038,439	$ 107,463,284	$ 85,236,312	$ 79,849,310	$ 76,292,808	$ 75,809,615	$ 81,708,058	$ 83,255,033
Program fiduciary net position										
Contributions - employer	$ 9,386,241	$ 11,161,699	$ 10,305,625	$ 14,840,273	$ 16,270,315	$ 15,947,949	$ 14,523,844	$ 13,123,712	$ 34,300,000	$ 4,715,000
Net investment income	3,277,353	522,611	72,592	1,954,218	1,965,443	2,580,666	1,509,679	10,428,903	(7,099,525)	7,543,486
Benefit payments, including refunds of member contributions	(12,252,008)	(12,268,111)	(11,252,201)	(12,270,641)	(14,402,588)	(15,072,710)	(11,782,929)	(9,559,129)	(6,388,086)	(6,921,101)
Other	-	-	-	-	2,187	-	-	-	-	-
Administrative expense	(63,582)	(84,314)	(73,670)	(85,363)	(109,809)	(140,253)	(181,632)	(210,888)	(233,202)	(248,090)
Net change in Program fiduciary net position	348,004	(668,115)	(947,654)	4,438,487	3,725,548	3,315,652	4,068,962	13,782,598	20,579,187	5,089,295
Program fiduciary net position - beginning	21,108,004	21,456,008	20,787,893	19,840,239	24,278,726	28,004,274	31,319,926	35,388,888	49,171,486	69,750,673
Program fiduciary net position - ending	$ 21,456,008	$ 20,787,893	$ 19,840,239	$ 24,278,726	$ 28,004,274	$ 31,319,926	$ 35,388,888	$ 49,171,486	$ 69,750,673	$ 74,839,968
Program net pension liability - ending	$ 65,019,208	$ 58,056,381	$ 99,198,200	$ 83,184,558	$ 57,232,038	$ 48,529,384	$ 40,903,920	$ 26,638,129	$ 11,957,385	$ 8,415,065
Program fiduciary net position as a percentage of the total pension liability	24.81%	26.37%	16.67%	22.59%	32.85%	39.22%	46.39%	64.86%	85.37%	89.89%
Covered payroll	$ 258,789,820	$ 267,847,464	$ 205,589,540	$ 212,785,174	$ 188,769,652	$ 176,753,714	$ 167,675,124	$ 163,038,026	$ 161,614,324	$ 161,248,804
Program net pension liability as a percentage of covered payroll	25.12%	21.68%	48.25%	39.09%	30.32%	27.46%	24.39%	16.34%	7.40%	5.22%

Notes to Schedule:

Beginning balance for FY2016 was adjusted to correct for the application of retirement eligibility criteria consistent with the Program.

Changes in assumptions: Projected salary increases were changed from 3.5% to 3.0% effective June 30, 2016.

The increase in assumed contribution as a percentage of the recommended contribution is based on the actual experience over the last five years. Eligibility criteria and benefits were amended July 1, 2018.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Discount rate used to estimate total pension liability	6.16%	6.60%	4.73%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Annual money-weighted rate of return	15.75%	2.36%	0.33%	9.63%	6.30%	6.45%	4.49%	29.49%	(15.30%)	13.36%

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer SRP Contributions

Date	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
			Primary Government*		
2014	$ 1,850,332	$ 2,400,000	$ (549,668)	$ 152,639,449	1.57%
2015	1,703,209	2,200,000	(496,791)	146,058,394	1.51
2016	1,579,372	1,779,372	(200,000)	137,953,101	1.29
2017	1,614,144	1,614,144	-	123,324,780	1.31
2018	736,003	1,210,600	(474,597)	126,065,622	0.96
2019	734,151	734,151	-	123,343,213	0.60
2020	711,711	711,711	-	113,542,877	0.63
2021	854,869	1,554,869	(700,000)	111,878,471	1.39
2022	1,337,871	6,687,871	(5,350,000)	120,058,140	5.57
2023	1,451,688	3,869,688	(2,418,000)	119,379,659	3.24
			School Board Component Unit*		
2014	$ 14,424,056	$ 9,386,241	$ 5,037,815	$ 258,789,820	3.63%
2015	13,306,271	11,161,699	2,144,572	267,847,464	4.17
2016	13,352,847	10,305,625	3,047,222	205,589,540	5.01
2017	12,367,273	14,840,273	(2,473,000)	212,785,174	6.97
2018	9,965,431	16,270,315	(6,304,884)	188,769,652	8.62
2019	9,028,451	15,947,949	(6,919,498)	176,753,714	9.02
2020	8,240,043	14,523,844	(6,283,801)	167,675,127	8.66
2021	7,536,373	13,123,712	(5,587,339)	163,038,026	8.05
2022	5,933,497	34,300,000	(28,366,503)	161,614,324	21.22
2023	2,714,288	4,715,000	(2,000,712)	161,248,804	2.92

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Notes to Supplemental Retirement Plan

Methods and assumptions used to determine contribution rates:

The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

	Primary Government:	School Board Component Unit:
Actuarial Cost Method	Entry Age Method	Entry Age Normal Cost Method, Level %
Amortization Method	Level dollar	Level dollar
Amortization period	20 years	12 years closed
Asset Valuation Method	Fair Value of Assets	Fair Value of Assets
Inflation Rates	3% (2014-2016); 2% (2017-2022); 4% for 2023; 2.5% for 2024; 2.4% for 2025 and thereafter	2%
Annual Pay Increases	5% per year (age 30-39); 4.5% per year (age 40-44); 4.0% per year (age 45-59); 3.5% per year (age 60+)	3.5% (2014-2016); 3.0% (2017); 3.0-4.5% (2018-2021); 3.25-4.5% (2022-2023)
Interest Rates - Expected Long Term Rate of Return	6.5% net of investment expenses	7.5% (2014-2017); 6.5% (2018-2023)

Retirement Rates

Less than 30 years of service: Age		More than 30 years of service: Age		Reduced retirement: Age		Unreduced retirement: Age	
55	5%	55	10%	55-59	10%	55-59	30%
56	5%	56	10%	60-64	15%	60-64	25%
57	5%	57	10%	65-69	N/A	65-69	35%
58	5%	58	15%				
59	5%	59	15%				
60	5%	60	20%				
61	15%	61	20%				
62	15%	62	20%				
63	15%	63	20%				
64	15%	64	20%				
65	30%	65	40%				
66	40%	66	40%				
67	40%	67	30%				
68	40%	68	30%				
69	40%	69	30%				
70+	100%	70+	100%				

	Primary Government	School Board Component Unit
Mortality Rates	PUB-2010 General Amount-weighted mortality table, with future generational mortality improvements projected according to Scale MP-21.	PUB-2010 General Amount-Weighted mortality table, with future generational improvements projected according to Scale MP-19

Other information:

The Plan was closed to all Primary Government employees hired or rehired with an effective date on or after July 1, 2012. The Program was closed to all School Board Component Unit employees hired or rehired with an effective date on or after July 1, 2013.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government
(See Accompanying Report of the Independent Auditor)
Other Postemployment Benefits Plan - Retiree Healthcare

Schedule of Changes in Net OPEB Liability and Related Ratios*

	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	$ 927,910	$ 890,903	$ 861,270	$ 960,293	$ 969,038	$ 1,049,858	$ 977,095
Interest	8,038,741	8,564,885	7,081,545	6,335,601	6,183,125	6,150,197	5,790,594
Difference between expected and actual experience	-	(2,083,231)	(3,376,015)	756,151	838,797	(2,729,064)	(4,836,568)
Changes of assumptions	-	(13,070,740)	(7,295,365)	(1,639,704)	357,028	(819,561)	2,648,613
Benefit payments, including refunds of member contributions	(8,620,676)	(8,738,195)	(7,786,765)	(8,275,080)	(8,934,721)	(8,862,469)	(8,564,180)
Net change in total OPEB liability	345,975	(14,436,378)	(10,515,330)	(1,862,739)	(586,733)	(5,211,039)	(3,984,446)
Plan total OPEB liability - beginning	118,221,591	118,567,566	104,131,188	93,615,858	91,753,119	91,166,386	85,955,347
Plan total OPEB liability - ending	$ 118,567,566	$ 104,131,188	$ 93,615,858	$ 91,753,119	$ 91,166,386	$ 85,955,347	$ 81,970,901
Plan fiduciary net position							
Contributions - employer	$ 9,120,677	$ 9,368,195	$ 8,186,765	$ 8,612,080	$ 9,841,721	$ 8,862,469	$ 8,564,180
Net investment income	2,954,980	2,519,903	1,341,593	934,117	9,817,235	(4,045,596)	2,976,721
Benefit payments, including refunds of member contributions	(8,620,677)	(8,738,195)	(7,786,765)	(8,275,080)	(8,934,721)	(8,862,469)	(8,564,180)
Administrative expense	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Net change in Plan fiduciary net position	3,454,480	3,149,403	1,741,093	1,270,617	10,723,735	(4,046,096)	2,976,221
Plan fiduciary net position - beginning	23,142,627	26,597,107	29,746,510	31,487,603	32,758,220	43,481,955	39,435,859
Plan fiduciary net position - ending	$ 26,597,107	$ 29,746,510	$ 31,487,603	$ 32,758,220	$ 43,481,955	$ 39,435,859	$ 42,412,080
Plan net OPEB liability - ending	$ 91,970,459	$ 74,384,678	$ 62,128,255	$ 58,994,899	$ 47,684,431	$ 46,519,488	$ 39,558,821
Plan fiduciary net position as a percentage of the total OPEB liability	22.43%	28.57%	33.63%	35.70%	47.70%	45.88%	51.74%
Covered payroll	$ 181,884,658	$ 188,928,493	193,640,564	203,568,979	202,192,740	219,426,121	261,357,268
Plan net OPEB liability as a percentage of covered payroll	50.57%	39.37%	32.08%	28.98%	23.58%	21.20%	15.14%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

	2017	2018	2019	2020	2021	2022	2023
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)	7.55%

* Schedules are intended to show information for 10 years. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government
(See Accompanying Report of the Independent Auditor)
Other Postemployment Benefits Plan - Line of Duty

Schedule of Changes in Net OPEB Liability and Related Ratios*

	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	$ 601,750	$ 792,650	$ 766,287	$ 1,017,086	$ 1,026,697	$ 1,141,895	$ 1,287,800
Interest	945,421	975,937	852,476	1,126,955	1,116,343	1,185,232	1,339,078
Difference between expected and actual experience	-	1,125,285	1,928,493	(1,459,176)	(1,163,500)	975,881	(866,881)
Changes of assumptions	-	(4,886,754)	689,110	(70,620)	701,804	(383,053)	3,165,231
Benefit payments	(368,000)	(650,950)	(430,589)	(706,164)	(847,139)	(776,477)	(962,808)
Net change in total OPEB liability	1,179,171	(2,643,832)	3,805,777	(91,919)	834,205	2,143,478	3,962,420
Plan total OPEB liability - beginning	13,088,262	14,267,433	11,623,601	15,429,378	15,337,459	16,171,664	18,315,142
Plan total OPEB liability - ending	$ 14,267,433	$ 11,623,601	$ 15,429,378	$ 15,337,459	$ 16,171,664	$ 18,315,142	$ 22,277,562
Plan fiduciary net position							
Contributions - employer	$ 959,000	$ 1,080,950	$ 730,589	$ 1,432,164	$ 1,647,139	$ 776,477	$ 3,762,808
Net investment income	773,132	702,889	385,669	274,013	3,067,393	(1,311,960)	968,420
Benefit payments	(368,000)	(650,950)	(430,589)	(706,164)	(847,139)	(776,477)	(962,808)
Administrative expense	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Net change in Plan fiduciary net position	1,363,632	1,132,389	685,169	999,513	3,866,893	(1,312,460)	3,767,920
Plan fiduciary net position - beginning	6,054,348	7,417,980	8,550,369	9,235,538	10,235,051	14,101,944	12,789,484
Plan fiduciary net position - ending	$ 7,417,980	$ 8,550,369	$ 9,235,538	$ 10,235,051	$ 14,101,944	$ 12,789,484	$ 16,557,404
Plan net OPEB liability - ending	$ 6,849,453	$ 3,073,232	$ 6,193,840	$ 5,102,408	$ 2,069,720	$ 5,525,658	$ 5,720,158
Plan fiduciary net position as a percentage of the total OPEB liability	51.99%	73.56%	59.86%	66.73%	87.20%	69.83%	74.32%
Covered payroll	$ 65,181,494	$ 67,756,971	$ 67,615,562	$ 73,410,549	$ 75,017,926	$ 87,967,796	$ 98,033,921
Plan net OPEB liability as a percentage of covered payroll	10.51%	4.54%	9.16%	6.95%	2.76%	6.28%	5.83%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

	2017	2018	2019	2020	2021	2022	2023
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)	7.57%

* Schedules are intended to show information for 10 years. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Other Postemployment Benefits Plan - Retiree Healthcare

Schedule of Changes in Net OPEB Liability and Related Ratios*

	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	$ 1,806,182	$ 1,342,954	$ 1,298,283	$ 1,695,437	$ 1,507,807	$ 1,658,089	$ 1,505,537
Interest	14,953,724	14,878,280	13,615,717	12,490,441	12,061,650	11,561,650	9,884,061
Difference between expected and actual experience	-	2,742,227	(20,512,870)	(2,322,927)	(115,678)	(21,208,196)	(3,679,163)
Changes of assumptions	-	(22,407,529)	4,990,088	(1,932,185)	(5,284,318)	(1,073,020)	689,007
Benefit payments, including refunds of member contributions	(15,784,000)	(16,279,013)	(15,769,337)	(15,961,410)	(15,772,821)	(15,141,717)	(14,347,907)
Net change in total OPEB liability	975,906	(19,723,081)	(16,378,119)	(6,030,644)	(7,603,360)	(24,203,194)	(5,948,465)
Plan total OPEB liability - beginning	219,710,450	220,686,356	200,963,275	184,585,156	178,554,512	170,951,152	146,747,958
Plan total OPEB liability - ending	$ 220,686,356	$ 200,963,275	$ 184,585,156	$ 178,554,512	$ 170,951,152	$ 146,747,958	$ 140,799,493
Plan fiduciary net position							
Contributions - employer	$ 17,652,329	$ 17,279,013	$ 16,769,337	$ 16,961,410	$ 16,772,821	$ 16,141,717	$ 15,347,907
Net investment income	1,403,555	1,351,473	749,403	544,814	5,965,480	(2,499,723)	1,915,835
Benefit payments, including refunds of member contributions	(15,784,000)	(16,279,013)	(15,769,337)	(15,961,410)	(15,772,821)	(15,141,717)	(14,347,907)
Administrative expense	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Net change in Plan fiduciary net position	3,271,384	2,350,973	1,748,903	1,544,314	6,964,980	(1,500,223)	2,915,335
Plan fiduciary net position - beginning	10,989,579	14,260,963	16,611,936	18,360,839	19,905,153	26,870,133	25,369,910
Plan fiduciary net position - ending	$ 14,260,963	$ 16,611,936	$ 18,360,839	$ 19,905,153	$ 26,870,133	$ 25,369,910	$ 28,285,245
Plan net OPEB liability - ending	$ 206,425,393	$ 184,351,339	$ 166,224,317	$ 158,649,359	$ 144,081,019	$ 121,378,048	$ 112,514,248
Plan fiduciary net position as a percentage of the total OPEB liability	6.46%	8.27%	9.95%	11.15%	15.72%	17.29%	20.09%
Covered payroll	$ 319,003,486	$ 323,355,357	335,848,117	343,080,214	354,671,638	387,128,329	435,677,331
Plan net OPEB liability as a percentage of covered payroll	64.71%	57.01%	49.49%	46.24%	40.62%	31.35%	25.83%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

	2017	2018	2019	2020	2021	2022	2023
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)	7.55%

* Schedules are intended to show information for 10 years. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer OPEB Contributions - Retiree Healthcare and Line of Duty

Date	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Primary Government - Retiree Healthcare*				
2017	$ 8,409,418	$ 9,120,677	$ (711,259)	$ 181,884,658	5.01%
2018	8,534,872	9,368,195	(833,323)	188,928,493	4.96
2019	7,298,780	8,186,765	(887,985)	193,640,564	4.23
2020	6,869,108	8,612,080	(1,742,972)	203,568,979	4.23
2021	6,919,321	9,841,721	(2,922,400)	202,192,740	4.87
2022	6,195,120	8,862,469	(2,667,349)	219,426,121	4.04
2023	6,359,768	8,564,180	(2,204,412)	261,357,268	3.28
	School Board Component Unit - Retiree Healthcare*				
2017	$ 15,478,605	$ 17,652,329	$ (2,173,724)	$ 319,003,486	5.53%
2018	15,895,413	17,279,013	(1,383,600)	323,355,357	5.34
2019	14,182,931	16,769,337	(2,586,406)	335,848,117	4.99
2020	14,234,480	16,961,410	(2,726,930)	343,080,214	4.94
2021	13,940,805	16,772,821	(2,832,016)	354,671,638	4.73
2022	13,451,395	16,141,717	(2,690,322)	387,128,329	4.17
2023	11,906,200	15,347,907	(3,441,707)	435,677,331	3.52
	Primary Government - Line of Duty*				
2017	$ 999,464	$ 959,000	$ 40,464	$ 65,181,494	1.47%
2018	1,011,363	1,080,950	(69,587)	67,756,971	1.60
2019	957,372	730,589	226,783	67,615,562	1.08
2020	1,431,687	1,432,164	(477)	73,410,549	1.95
2021	1,387,159	1,647,139	(259,980)	75,017,926	2.20
2022	1,341,382	776,477	564,905	87,967,796	0.88
2023	1,704,305	3,762,808	(2,058,503)	98,033,921	3.84

Notes to Schedule

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay
Asset valuation method	Fair value
Healthcare cost trend rate	5.80-4.14% (2017); 5.50-3.84% (2018); 5.40-3.94% (2019); 4.70-4.04% (2020) 6.00-4.04% (2021); 6.00-3.94% (2022) 6:80-4.14% (2023)
Projected long-term salary increases	3.50-4.75%
Investment rate of return	7.0% per annum, compounded annually

Remaining amortization period:

Primary Government-Retiree Healthcare	12 years
School Board Component Unit-Retiree Healthcare	17 years
Primary Government-Line of Duty	28 years

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

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Group Life Insurance Program

Schedule of Employers' Proportionate Share of the Net OPEB Liability*

Primary Government

	2017	2018	2019	2020	2021	2022
Employer's proportion of the Net GLI OPEB Liability	1.00018%	0.99337%	0.99219%	0.99689%	1.00612%	1.03098%
Employer's proportionate share of the Net GLI OPEB Liability	$ 15,052,000	$ 15,087,000	$ 16,145,572	$ 16,636,462	$ 11,713,967	$ 12,413,993
Employer's covered payroll	184,488,316	188,887,754	194,504,842	205,164,275	207,726,561	224,265,166
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.54%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%

Notes to Schedule:

Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

Component Unit - School Board - Non-professional Plan

	2017	2018	2019	2020	2021	2022
Employer's proportion of the Net GLI OPEB Liability	0.08521%	0.09024%	0.10825%	0.10526%	0.09994%	0.11208%
Employer's proportionate share of the Net GLI OPEB Liability	$ 1,282,000	$ 1,371,000	$ 1,761,516	$ 1,756,617	$ 1,163,573	$ 1,349,551
Employer's covered payroll	15,718,215	17,158,846	21,219,445	21,663,068	20,663,804	24,379,756
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.64%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%

Notes to Schedule:

Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

Component Unit - School Board - Professional Plan

	2017	2018	2019	2020	2021	2022
Employer's proportion of the Net GLI OPEB Liability	1.57670%	1.59756%	1.59763%	1.57354%	1.63459%	1.69313%
Employer's proportionate share of the Net GLI OPEB Liability	$ 23,727,000	$ 24,263,000	$ 25,997,693	$ 26,259,806	$ 19,031,063	$ 20,386,918
Employer's covered payroll	290,828,580	303,772,620	313,188,521	323,840,126	337,481,425	368,299,777
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.54%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%

Notes to Schedule:

Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

* Schedules are intended to show information for 10 years. Since 2017 is the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer OPEB-VRS Group Life Insurance Contributions

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Primary Government*				
2017	$ 959,339	$ 959,339	$ -	$ 184,488,316	0.52%
2018	982,216	982,216	-	188,887,754	0.52
2019	1,011,422	1,011,422	-	194,504,842	0.52
2020	1,066,854	1,066,854	-	205,164,275	0.52
2021	1,121,723	1,121,723	-	207,726,561	0.54
2022	1,211,011	1,211,011	-	224,265,166	0.54
2023	1,419,348	1,419,348	-	262,661,163	0.54
	School Board Component Unit - Non-professional*				
2017	$ 81,735	$ 81,735	$ -	$ 15,718,215	0.52%
2018	89,226	89,226	-	17,158,846	0.52
2019	110,341	110,341	-	21,219,445	0.52
2020	112,648	112,648	-	21,663,068	0.52
2021	111,423	111,423	-	20,663,804	0.54
2022	131,343	131,343	-	24,379,756	0.54
2023	146,180	146,180	-	27,070,430	0.54
	School Board Component Unit - Professional (Teachers)*				
2017	$ 1,512,309	$ 1,512,309	$ -	$ 290,828,580	0.52%
2018	1,579,618	1,579,618	-	303,772,620	0.52
2019	1,628,580	1,628,580	-	313,188,521	0.52
2020	1,683,969	1,683,969	-	323,840,126	0.52
2021	1,822,400	1,822,400	-	337,481,425	0.54
2022	1,986,082	1,986,082	-	368,299,777	0.54
2023	2,209,987	2,209,987	-	409,256,847	0.54

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

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Other Postemployment Benefits - Group Life Insurance Program
Notes to VRS Required Supplemental Information

Change in benefit terms -

Primary Government and School Board Component Unit:
There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions -

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

Largest 10 - Non-Hazardous Duty:
- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate

Largest 10 - Hazardous Duty:
- Updated to Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decreased termination rates
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate

VRS Teachers Pool:
The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:
- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service decrement
- No change to disability rates
- No change to the discount rate

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Component Unit - School Board
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Teacher Health Insurance Credit Plan

Schedule of School Board's Proportionate Share of the Net OPEB Liability*

	2017	2018	2019	2020	2021	2022
Employer's proportion of the Net HIC OPEB Liability	3.68064%	3.74939%	3.72923%	3.68972%	3.80733%	3.93435%
Employer's proportionate share of the Net HIC OPEB Liability	$ 46,693,000	$ 47,605,000	$ 48,819,247	$ 48,133,006	$ 48,869,714	$ 49,141,862
Employer's covered payroll	290,476,817	303,227,835	312,796,215	323,468,947	336,718,341	366,687,755
Employer's proportionate share of the Net HIC OPEB Liability as a percentage of its covered payroll	16.07%	15.70%	15.61%	14.88%	14.51%	13.40%
Plan Fiduciary Net Position as a percentage of the Total HIC OPEB Liability	7.04%	8.08%	8.97%	9.95%	13.15%	15.08%

Notes to Schedule:

Per GAAP, Net HIC OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.
Schedule is intended to show information for 10 years.

*Since 2017 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer VRS Teacher Health Insurance Credit Plan Contributions

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	School Board Component Unit				
2017	$ 3,224,293	$ 3,224,293	$ -	$ 290,476,817	1.11%
2018	3,729,702	3,729,702	-	303,227,835	1.23
2019	3,753,555	3,753,555	-	312,796,215	1.20
2020	3,881,627	3,881,627	-	323,468,947	1.20
2021	4,074,292	4,074,292	-	336,718,341	1.21
2022	4,436,922	4,436,922	-	366,687,755	1.21
2023	4,937,179	4,937,179	-	408,031,322	1.21

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

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Teacher Health Insurance Credit Plan
Notes to VRS Required Supplemental Information

Change in benefit terms -

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

Changes of assumptions -

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

Largest 10 - Non-Hazardous Duty:

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate

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APPENDIX C

DEFINITIONS OF CERTAIN TERMS

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DEFINITIONS OF CERTAIN TERMS

"2024 Bonds" means the Authority's $284,735,000 Revenue Bonds (County Mobility Projects), Series 2024.

"Account" means any of the various accounts created within a Fund under the Trust Agreement.

"Act" or "IDA Act" means the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended.

"Additional Payments" means payments made by the County pursuant to the Financing Agreement other than Basic Payments.

"Authorized Authority Representative" means any officer of the Authority.

"Authorized County Representative" means the County Administrator and the Deputy County Administrator for Finance and Administration and such other person or persons as may be designated to act on behalf of the County by a certificate executed by the County Administrator or the Deputy County Administrator for Finance and Administration and on file with the Trustee.

"Basic Payments" means the payments payable by the County under the Financing Agreement which payments are calculated to correspond in amount to the payments of principal and interest due on the Bonds.

"Bond" or "Bonds" means, collectively, the 2024 Bonds and any additional bonds, notes or other obligations, including any notes or other obligations issued in anticipation of bonds, notes, or other obligations as the same shall be issued from time to time pursuant to the Master Trust Agreement.

"Bond Counsel" means an attorney or a firm of attorneys nationally recognized on the subject of municipal bonds and reasonably acceptable to the Trustee.

"Bond Fund" means the Bond Fund established in the Master Trust Agreement.

"Bond Payment Date" means the date on which any payment of principal of (whether at maturity or pursuant to mandatory sinking fund redemption) or interest on any Bond is due.

"Business Day" means a day on which banking business is transacted, but not including Saturday, Sunday or legal holiday, or any day which banking institutions are authorized by law to close in the city in which the Trustee has its designated corporate trust office.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated or applicable thereunder.

"CVTA Act" means Chapter 37, Title 33.2, Code of Virginia of 1950, as amended.

"Fiscal Year" means the twelve-month period beginning on July 1 of one year end and ending on June 30 of the following year, or such other twelve-month period as the County may select as its fiscal year.

"Fund" means the Bond Fund, the Debt Service Reserve Fund, the Project Fund or any other fund established under the Trust Agreement.

"Government Certificates" means certificates representing proportionate ownership of Government Obligations, which Government Obligations are held by a bank or trust company organized under the laws of the United States of America or any of its states in the capacity of custodian of such certificates.

"Government Obligations" means (a) bonds, notes and other direct obligations of the United States of America, (b) securities unconditionally guaranteed as to the timely payment of principal, if applicable, and interest by the United States of America or (c) bonds, notes and other obligations issued or guaranteed as to the timely payment of principal and interest by the Rural Utilities Service (certificates of beneficial ownership), Federal Housing Administration (debentures), General Services Administration (participation certificates), U.S. Maritime

Administration (guaranteed Title XI financing), U.S. Department of Housing and Urban Development (project notes and local authority bonds), provided such obligations are backed by the full faith and credit of the United States of America. Stripped securities are permitted only if stripped by the agency itself. Government Obligations may be held directly by the Trustee or in the form of securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio of such investment company or investment trust is limited to Government Obligations.

"Interest Account" means the Interest Account in the Bond Fund established in the Master Trust Agreement.

"Opinion of Counsel" means an opinion of any attorney or firm of attorneys, who may be counsel for the Authority, the County or the Trustee but who shall not be a full-time employee of the Authority, the County or the Trustee.

"Outstanding" means, when used as descriptive of Bonds, that such Bonds (a) have been authorized, issued, authenticated and delivered under the Master Trust Agreement and (b) have not (i) been canceled or surrendered to the Trustee for cancellation, (ii) been deemed to have been paid as provided in Master Trust Agreement, (iii) had other Bonds issued in exchange therefor or (iv) had their principal become due and moneys sufficient for their payment deposited with the Trustee as provided in the Master Trust Agreement.

In determining whether holders of a requisite aggregate principal amount of the Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the Master Trust Agreement, words referring to or connoting "principal of" or "principal amount of" Outstanding Bonds shall be deemed also to be references to, to connote and to include the accreted value of Bonds of any Series as of the immediately preceding interest compounding date for such Bonds. Bonds that are owned by the Authority or the County shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

"Premium Account" means the Premium Account in the Bond Fund established in the Master Trust Agreement.

"Principal Account" means the Principal Account in the Bond Fund established in the Master Trust Agreement.

"Project" or "Projects" means, individually or collectively, the 2024 Project (described earlier in the Official Statement) and any other project financed by the Authority, at the request of the County, from time to time and identified in a Supplemental Financing Agreement, including without limitation, the financing or refinancing of the acquisition, construction and equipping of various local mobility improvements permitted to be undertaken pursuant to the provisions of the IDA Act and the CVTA Act.

"Project Fund" means the Project Fund established in the Master Trust Agreement.

"Reserve Determination Date" means (a) each interest payment date for the Bonds or (b) any other date established in writing by an Authorized County Representative for the valuation of obligations on deposit in a Series Debt Service Reserve Account.

"Series" or "Series of Bonds" means a separate series of Bonds issued under the Master Trust Agreement and a Supplemental Trust Agreement. The **"2024 Bonds"** is the first Series of Bonds issued under the Master Trust Agreement.

"Series Debt Service Reserve Account" means any of the Series Debt Service Reserve Accounts in the Debt Service Reserve Fund established in the Master Trust Agreement. No Series Debt Service Reserve Account will be established for the 2024 Bonds.

"Series Debt Service Reserve Requirement" for any Series of Bonds shall have the meaning set forth in the Supplemental Trust Agreement authorizing such Series of Bonds. There is no Series Debt Service Reserve Requirement for the 2024 Bonds.

"Subaccount" means any of the various subaccounts created within an Account under the Trust Agreement.

"Supplemental Trust Agreement" means any Supplemental Trust Agreement supplementing, amending or modifying the provisions of the Master Trust Agreement entered into by the Authority and the Trustee pursuant to the provisions of the Master Trust Agreement, including, but not limited to, the First Supplemental Trust Agreement.

"Supplemental Financing Agreement" means any Supplemental Financing Agreement supplementing, amending or modifying the provisions of the Financing Agreement entered into by the Authority and the County pursuant to the provisions of the Master Trust Agreement.

"Term Bonds" means any Bonds stated to mature on a specified date and required to be redeemed in part prior to maturity according to a sinking fund schedule.

"Virginia Code" means the Code of Virginia of 1950, as amended.

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APPENDIX D

SUMMARY OF THE FINANCING DOCUMENTS

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SUMMARY OF THE FINANCING DOCUMENTS

Brief summaries of the Trust Agreement and the Financing Agreement are included in this Appendix D. The summaries do not purport to be comprehensive or definitive and are qualified by references to such documents in their entirety. All capitalized terms used in this summary have the meanings set forth in the Official Statement and in Appendix C, unless otherwise indicated.

THE TRUST AGREEMENT

Establishment of Funds and Accounts. The following Funds and Accounts are established and utilized under the Trust Agreement:

(1) Project Fund, in which there is established the Series 2024 Project Account;

(2) Bond Fund, in which there are established a separate Interest Account, Principal Account and Premium Account and a separate Subaccount in each such Account with respect to each Series of Bonds; and

(3) Debt Service Reserve Fund, in which there may be established a Series Debt Service Reserve Account for a particular Series. No such Series Account will be established for the 2024 Bonds.

The Trust Agreement provides that separate Accounts and Subaccounts will be established for each applicable Series of Bonds issued under the Trust Agreement.

Series 2024 Project Account. The Trustee will use money in the Series 2024 Project Account to finance the 2024 Project and to pay the related costs of issuing the 2024 Bonds. The Trustee will make payments from the Series 2024 Project Account upon receipt of requisitions signed on behalf of the County providing required information with respect to the use of the amounts being requisitioned. Any balance remaining in the Series 2024 Project Account after payment of the costs of the 2024 Project will be used to pay principal of and interest on the 2024 Bonds, to purchase 2024 Bonds in the open market or to pay all or any portion of the costs of any other Project.

Bond Fund. The Trustee will deposit in the Bond Fund installments of all Basic Payments received by the Trustee from the County, together with other amounts transferred from the Project Fund and the Debt Service Reserve Fund (if funded) pursuant to the Financing Agreement or the Trust Agreement, that portion of any Additional Payments received by the Trustee from the County representing the amount of any redemption premium that may be payable, and any other payments transferred to the Authority or its assignee as directed by the County. The Trustee will deposit each installment and amount (a) to the applicable Subaccount established in the Interest Account an amount equal to the interest due and payable on the next Bond Payment Date for the applicable Series of Bonds and (b) to the applicable Subaccount established in the Principal Account an amount equal to the principal due and payable on the next Bond Payment Date for the applicable Series of Bonds, whether at maturity or pursuant to mandatory sinking fund redemption. The Trustee will deposit to the applicable Subaccount established in the Premium Account any moneys received from the County to pay any premium due in connection with redeeming such Bonds pursuant to any optional redemption exercised by the Authority, at the direction of the County.

The Trustee will withdraw from the respective Subaccounts within the Interest Account on each Bond Payment Date, amounts equal to the amounts of interest due with respect to the Bonds on such Bond Payment Date, and will cause the same to be applied to the payment of interest due on such Bond Payment Date. The Trustee will withdraw from the respective Subaccounts within the Principal Account on each Bond Payment Date, amounts equal to the amounts of principal due with respect to the Bonds on such Bond Payment Date, and will cause the same to be applied to the payment of principal due on such Bond Payment Date.

In the event there are insufficient moneys in the Interest Account or the Principal Account on any Bond Payment Date to pay interest and principal due on such Bond Payment Date, the Trustee will transfer any excess amounts on deposit in the Interest Account or the Principal Account, as applicable, to the other Account in which there are insufficient moneys, being mindful of the provisos in the section ***"Parity of Bonds"*** below. The Trustee will pay from the Bond Fund when due the principal of and premium, if any, and interest on the Bonds then Outstanding and will redeem or purchase Bonds in accordance with the redemption provisions of the Bonds and the Trust Agreement.

The Trustee will provide for redemption of any Term Bonds from amounts upon deposit in the Bond Fund in accordance with the schedule(s) set forth in the Supplemental Trust Agreement for such Bonds; provided, however, that on or before the 45th day next preceding any such sinking fund payment date, the Authority may:

(x) deliver to the Trustee for cancellation Term Bonds required to be redeemed on such sinking fund payment date in any aggregate principal amount desired; or

(y) instruct the Trustee to apply a credit against the Authority's next sinking fund redemption obligation for any such Term Bonds that previously have been redeemed (other than through the operation of sinking fund payments) and canceled but not theretofore applied as a credit against any sinking fund redemption obligation.

Upon the occurrence of any of the events described in subsections (x) or (y) above, the Trustee will credit against the Authority's sinking fund redemption obligation on the next sinking fund payment date the amount of such Term Bonds so delivered or previously redeemed. Any principal amount of such Term Bonds in excess of the principal amount required to be redeemed on such sinking fund payment date will be similarly credited in such order as may be determined by the Authority against future payments to the Principal Account and will similarly reduce the principal amount of the Term Bonds of the applicable Series to be redeemed on the applicable sinking fund payment date.

Debt Service Reserve Fund. The Master Trust Agreement provides for the establishment of a Debt Service Reserve Fund and, if funded, a separate Series Debt Service Reserve Account for particular Series of Bonds. No Series Debt Service Reserve Account will be established for the 2024 Bonds.

Pledge of Payments and Funds. All payments received by the Trustee under the Trust Agreement (except certain payments to the Trustee for its fees and expenses) and all moneys in the Project Fund, the Bond Fund and the Debt Service Reserve Fund (if funded) are pledged to the payment of the principal of and interest on the Bonds, subject only to the right of the Authority to apply them to other purposes as provided in the Trust Agreement. The lien and trust created by the Trust Agreement is for the equal and ratable benefit of the holders of the Bonds and any additional Bonds that may be issued under the Trust Agreement; *provided* that moneys in any Account or Subaccount of the Bond Fund relating to a particular Series of Bonds will secure only such Bonds, moneys in any Account or Subaccount of the Project Fund relating to a particular Series of Bonds will secure only such Bonds, and moneys in any Account or Subaccount of the Debt Service Reserve Fund relating to a particular Series of Bonds will secure only such Bonds (unless otherwise provided in a Supplemental Trust Agreement).

Parity of Bonds. Each Series of Bonds will be issued pursuant to a Supplemental Trust Agreement and will be equally and ratably secured under the Trust Agreement, without preference, priority or distinction; *provided,* however, that (a) any Series of Bonds may have other security pledged to its payment, (b) moneys in any Account or Subaccount of the Bond Fund relating to a particular Series of Bonds will secure only such Bonds, (c) moneys in any Account or Subaccount of the Project Fund relating to a particular Series of Bonds will secure only such Bonds and (d) moneys in any Account or Subaccount of the Debt Service Reserve Fund relating to one or more Series of Bonds will secure only such Bonds and any additional Series issued to refund such Bonds if and as provided in the respective Supplemental Trust Agreement. Nothing in the Trust Agreement will be construed, however, as (x) requiring that any Bonds bear interest at the same rate or in the same manner as any other Bonds, have the same, or an earlier or later, maturity, or be subject to mandatory sinking fund, optional or extraordinary redemption prior to maturity on the same basis as any other Bonds, (y) prohibiting the Authority from entering into financial arrangements designed to assure that moneys will be available for the payment of certain Bonds at their maturity or (z) prohibiting the Authority from pledging moneys or assets of the Authority other than those pledged herein for the benefit of certain Bonds.

Investments; Valuation. Any money held under the Trust Agreement may be invested, as directed in writing by an Authorized County Representative, in obligations or securities that are permitted for the investment of public funds under the Investment of Public Funds Act (Chapter 45, Title 2.2 of the Virginia Code), the Government Non-Arbitrage Investment Act (Chapter 47, Title 2.2 of the Virginia Code), or any successor provisions of law applicable to such investments.

Any investments will be held by or under the control of the Trustee and while so held will be deemed a part of the Fund, Account or Subaccount in which such money was originally held. The earnings accruing on such investments will be credited to such Funds, Accounts or Subaccounts, except as otherwise provided in the Trust Agreement, and any loss resulting from such investments will be charged to such Funds, Accounts or Subaccounts. The Trustee will sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any Fund, Account or Subaccount is insufficient for its purposes.

In computing the amount in any Fund, Account or Subaccount created by this Agreement, except for any Series Debt Service Reserve Account, obligations purchased as an investment of moneys therein will be valued at cost plus accrued interest. Investments in any Series Debt Service Reserve Account will be valued at least semiannually at cost plus accrued interest. Except as otherwise set forth in a Supplemental Trust Agreement or the Financing Agreement, such valuations for each such Fund, Account or Subaccount, other than any Series Debt Service Reserve Account, will be made by the party holding each such Fund, Account or Subaccount at least annually not later than the end of each Fiscal Year and at such other times as an Authorized County Representative may direct.

Events of Default. Each of the following is an Event of Default under the Trust Agreement: (1) default in the payment of interest on any Bond when due, (2) default in the payment of principal of or premium, if any, of any Bond when due, (3) default in the observance or performance of any other covenant, condition or agreement on the part of the Authority under the Trust Agreement or the Bonds, subject to certain rights of the Authority to notice and an opportunity to cure, and (4) any event of default under the Financing Agreement.

Remedies; Rights of Bondholders. Upon the occurrence and continuation of an Event of Default and if requested by the holders of not less than 25% in aggregate principal amount of Bonds Outstanding and indemnified in accordance with prevailing industry standards, the Trustee will proceed to protect and enforce the rights of the holders of the Bonds by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any covenant or agreement contained in the Trust Agreement; *provided*, that the Trustee will have no right or authority to declare the entire unpaid principal of and interest on the Bonds due and payable. All remedies under the Trust Agreement are cumulative.

Other than the remedies described above, no holder of any Bond will have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Trust Agreement, the execution of any of its trusts or any other remedy under it, unless (1) an Event of Default (as defined in the Trust Agreement) has occurred and is continuing and the Trustee has notice of it; (2) the holders of 25% 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 granted by the Trust Agreement or to institute such action, suit or proceeding in its own name; (3) such requesting Bondholders have offered to the Trustee indemnity as provided in the Trust Agreement; (4) the Trustee has failed or refused within a reasonable time to comply with such request; (5) no direction inconsistent with such request has been given to the Trustee by the holders of a majority in principal amount of Outstanding Bonds; and (6) notice of such action, suit or proceeding is given to the Trustee. Notwithstanding any other provision to the contrary, the holders of a majority in aggregate principal amount of Bonds Outstanding, upon compliance with the Trust Agreement's requirements as to indemnification of the Trustee, will have the right to direct all proceedings to be taken by the Trustee.

The Trustee will waive or rescind any Event of Default under items (1) and (2) of the section "***Events of Default***" above or any action taken pursuant to any Event of Default under items (1) and (2) of the section "***Events of Default***" above either (x) on request of the holders of all Bonds then Outstanding or (y) on the request of the holders of a majority in aggregate principal amount of Bonds then Outstanding in respect of which a default in the payment of principal and/or, premium, if any, or interest exists provided that prior to such waiver or rescission there will have been paid or provided for all arrears of interest with interest, to the extent permitted by law, at the rate borne by the applicable Bonds on overdue installments of interest, all arrears of principal and premium, if any, and all expenses of the Trustee in connection with such default.

The Trustee will waive or rescind any Event of Default other than under items (1) and (2) of the section "***Events of Default***" above or any action taken pursuant to any Event of Default other than under items (1) and (2) of the section "***Events of Default***" above on the request of the holders of a majority in aggregate principal amount of Bonds then Outstanding.

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 Authority, the Trustee and the Bondholders will be restored to their former respective positions and rights under the Trust Agreement.

No such waiver or rescission granted pursuant to items (1) and (2) of the section "***Events of Default***" above will extend to any subsequent or other default or impair any right consequent thereon.

Discharge of Trust Agreement. A Bond will be deemed no longer Outstanding when any such Bond has been cancelled or surrendered for cancellation or purchased by the Authority from moneys in the Bond Fund or an escrow account held by the Trustee or another escrow agent or as to any Bond not so cancelled or purchased when payment of the principal of and the applicable premium, if any, plus accrued interest on such Bond to the date fixed for payment thereof (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided by irrevocably depositing with the Trustee (or another escrow agent) (A) moneys sufficient to make such payment, (B) noncallable Government Obligations maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment or (C) a combination of both such moneys and noncallable Government Obligations and (iii) payment of all necessary and proper fees, costs and expenses of the Trustee shall have been made. Notwithstanding the foregoing, the Bonds which are to be redeemed before their maturity will be deemed paid and no longer Outstanding only if such Bonds have been irrevocably called or designated for redemption.

Supplemental Trust Agreements. Any provision of the Trust Agreement may be modified or altered by the Authority and the Trustee, by a Supplemental Trust Agreement, upon consent of the holders of a majority in aggregate principal amount of Bonds then Outstanding at the time such consent is given (or, in the event that less than all of the Bonds then Outstanding will be affected by the proposed modification or amendment, the holders of at least a majority in aggregate principal amount of the Bonds so affected and then Outstanding at the time such consent is given); *provided* that if such proposed modification or amendment will not, by its terms, take effect so long as any Bonds so affected remain Outstanding, the consent of the holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds. Notwithstanding the foregoing, certain amendments relating to the payment of the Bonds may be made only with the consent without the consent of each Bondholder whose rights will be affected.

In addition, the Authority and the Trustee may enter into supplemental agreements of trust without the consent of holders of the Bonds (a) to cure any ambiguity, formal defect or omission in the Trust Agreement; (b) to correct or supplement any provision that may be inconsistent with any other provision or to insert such provisions clarifying matters or questions arising under the Trust Agreement as are necessary or desirable and are not contrary to or inconsistent with the Trust Agreement as theretofore in effect; (c) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Bondholders; (d) to modify, amend or supplement the Trust Agreement in such manner as required to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or any state securities or "Blue Sky" law, and, if they so determine, to add to the Trust Agreement such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939, as amended, or similar federal statute or state securities law; (e) to modify, amend or supplement the Trust Agreement in such manner as required to reflect any change in applicable law, provided that such modification, amendment or supplement does not, in the opinion of the Trustee (which opinion may be based upon an Opinion of Counsel), materially adversely affect the holders of all Bonds then Outstanding; (f) to add to the conditions, limitations, restrictions, covenants and agreements of the Authority in the Trust Agreement other conditions, limitations, restrictions, covenants and agreements to be observed by the Authority; (g) to modify, amend or supplement the Trust Agreement in such manner as required to permit the Authority to comply with the provisions of the Code relating to the rebate to the United States of America of earnings derived from the investment of the proceeds of Bonds, provided that such modification, amendment or supplement does not, in the opinion of the Trustee (which opinion may be based upon an Opinion of Counsel), materially adversely affect the holders of all Bonds then Outstanding; (h) to modify, amend or supplement the Trust Agreement in such manner as may be required by a rating agency to maintain its rating on the Bonds, provided that such modification, amendment or supplement does not, in the opinion of the Trustee (which opinion may be based upon an Opinion of Counsel), materially adversely affect the holders of all Bonds then Outstanding; (i) to authorize the issuance of and to secure one or more Series of Bonds; and (j) to modify, amend or supplement the Trust Agreement in any manner that the Trustee concludes (which conclusion may be based upon an

Opinion of Counsel) is not materially adverse to the holders of all Bonds then Outstanding. If such a Supplemental Trust Agreement will affect only one Series of Bonds, it may be necessary to seek only the consent of the holders of a majority in aggregate principal amount of that Series of Bonds.

THE FINANCING AGREEMENT

Agreement to Issue 2024 Bonds. In the Financing Agreement, the Authority agrees to issue the 2024 Bonds and loan the proceeds thereof to the County. The County agrees to make all Basic Payments and Additional Payments when and as the same shall become due and payable, subject to appropriation by the County Board.

2024 Bonds. In order to provide funds for the 2024 Project, the Authority will agree to issue the 2024 Bonds bearing interest, maturing and having the other terms and provisions set forth in the First Supplemental Trust Agreement.

Payments under Financing Agreement; Subject to Appropriation. Under the Financing Agreement the County has undertaken to pay to the Authority, or its assignee, the Basic Payments set forth in the Financing Agreement. The Basic Payments are calculated to be due in such amounts and at such times as will be sufficient to pay principal of and interest on the Bonds. The County will receive a credit against its obligation to make Basic Payments to the extent there are amounts on deposit in the Bond Fund; *provided* that such amounts have not been applied previously as a credit with respect to any Basic Payment. The County also has undertaken to make Additional Payments to cover any redemption premium that may be payable on the Bonds, the reasonable fees and expenses of the Trustee, and the expenses of the Authority.

The undertaking by the County to make Basic Payments and Additional Payments is subject to appropriations being made from time to time by the County Board for such purposes. In the Financing Agreement, the County Board has directed the County Administrator or other officer charged with the responsibility for preparing the County's annual budget to include in the budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments during such Fiscal Year.

At any time and from time to time, the County may deliver or cause the delivery of moneys to the Trustee in addition to the Basic Payments contemplated under the Financing Agreement and direct the Trustee to use the moneys so delivered for the purpose of calling Bonds for optional redemption in accordance with the applicable provisions of the Master Trust Agreement and the applicable Supplemental Trust Agreement. Any applicable redemption premium would be paid as an Additional Payment.

Agreement to Issue Additional Bonds to Finance Additional Projects or Refinance Projects. In order to finance the cost of Projects for the County in addition to the 2024 Project and to refinance the cost of any Projects, the Authority has agreed that it will, from time to time, issue additional Series of Bonds for such purposes. Such additional Series of Bonds will be issued, from time to time under the terms of the Trust Agreement, solely to finance or refinance Projects approved by the County. The obligation of the Authority to issue additional Series of Bonds will be conditioned upon compliance with the provisions of the Trust Agreement.

Events of Default. Events of Default under the Financing Agreement include (1) default in the due and punctual payment of a Basic Payment or an Additional Payment made to correct a deficiency in a Series Debt Service Reserve Account when the same becomes due and payable and continuation of such failure for a period of five business days, or (2) failure of the County to pay when due any other payment due under the Financing Agreement (excluding that portion of Additional Payments allocable to any premium on the Bonds), or to observe and perform any covenant, condition or agreement, which failure shall continue for a period of 30 calendar days after notice is given, with certain rights to cure as described in the Financing Agreement. Notwithstanding the foregoing, failure to make any payment due or to perform any covenant under the Financing Agreement which results from a failure of the County Board to appropriate moneys for such purposes will not constitute an Event of Default.

Remedies. If an Event of Default occurs, remedies available to the Authority are to take whatever action at law or in equity, as may appear necessary or desirable to collect the Basic Payments and the Additional Payments then due or to become due, or to enforce performance and observance of any obligation, agreement or covenant of the

County; provided, however, that the Trustee may not declare any unpaid Basic Payments to be immediately due and payable. An event of non-appropriation is not an Event of Default. See the section **"BONDHOLDERS' RISKS -- Non-Appropriation and Limited Remedies."**

The Financing Agreement will be reinstated and any default waived upon certain conditions, including the payment of all arrears with respect to the Bonds.

Amendments. The Financing Agreement may be supplemented, amended or modified prior to the payment of all Outstanding Bonds, only with the consent of the Trustee, given in accordance with the Master Trust Agreement.

APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

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Set forth below is the proposed form of opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel. It is preliminary and subject to change prior to delivery of the 2024 Bonds.

[Closing Date]

Economic Development Authority
of the County of Chesterfield
Chesterfield, Virginia

Board of Supervisors of the
County of Chesterfield, Virginia
Chesterfield, Virginia

$284,735,000
Economic Development Authority of the County of Chesterfield
Revenue Bonds (County Mobility Projects), Series 2024

Ladies and Gentlemen:

We have examined the applicable law, including the Industrial Development and Revenue Bond Act (Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended) (the "Act") and certified copies of proceedings and documents relating to the organization of the Economic Development Authority of the County of Chesterfield (the "Authority") and the issuance and sale by the Authority of its $284,735,000 Revenue Bonds (County Mobility Projects), Series 2024 (the "2024 Bonds"), for the benefit of the County of Chesterfield, Virginia (the "County"). Reference is made to the form of the 2024 Bonds for information concerning their details, including payment and redemption provisions, and the proceedings pursuant to which they are issued. Capitalized terms used but not otherwise defined herein have the same meanings assigned to such terms in the Agreement of Trust dated as of June 1, 2024 (the "Master Trust Agreement"), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Agreement of Trust dated as of June 1, 2024 (the "Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement").

The 2024 Bonds are being issued pursuant to the Trust Agreement in order to loan funds to the County pursuant to the terms of a Financing Agreement dated as of June 1, 2024 (the "Financing Agreement"), between the Authority and the County. The proceeds of such loan will be used to finance the costs of various local mobility improvements, including but not limited to (a) Powhite Parkway Extension Phase I and II, (b) Upper Magnolia Access Improvements, (c) Center Pointe Parkway Extension, (d) Woolridge Road (Route 360 – Old Hundred Road) Extension, (e) Woolridge Road (Lacoc Road – Genito Road) Widening, (f) Nash Road (Beach Road – Route 10) Extension and (g) Otterdale Road/Swift Creek Crossing Drainage Improvements.

The Financing Agreement provides for the County to make Basic Payments to the Authority in amounts and on dates expected to be sufficient for payment of principal of and interest on all Bonds (including the 2024 Bonds) outstanding under the Trust Agreement. Pursuant to the Trust Agreement, the Authority has assigned certain of its rights under the Financing Agreement, including the right to receive Basic Payments and certain Additional Payments, to the Trustee as security for the Bonds.

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the Authority and the County as to certain facts relevant to both our opinion and requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Authority and the County have covenanted to comply with the current provisions of the Code, regarding, among other matters, the use, expenditure and investment of the proceeds of the 2024 Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the 2024 Bonds, all as set forth in the proceedings and documents relating to the issuance of the 2024 Bonds (the "Covenants").

Based on the foregoing, in accordance with customary opinion practice and assuming the due authorization, execution and delivery of the Master Trust Agreement, the Supplemental Trust Agreement and the Financing Agreement (collectively, the "Documents") by the Trustee, we are of the opinion that:

1. The Authority is a political subdivision of the Commonwealth duly created under the Act and is vested with all rights and powers conferred by the Act.

2. The 2024 Bonds have been duly authorized and issued in accordance with the Act and constitute valid and binding limited obligations of the Authority payable as to both principal and interest solely from certain payments made by the County under the Financing Agreement and other funds pledged under the Trust Agreement. Additional Bonds secured on a parity basis with the 2024 Bonds may subsequently be issued, as provided in the Master Trust Agreement. The 2024 Bonds do not create or constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County.

3. The Master Trust Agreement and the Supplemental Trust Agreement have been duly authorized, executed and delivered by and constitute valid and binding obligations of the Authority and are enforceable against the Authority in accordance with their terms. The Supplemental Trust Agreement is authorized or permitted by the Master Trust Agreement and complies with its terms.

4. The Financing Agreement has been duly authorized, executed and delivered by and constitutes a valid and binding obligation of the Authority and the County and is enforceable against the Authority and the County in accordance with its terms. The undertaking by the County to make payments under the Financing Agreement is subject to and dependent upon appropriations made by the Board of Supervisors of the County from time to time of sufficient funds for such purpose. Such undertaking constitutes neither 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 Board of Supervisors has appropriated moneys for such purpose.

5. The rights of holders of the 2024 Bonds and the enforceability of such rights, including the enforcement by the Trustee of the obligations of the Authority and the County under the Documents, as applicable, may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity, and by public policy.

6. Under current law, interest, including any accrued original issue discount ("OID"), on the 2024 Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax and (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. The opinions set forth in clauses (a) and (b) of the preceding sentence are subject to the condition that there is compliance subsequent to the issuance of the 2024 Bonds with all requirements of the Code that must be satisfied in order that the interest on the 2024 Bonds not be included in gross income for federal income tax purposes. Failure by the Authority and the County to comply with the Covenants, among other things, could cause interest, including any accrued OID, on the 2024 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. In the case of the 2024 Bonds maturing in 2050 (the "OID Bonds"), the difference between (i) the stated principal amount of each maturity of the OID Bonds and (ii) the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute OID; OID will accrue for federal income tax purposes on a constant yield-to-maturity method; and a holder's basis in an OID Bond will be increased by the amount of OID treated for federal income tax purposes as having accrued on such OID Bond while the holder holds the OID Bond. The Authority and the County may in their discretion, but have not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that the interest on the 2024 Bonds remains excludable from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences of the ownership of or receipt or accrual of interest on the 2024 Bonds. Further, we express no opinion as to the treatment for federal income tax purposes of any interest paid on the 2024 Bonds after an event of default or non-appropriation by the Board of Supervisors.

7. Under current law, interest, including any accrued OID, on the 2024 Bonds, is exempt from income taxation by the Commonwealth of Virginia.

The opinions set forth above are based on current law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. Our services as bond counsel to the Authority have been limited to delivering the foregoing opinion based on our review of such proceedings and documents as we deem necessary to approve the validity of the 2024 Bonds and the tax-exempt status of the interest thereon. Our services have not included financial or other non-legal advice. We express no opinion herein as to the financial resources of the Authority or the County, the ability or willingness of the County to make payments under the Financing Agreement or the accuracy or completeness of any information, including the Authority's Preliminary Official Statement dated May 30, 2024, and its Official Statement dated June 5, 2024, that may have been relied upon by anyone in making the decision to purchase 2024 Bonds. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law or the interpretation thereof that may hereafter occur or become effective.

Very truly yours,

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of June 27, 2024 (the "Disclosure Agreement"), is executed and delivered by the Board of Supervisors of the County of Chesterfield, Virginia, on behalf of the County of Chesterfield, Virginia (the "County"), in connection with the issuance by the Economic Development Authority of the County of Chesterfield (the "Authority") of its $284,735,000 Revenue Bonds (County Mobility Projects), Series 2024 (the "2024 Bonds"). The County hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the County for the benefit of the holders of the 2024 Bonds and in order to assist the original purchasers of the 2024 Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC"), by providing certain annual financial information and event notices required by the Rule (collectively, the "Continuing Disclosure").

Section 2. Annual Disclosure. (a) The County shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) financial statements of the County, prepared in accordance with generally accepted accounting principles; and

(ii) the financial and operating data with respect to the County generally of the type described in the following portions of Appendix A to the Authority's Official Statement dated June 5, 2024: (A) the tables entitled, or appearing under the sections entitled, "Net Tax-Supported Debt," "Key Debt Ratios," "Ratio of Annual Debt Service on Net Tax-Supported Debt to Total General Governmental Expenditures," "Debt Service Requirements - Net Tax-Supported Debt," "Other Lease Obligations," "Revenue and Subfund Revenue Bonds, Certificates of Participation and Direct Borrowings Agreements - Debt Service Requirements," "Financial Management Policies Impacting Debt Issuance," "General Fund Balance," "General Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis," "General Fund Budgeted Revenues and Expenditures," "Principal Tax Revenues By Source," "Property Tax Levies and Collections," "Delinquent Real Estate Taxes," "Ten Largest Taxpayers," "Historical Assessed Valuation," "Business and Professional License Tax Revenues," "Local Sales Tax Revenues," and "Other Taxes" and (B) the heading "Other Employee Benefits."

If the initial financial statements filed pursuant to Section 2(a)(i) are not audited, the County shall subsequently file such statements as audited when available.

(b) The County shall file annually with the Municipal Securities Rulemaking Board ("MSRB") the financial information and operating data described in subsection (a) above (collectively, the "Annual Disclosure") no later than nine (9) months after the end of the respective fiscal year (i.e., by no later than March 31 for each fiscal year ended June 30), commencing with the County's fiscal year ending June 30, 2024.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The County shall file with the MSRB in a timely manner notice specifying any failure of the County to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The County shall file with the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the 2024 Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancement reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2024 Bonds, or other material events affecting the tax status of the 2024 Bonds;

(g) modifications to rights of the holders of the 2024 Bonds, if material;

(h) Bond calls, if material, and tender offers;

(i) defeasances of all or any portion of the 2024 Bonds;

(j) release, substitution or sale of property securing repayment of the 2024 Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the County;*

(m) 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;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a financial obligation (as hereinafter defined) 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 holders of the 2024 Bonds, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the County, any of which reflect financial difficulties.

The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Nothing in this Section (3) shall require the County to maintain any debt service reserve, credit enhancement or credit or liquidity providers with respect to the 2024 Bonds or to pledge any property as security for repayment of the 2024 Bonds.

Section 4. Termination. The obligations of the County hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the 2024 Bonds.

* For the purposes of the event identified in Subsection (3)(l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

Section 5. Amendment. The County may modify its obligations hereunder without the consent of bondholders, provided that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The County shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the County fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) of 2024 Bonds then outstanding may, by notice to the County, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the County's covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the County to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the 2024 Bonds, the Trust Agreement or the Financing Agreement (each as defined in the Official Statement) and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Filing Method. Any filing required hereunder shall be accompanied by identifying information as prescribed by the MSRB and shall be made by transmitting such disclosure, notice or other information in electronic format to the MSRB through the MSRB's Electronic Municipal Market Access system pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The County may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the County shall not incur any obligation to continue to provide, or to update, such additional information or data.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

BOARD OF SUPERVISORS OF THE COUNTY OF CHESTERFIELD, VIRGINIA, ON BEHALF OF THE COUNTY OF CHESTERFIELD, VIRGINIA

____
James Holland, Chair, Board of Supervisors

____
Dr. Joseph P. Casey, County Administrator

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APPENDIX G

BOOK ENTRY ONLY SYSTEM

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BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the 2024 Bonds, payments of principal of and interest on the 2024 Bonds to The Depository Trust Company, New York, New York ("DTC"), its nominee, Participants or Beneficial Owners (each as hereinafter defined), confirmation and transfer of beneficial ownership interests in the 2024 Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be issued as fully-registered securities 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 certificate will be issued for each maturity of the 2024 Bonds, each in the aggregate principal amount of such maturity, 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, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "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 book-entry 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 both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, the "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 the 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2024 Bond (the "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, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024 Bonds are to be accomplished by entries made on the books of the Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2024 Bonds, except in the event that use of the book-entry system for the 2024 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 may be requested by an authorized representative of DTC. The deposit of the 2024 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 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 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 holding 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 2024 Bonds 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 any other DTC nominee) will consent or vote with respect to the 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or the Trustee 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 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2024 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 Authority or the Registrar, on 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 Authority or the Trustee subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, 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 2024 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2024 Bond certificates will be printed and delivered.

The Authority, at the direction of the County, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2024 Bond certificates will be printed and delivered.

The information in this section 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.

Neither the Authority, the County nor the Trustee has any responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the 2024 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Trust Agreement to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the 2024 Bonds, as nominee of DTC, references in this Official Statement to the Owners of the 2024 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of 2024 Bonds for all purposes under the Trust Agreement.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the 2024 Bonds without the consent of Beneficial Owners or Bondholders.