

FY COMPREHENSIVE **20** ANNUAL FINANCIAL **20** REPORT

For the Fiscal Year Ended June 30, 2020
CITY OF RICHMOND, VIRGINIA
MAYOR LEVAR M. STONEY



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CITY OF RICHMOND, VIRGINIA
COMPREHENSIVE ANNUAL REPORT
For Fiscal Year Ended June 30, 2020

Prepared by the Department of Finance

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**THE CITY OF RICHMOND, VIRGINIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	I
Management Report on Responsibility for Financial Reporting	VIII
Mayoral Form of Government	IX
Organization Chart	X

FINANCIAL SECTION

Report of Independent Auditor	1
A. MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)	5
 B. BASIC FINANCIAL STATEMENTS	
 1. Government-Wide Financial Statements	
Exhibit A: Statement of Net Position	19
Exhibit B: Statement of Activities	21
 2. Governmental Funds' Financial Statements	
Exhibit C: Balance Sheet	22
Reconciliation of the Statement of Net Position to the Balance Sheet of Governmental Funds	23
Exhibit D: Statement of Revenues, Expenditures and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund	25
Balances of Governmental Funds to the Statement of Activities - Governmental Funds	
 3. Proprietary Funds' Financial Statements	
Exhibit E-1: Statement of Net Position	26
Exhibit E-2: Statement of Revenues, Expenses and Changes in Net Position	27
Exhibit E-3: Statement of Cash Flows	28
 4. Fiduciary Funds' Financial Statements	
Exhibit F-1: Statement of Net Position	29
Exhibit F-2: Statement of Changes in Net Position	30
 5. Component Units' Financial Statements	
Exhibit G-1: Statement of Net Position	31
Exhibit G-2: Statement of Changes in Net Position	32
 6. Notes to Financial Statements	
Note 1: Summary of Significant Accounting Policies	33
Note 2: Real and Personal Property Taxes	46
Note 3: Cash and Cash Equivalents and Investments	47
Note 4: Interfund Receivables, Payables and Transfers	51
Note 5: Due From Other Governments	52
Note 6: Capital Assets	53
Note 7: Obligations	56
Note 8: Fund Balances	63
Note 9: Risk Management	63
Note 10: Health Care Plan	64
Note 11: Retirement Plans	65
Note 12: Other Post Employment Benefits	76
Note 13: Deferred Compensation Plan	86
Note 14: Leases	86
Note 15: Contingencies, Commitments and Other Matters	86
Note 16: Discontinued Operations	87
Note 17: Subsequent Events	87

**THE CITY OF RICHMOND, VIRGINIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS

C. REQUIRED SUPPLEMENTARY INFORMATION

Exhibit H-1: Budgetary Comparison Schedule - General Fund	91
Note to Budgetary Comparison Schedule - General Fund	95
Schedule of Changes in Net Pension Liability - Richmond Retirement System (RRS)	96
Schedule of Employer Contributions and Investment Returns - Richmond Retirement System (RRS)	97
Schedule of Employer Contributions and Investment Returns - Richmond Retirement System (RRS) Notes	97
Schedule of Changes in Net Pension Liability - Virginia Retirement System (VRS)	98
Schedule of Contributions - Virginia Retirement System (VRS) Pension Plan	99
Schedule of Contributions - Virginia Retirement System (VRS) Pension Plan Notes	99
Schedule of Changes in Net Other Post Employment Benefits (OPEB) Liability	100
Schedule of Contributions Other Post Employment Benefits (OPEB) - Richmond Plan	100
Schedule of Investments and Returns Other Post Employment Benefits (OPEB)	101
Schedule of Contributions Other Post Employment Benefits (OPEB) - Richmond Plan Notes	101
Schedule of Richmond Share of Net OPEB Liability VRS - Group Life Insurance (GLI)	101
Schedule of Contributions - Group Life Insurance (GLI)	102
Schedule of Richmond Share of Net OPEB Liability VRS - Group Life Insurance (GLI) Notes	102

D. SUPPLEMENTARY INFORMATION - COMBINING FINANCIAL STATEMENTS

1. Non-major Governmental Funds

Exhibit I-1: Combining Balance Sheet	106
Exhibit I-2: Combining Statement of Revenues, Expenditures and Changes in Fund Balances	107
Exhibit I-3: Budgetary Comparison Schedule - Special Revenue Funds	108
Exhibit I-4: Budgetary Comparison Schedule - Capital Projects Funds	109
Exhibit I-5: Budgetary Comparison Schedule - Debt Service Fund	110

2. Non-major Proprietary Funds

Exhibit J-1: Combining Statement of Net Position	112
Exhibit J-2: Combining Statement of Revenues, Expenses and Changes in Fund Net Position	113
Exhibit J-3: Combining Statement of Cash Flows	114

3. Internal Service Funds

Exhibit K-1: Combining Statement of Net Position	116
Exhibit K-2: Combining Statement of Revenues, Expenses and Changes in Fund Net Position	117
Exhibit K-3: Combining Statement of Cash Flows	118

4. Fiduciary Funds

Exhibit L-1: Combining Statement of Fiduciary Net Position	120
Exhibit L-2: Combining Statement of Changes in Fiduciary Net Position	121
Exhibit L-3: Statement of Changes in Assets and Liabilities - Agency Funds	122

STATISTICAL SECTION

Date of Incorporation	126
Area of City	126
Population	126
Form of Government	126
Segregation of Taxable Subjects for Local Taxation Only	126
Assessments	127
Tax Rates	127
Taxes Due	129
Delinquent Taxes	129
Overlapping Areas and Debt	129
City Indebtedness	129
Debt Management Policies	130

**THE CITY OF RICHMOND, VIRGINIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS

Fund Balances Policies	130
Net Position by Component for the Last Ten Years	132
Changes in Net Position for the Last Ten Years	133
Governmental Activities Tax Revenue by Source for the Last Ten Years	135
Fund Balances of Governmental Funds for the Last Ten Years	136
Changes in Fund Balance of Governmental Funds for the Last Ten Years	137
General Governmental Tax Revenues by Source for the Last Ten Years	138
Assessed Value and Estimated Actual Value of Taxable Property for the Last Ten Years	139
Real Estate Assessed Value of Largest Taxpayers	140
Principal Employers	141
Real Estate Tax Levies and Collections for the Last Ten Years	142
Personal Property Tax Levies and Collections for the Last Ten Years	143
Ratios of Outstanding Debt by Type for the Last Ten Years	144
Ratios of General Bonded Debt Outstanding	145
Legal Debt Margin Information for the Last Ten Years	146
Pledged - Revenue Coverage for the Last Ten Years	147
Demographic and Economic Statistics for the Last Ten Years	148
Full-Time Equivalent City Government Employees by Function for the Last Ten Years	149
Operating Indicators by Function for the Last Ten Years	150
Capital Assets Statistics by Function for the Last Ten Years	151

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INTRODUCTORY



SECTION

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City of Richmond



LEVAR M. STONEY
MAYOR

November 5, 2020

Members of the Governing Council and Residents of the City of Richmond, Virginia:

We are pleased to present the City of Richmond, Virginia's (City) Comprehensive Annual Financial Report (CAFR) for the fiscal year (FY) ended June 30, 2020. This report is intended to provide informative and relevant financial data to the residents of the City, the City Council, investors, creditors, and any other interested reader. It includes all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities. The reader should pay particular attention to the required Management's Discussion and Analysis – a narrative overview and analysis of the financial statements – included in this document. Any individual with comments or questions concerning this report is encouraged to contact the City of Richmond's Department of Finance at (804) 646-7000. This report may also be found online at www.RVA.gov/finance/reports.

The financial statements included in this report conform to the accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). The City's management is responsible for the establishment and maintenance of accounting and other internal controls to accomplish three purposes: ensuring compliance with applicable laws and City policies, safeguarding assets, and properly recording reliable information for the preparation of the City's financial statements in accordance with GAAP. City management is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein and, to the best of management's knowledge, the data presented in this report is accurate in all material respects.

CliftonLarsonAllen LLP (CLA), a certified public accounting firm, audited the City's basic financial statements. As an independent auditor, CLA rendered an unmodified opinion stating that the City's basic financial statements for the fiscal year ended June 30, 2020 are fairly presented in all material respects and in conformity with GAAP. The report of independent auditors is presented as the first component of the Financial Section of this report.

Overview of the City of Richmond, Virginia

The City, incorporated in 1782, is a municipal corporation of the Commonwealth of Virginia and is the state capital. The City occupies 62.55 square miles and serves a growing population of 230,436 as of the U.S. Census Bureau's 2019 annual population estimate. In the Commonwealth, cities have sole jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping jurisdictions and, consequently, residents of Virginia cities are not subject to overlapping debt or taxation.

Richmond, because of its location in the middle of the eastern seaboard, is within 750 miles of two-thirds of the nation's population and less than 100 miles from the nation's capital. The City is ideally suited as a commerce hub because of the intersection of Interstates 95, 64, and 295, two major rail freight lines, and Amtrak passenger service. The Port of Richmond and Richmond International Airport provide water and air transportation services to the region's residents and businesses.

The results are a diverse economic base that includes research and development, manufacturing, retail, services, law, distribution, tourism, banking, and state government, which contributes to a stable and positive business environment. Richmond is home to the Fifth District Federal Reserve Bank, one of 12 Federal Reserve Banks, and is also home to the Fourth Circuit U.S. Court of Appeals, one of 13 in the United States. Richmond has eleven Fortune 1000 companies headquartered in the region including seven Fortune 500 firms – Altria Group, CarMax, Performance Food Group, Dominion Energy, Owens & Minor, Genworth Financial, and Markel.

City of Richmond



Accolades bestowed on the City in 2019-2020 include the following: Richmond was named a top U.S. City of the Future for Foreign Direct Investment (*fDi Magazine*, July 2019); Richmond was named one of the 10 Cities to Watch in 2020 (*Worth Magazine*); and the #3 Best City (Outside Silicon Valley) For Your Next Startup (*BroadbandNow*, February 2019).

Several higher education institutions, including Virginia Union University, Union Theological Seminary & Presbyterian School of Christian Education, University of Richmond, including its law school, J. Sergeant Reynolds Community College, and Virginia Commonwealth University (VCU), including its health system schools, are located within the City. VCU is home to nationally ranked graduate and professional programs.

This active educational environment supports the City's flourishing cultural community, numerous sports and entertainment attractions, and one of the nation's largest river park systems. The Virginia Museum of Fine Arts, located in the City's Fan District, is home to the largest public Fabergé collection outside Russia, and is considered a world class public museum. The Richmond Flying Squirrels, the Minor League AA affiliate of the San Francisco Giants Major League Baseball team, play at The Diamond in Richmond, and Richmond has served as home for the Washington Redskins' summer training camp.

The James River, which runs through Richmond, has made the City the only urban U.S. city with Class IV white water rapids running through downtown. The City's James River Park system, with 550 acres, is a large part of the reason *The Huffington Post* called Richmond "one of the top 10 cities to relocate to in the U.S."

Profile of the Government

On January 1, 2005, the City government was re-organized under a strong Mayor-Council form of government, wherein the mayor serves as the chief executive officer and is responsible for the proper administration of city government.

The City remains focused on being a welcoming, inclusive, diverse, innovative, and equitable City that ensures a high quality of life for all, moving toward the goal of becoming "One City" with a Triple-A (AAA) bond rating. The City has maintained strong credit ratings in recent years, and in February 2020, Moody's Investor Services upgraded the City's outstanding general obligation debt rating to Aa1. As Standard & Poor's and Fitch Ratings both reaffirmed the City's AA+ rating, the City's ratings from all three of the major rating agencies fall only one notch below the highest possible rating. As this CAFR outlines, the City continues to make progress and is well on its way to achieving the primary goals of managing to balanced budgets and increasing the unassigned fund balance, maintaining existing tax rates, increasing delinquent tax collections, and reducing spending.

The City's daily operations are directed by a Chief Administrative Officer who is appointed by the Mayor and subject to the consent of a majority of the members of Council. The Chief Administrative Officer serves at the pleasure of the Mayor, carries out the City Council's policies, and appoints administrative department heads as well as other officers and employees of the administration.

The Council establishes local laws, provides government policy and oversight, and approves the City budget. The Council is comprised of nine members elected from single member districts to serve four year terms. The President of Council and the Vice-President are selected by a majority vote of its members every two years. The Council appoints the City Assessor, City Auditor, Inspector General, and City Attorney. The City Attorney serves as the legal advisor to the Council, City administration, boards, commissions, and agencies of the City.

The City provides a full range of general governmental services for its residents. These services include police and fire protection, sanitation services, the construction and maintenance of roads, streets and other infrastructure, recreational activities, and cultural events. In addition to general government activities, the City's gas, water and wastewater utilities are regional providers of services to customers in the City as well as in the surrounding counties. The City government also provides the majority of the funding for the public schools systems, though the schools are operated by a legally distinct entity and a separately elected school board.

City of Richmond



The City's CAFR includes all funds of the City, the primary government, as well as all of its component units. Five discretely presented component units (the Richmond Ambulance Authority, Richmond Redevelopment and Housing Authority, Richmond Behavioral Health Authority, School Board of the City of Richmond, and the Richmond Economic Development Authority) are included in the reporting entity because of the City's financial accountability for these organizations. These component units are reported in separate columns in the City's basic financial statements. Additional information concerning these legally separate organizations can be found in the notes to the financial statements.

Budget Process

The budget serves as the foundation for the City's financial planning and spending control. The City adopts an annual budget. The proposed Fiscal Year 2020 budget was presented to City Council in March 2019. City Council undertook an intensive review of the proposed budget in a series of public meetings and outlined their policy priorities. Prior to adopting the 2020 budget, a public hearing was held in April with budget adoption in May 2019.

Legal budgetary restrictions for Fiscal Year 2020 were established at the governmental function (e.g. Department of Finance), with effective administrative controls maintained through detailed line-item budgets. Some agencies also maintained subtotal portions of their appropriations at the program/cost center level (e.g. Sheriff's Office) or service code level (e.g. Department of Public Works). Any revisions that alter the total budgeted amounts and/or appropriations of any fund must be approved by the City Council. Budget to actual comparisons are provided in this report for governmental funds where an appropriated budget has been adopted. These comparisons are presented in the "Other Required Supplementary Information" section of the financial statements.

Expenditures

Most agencies did stay within range of their amended budget. Exhibit H-1 located in the financial section of this report provides budgetary comparison information for the City's General Fund agencies.

Revenue

As part of the City's Well Managed Government building blocks, many improvements have been made in the area of financial management. The City has continued to build on improvements made during prior years, including continued utilization of a five-year forecast for financial planning and the implementation of a comprehensive tax compliance plan.

General Fund revenues and other financing sources were over budget by \$9.1 million for fiscal year ended June 30, 2020.

Economic Overview

The national, state, and city economies were in a solid position heading into the COVID-19 pandemic, which had a significant dampening effect on the final quarter of FY2020. The national unemployment rate was 11.1% as of June 2020, 7.4% higher than the 3.7% rate a year ago. At the local level, Richmond's economy was strong heading into the months of April, May, and June. The City unemployment rate, was 9.2% for the month ending June 2020. This was 0.8% higher than the Virginia rate of 8.4%.

The City's economy, which had been showing steady growth, was and continues to be impacted by COVID-19. On March 30, 2020, the Governor issued a statewide Stay at Home executive order to protect the health and safety of Virginians and mitigate the spread of COVID-19 through June 10, 2020. On May 8, 2020, Governor Northam presented a detailed, multi-phased plan entitled "Forward Virginia". Phase One, "Safer at Home", became effective on May 15, 2020. Phase One had considerable

City of Richmond



economic impacts on Richmond given the necessary limitations imposed on restaurants, bars, gyms, entertainment, and other businesses.

Phase Two of “Forward Virginia” became effective on June 5, 2020. This Executive Order continued recommendations for teleworking, social distancing, and required that masks be worn in all indoor public settings. These re-openings provided some additional economic activity to Richmond – but non-essential retail, personal grooming services, and more were still shut down in Phase Two. As of the end of the 2020 Fiscal Year, Richmond and Virginia remained in Phase Two with plans to enter Phase Three beginning July 1, 2020.

Like some other urban areas throughout the country, Richmond has seen a resurgence of people moving back into the City. The City’s population has grown each year since 2004 reaching 230,436 in 2019, according to US Census Bureau estimates.

There were a number of economic development initiatives underway during FY2020. Business attraction, retention and expansion efforts by the Department of Economic Development resulted in \$68 million of new capital investment announced in the City including GlaxcoSmithKline Consumer Healthcare’s expanded research and development facility, Shamin Hotels corporate headquarters, and Cameramatics establishing its U.S. operations in Richmond. New mixed-used and multifamily residential projects continue to move forward in Richmond including The River’s Edge II (344 units / \$75 million) in Manchester and Scott’s Collection (390 units / \$82 million) in Scott’s Addition. Virginia Commonwealth University continues to invest in new facilities with its announced \$121 million STEM facility.

The growth of the Life Sciences industry continues to be a strategic priority for the City. Phlow Corporation, a Richmond based start-up, was awarded a \$354 million contract to manufacture essential medicines, including medicines for the COVID-19 pandemic response. Phlow Corporation’s contract has the potential to increase to \$812 million. Phlow Corporation’s presence in Richmond has increased the profile of the City as a location for life science innovation and opportunity.

In June 2018, service began for the Greater Richmond Transit Company’s Pulse, a rapid transit system serving a 7.6 mile route along Broad and Main Street, which has a goal of adding over \$1 Billion in additional assessed value over 20 years.

Major Initiatives and Accomplishments: Well Managed Government

The City Administration outlined a vision of making Richmond One City through a series of changes in the way government operates. This vision included running a top-notch, well managed organization grounded in accountability and strong financial management that serves the community, runs the business, manages resources and develops employees.

Throughout the fiscal year, a number of proactive financial reporting actions were continued through FY2020, including the continued utilization of a five-year revenue and expenditure forecast, monthly financial reports and quarterly budget projections, and introduction and adoption of a structurally balanced budget that maintains core services, protects the fiscal integrity of the City, ensures the City is poised for future growth, and budgets for priorities. Moving forward to FY2020, the Administration will continue to expand on these accomplishments, making strides toward achieving the goal of a well-managed government with an AAA bond rating.

Financial Policies and Guidelines

The following policies and guidelines represent principles and practices that guide the City and help to foster the City’s financial stability. These are not the only financial guidelines, but are those that have had a major impact in recent years or will have a major impact on the City’s future financial positions. For a complete listing of the City’s Financial Guidelines, please see the City’s website www.RVA.gov.

City of Richmond



Fund Balance Guidelines

As of June 30, 2020, the General Fund Unassigned Fund Balance was \$112.77 million, which equals 15.2 percent of the adopted FY2021 General Fund budgeted expenditures, including transfers. The City considers the Unassigned Fund Balance to be comprised of funds that have no limitations or restrictions or planned use.

The City has had a fund balance policy in place since 1988. On December 11, 2017, the City Council adopted a revised unassigned fund balance policy, which states:

- It is the goal of the City that the total of the “rainy day” fund be equal to at least 16.67 percent of budgeted general fund operating expenses for the latest fiscal year for which the City Council has adopted a general fund budget.
- It is the goal of the City that the unassigned fund balance be equal to at least 13.67 percent of budgeted general fund operating expenses for the latest fiscal year for which the City Council has adopted a general fund budget.
- It is the goal of the City that the Budget and Revenue Stabilization Contingency Reserve be equal to three percent of budgeted general fund operating expenses for the latest fiscal year for which the City Council has adopted a general fund budget.
- It is the policy of the City that appropriations be made from the unassigned fund balance only when catastrophic, unforeseen, or unavoidable events cause a reduction in revenue or an increase in expenditures, either or both.

Debt Guidelines

The City originally adopted a resolution in 1989 establishing guidelines for the planning, issuance and management of debt, for and on behalf of the City. These policy guidelines were revised by resolution adopted on December 11, 2017. The City issues debt for the purpose of acquiring and constructing capital projects and for making major renovations to existing capital assets.

It is the policy of the City to provide operating funds for projects that are perennial and/or of an ongoing maintenance type activity. In addition, it is the policy of the City that general fund supported debt, including bonds and notes authorized but unissued, will be limited by any of the following adopted policies:

- Total debt service to be paid on general obligation, moral obligation, and subject to appropriation debt shall not exceed 10 percent of the General Fund and Richmond Public Schools’ budgets plus the non-local portion of the recurring special fund for Street Maintenance.
- General obligation, moral obligation, and subject to appropriation debt will not exceed 3.75 percent of the assessed value of real estate, personal property, and machinery and tools in the City.
- General Fund supported debt will be structured in a manner such that 60 percent of the outstanding debt will be repaid within ten years.
- The City will issue General Fund supported debt with an average life consistent with the useful life of the asset being financed and with a maximum term of 30 years.
- It is a goal of the City to provide cash funding from annual operating funds for a portion of the City’s five-year Capital Improvement Plan (pay-as-you-go funding).

City of Richmond



A. No Overlapping Debt

The City is a separate and distinct political unit and is autonomous and independent of any county or any other political subdivision of the Commonwealth. The City is not coterminous with or subject to any county or school district taxation and is not liable for any indebtedness other than its own.

B. Legal Debt Margin

Article VII, Section 10 of the Constitution of Virginia provides that the legal general obligation debt limit for cities is ten percent of the last preceding assessment for real estate taxes. At June 30, 2020 the City had a legal debt limit of \$2,706,264,400 and the statutory capacity to issue approximately \$1,861,697,855 of additional general obligation debt.

The City's legal debt margin is computed as follows:

10% of assessed value of taxable real estate as of January 1, 2020 ¹	\$ 2,706,264,400
Less: bonds and notes payable ²	<u>(844,566,545)</u>
Legal margin for creating additional debt	<u>\$ 1,861,697,855</u>

¹ Source: City Assessor of Real Estate

² Does not include \$846,577,565 of Richmond Public Utility Revenue Bonds that by State law are not required to be included in calculations for legal margin for creation of debt.

C. Short-Term Debt

As of June 30, 2020, the City had a Bond Anticipation Note Line of Credit Facility (BAN) in place in the amount of \$60.0 million to finance new school construction projects. The City does not borrow to meet seasonal needs or day-to-day operations.

D. Long-Term Debt

Bonds of the City, including general obligation bonds, serial equipment notes and certain public utility bonds, and bond anticipation notes are direct general obligations, to which the full faith and credit of the City are pledged. The Council is authorized and required, unless other funds are lawfully available and appropriated for timely payment, to levy and collect on all property taxable by the City such as ad valorem taxes as may be necessary to pay when due the principal of, premium, if any, and interest on such bonds and notes as the same shall become due and payable. The City has never defaulted in the payment of principal, premium, or interest on any debt.

Enterprise Funds and Internal Service Funds pay from user fees the principal of and interest on certain general obligations bonds, revenue bonds and serial equipment notes issued for the program purposes of each fund. All other monies for the principal of and interest on such debt are appropriated in the General Fund budget. No long-term bonds are sold to finance current operations.

E. Authorized but Unissued Bonds and Notes

As of June 30, 2020, the City had a total of \$306,558,732 of additional general obligation and revenue bonds authorized but not issued, for funding Capital Improvement Projects and the acquisition of Equipment. Of these authorized but not issued bonds and notes, \$171,953,549 is earmarked for self-supporting Public Utility revenue bond funded projects, \$12,841,722 of General Obligation bond funded projects of the Stormwater Utility, \$114,609,462 for various General Fund supported capital projects, and \$7,153,999 for funding of equipment purchases.

City of Richmond



Acknowledgements

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Department of Finance. We would like to express our particular appreciation to all members of the Accounting and Reporting Division who directly assisted and contributed to its preparation. We would also like to thank the City Council for their interest, guidance, and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

A handwritten signature in black ink, appearing to read "L. M. Stoney", with a long, sweeping flourish extending to the right.

Levar M. Stoney
Mayor

A handwritten signature in blue ink, appearing to read "Lenora G. Reid, CPA", with a stylized, cursive script.

Lenora G. Reid, CPA
Acting Chief Administrative Officer

City of Richmond



LEVAR M. STONEY
MAYOR

MANAGEMENT REPORT ON RESPONSIBILITY FOR FINANCIAL REPORTING

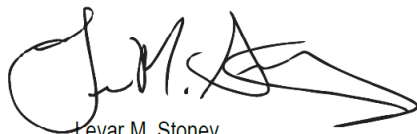
The management of the City of Richmond, Virginia has the responsibility for preparing the accompanying financial statements with integrity and objectivity. The School Board of the City of Richmond, Economic Development Authority of the City of Richmond, Virginia, Richmond Ambulance Authority, Richmond Behavioral Health Authority, and Richmond Redevelopment and Housing Authority are under the direct control of their respective governing boards and management. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and, to the best of our knowledge, are not materially misstated. The financial statements include amounts that are, in some instances, based on management's best estimates and judgments. Management also prepared the statistical information in this annual report and is responsible for its accuracy and consistency with the financial statements.

The City's financial statements have been audited by CliftonLarsonAllen, LLP, independent certified public accountants, selected by the City Council. Management has made available to CliftonLarsonAllen, LLP, all of the City's financial records and related data as well as the minutes of the City Council meetings. Furthermore, management believes that all representations made to CliftonLarsonAllen, LLP during its audit were valid and appropriate.

Management of the City is responsible for establishing and maintaining a system of internal controls that provides reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition, and the prevention and detection of fraudulent financial reporting. The system of internal controls should provide for appropriate division of responsibility that is communicated to employees with significant roles in the financial reporting process and updated as necessary. Management continually monitors the system of internal controls for compliance.

The City maintains an internal program through the City Auditor. The City Auditor independently assesses the effectiveness of internal controls and recommends possible improvements thereto. Management has considered the City Auditor's and CliftonLarsonAllen, LLP's recommendations concerning the City's system of internal control and has taken actions that we believe are cost-effective in the circumstances to respond appropriately to these recommendations.

Management also recognizes its responsibility for fostering a strong ethical climate so that the City's affairs are conducted according to the highest standards of personal and City conduct. Management communicates ethical standards to employees through personnel rules, administrative regulations, and city law.



Levar M. Stoney
Mayor



Lenora G. Reid, CPA
Acting Chief Administrative Officer

CITY OF RICHMOND, VIRGINIA
STRONG MAYOR – COUNCIL FORM OF GOVERNMENT
Fiscal Year Ended June 30, 2020

CITY MAYOR
Levar M. Stoney

ACTING CHIEF ADMINISTRATIVE OFFICER
Lenora G. Reid, CPA

CITY COUNCIL

Cynthia I. Newbille - President
Chris A. Hilbert - Vice President
Andreas D. Addison
Stephanie A. Lynch
Kimberly B. Gray
Michael J. Jones

Kristen N. Larson
Ellen F. Robertson
Reva M. Trammell

**CITY
AUDITOR**

Louis Lassiter, CPA

ATTORNEY

Haskell C. Brown, III

**SUPERINTENDENT
OF SCHOOLS**

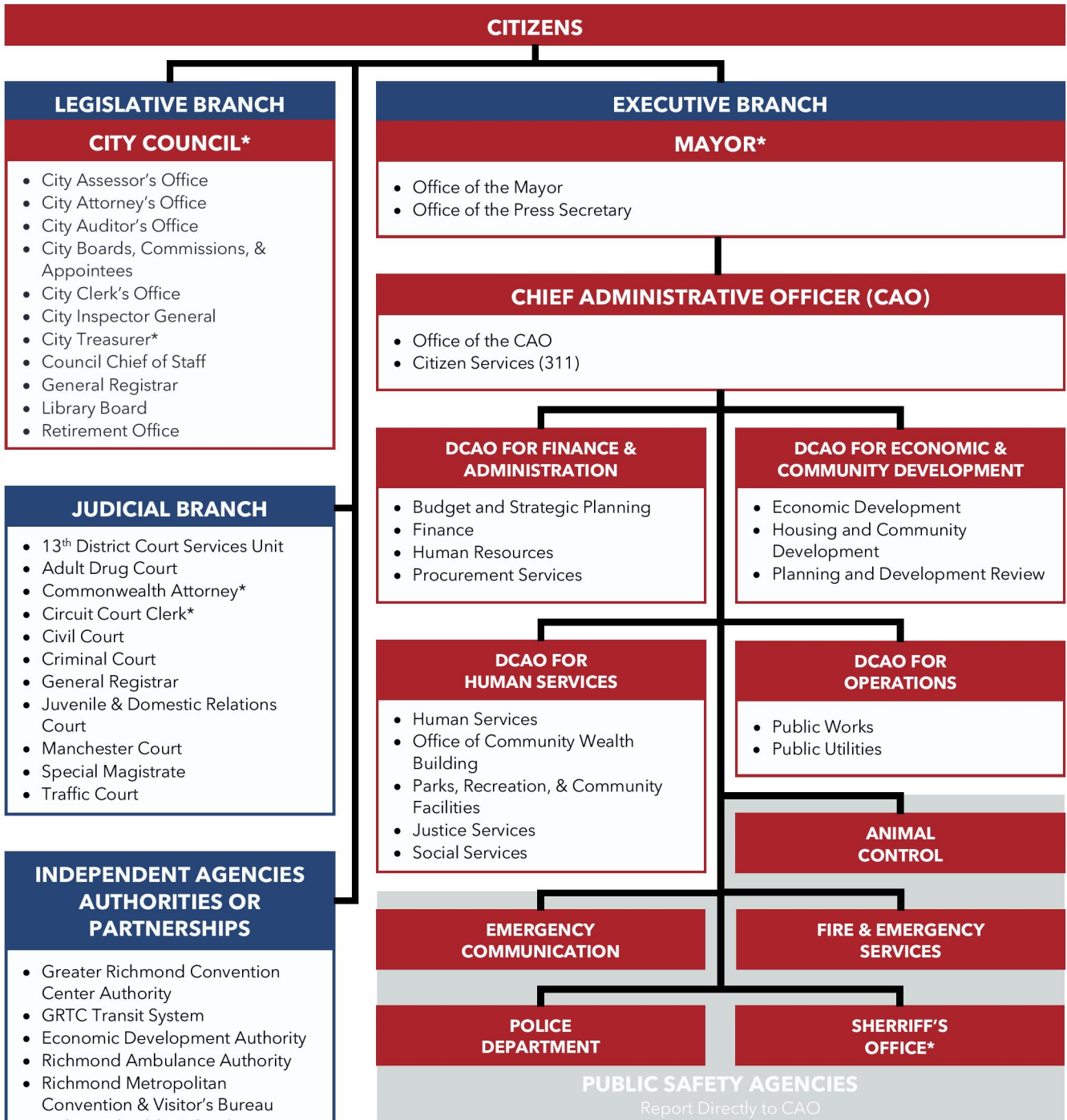
Jason Kamras

Prepared by

DEPARTMENT OF FINANCE

INDEPENDENT AUDITORS

CliftonLarsonAllen, LLP



ORGANIZATION CHART



* Denotes an elected official or organizational unit which includes elected officials

FINANCIAL



SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Members of City Council
The City of Richmond, Virginia

Report on the Financial Statements

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 City of Richmond, Virginia (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following aggregate discretely presented component units: Richmond School Board, Richmond Economic Development Authority, and Richmond Behavioral Health Authority, which represent 61 percent, 209 percent, and 82 percent, respectively, of the assets and deferred outflows of resources, fund balance/net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Richmond Retirement System, which represent 63 percent, 76 percent, and 24 percent, respectively, of the assets and deferred outflows of resources, fund balance/net position, and revenues of the aggregate remaining fund information of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for Richmond School Board, Richmond Economic Development Authority, Richmond Behavioral Health Authority and Richmond Retirement System, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Accountants of the Commonwealth of Virginia (Specifications). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The Honorable Members of City Council
The City of Richmond, Virginia

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of 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 City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – general fund, notes to the budgetary comparison schedule – general fund, and the pension and OPEB information as identified in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Richmond's basic financial statements. The combining non-major, internal service, and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable Members of City Council
The City of Richmond, Virginia

The combining non-major, internal service, and fiduciary fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major, internal service, and fiduciary fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section, as listed in accompanying table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2020, on our consideration of the City of Richmond, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


CliftonLarsonAllen LLP

Arlington, Virginia
November 5, 2020

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CITY OF RICHMOND, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2020
(Unaudited)

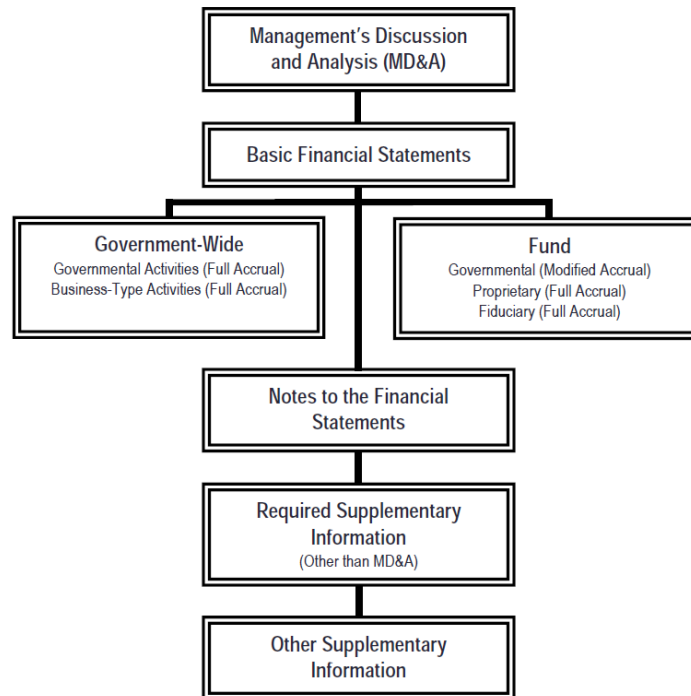
The following discussion and analysis provided by the City's management presents a narrative overview and analysis of the financial activities of the City through the presentation of its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2020. City management encourages readers to consider the information presented here in conjunction with the information presented in the Transmittal Letter at the front of this report and the City's Basic Financial Statements which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2020

- The City's General Fund reported an ending Fund Balance of \$166.6 million, an increase of \$14.6 million or 9.6 percent compared to the prior year. Of the total General Fund balance: \$8.8 thousand is Nonspendable, \$20.0 million is Committed to Revenue Stabilization, \$90.6 thousand committed to School Board Operations, \$2.0 million is Assigned to subsequent years' Expenditures, \$8.5 million to Capital Reserve, \$0.3 million for the Arts, \$15.8 million for School Facilities, \$0.7 million for Unspent Building Code Fees, \$0.1 million for the Equity Study, \$547.6 thousand for COVID-19 Contingencies, \$5.8 million for OPEB Trust Fund and \$112.8 million is Unassigned. The Unassigned Fund Balance represents 15.4 percent of actual Expenditures and Transfers out of \$732.6 million. The Unassigned Fund Balance exceeds the City's fiscal policy guidelines.
- The City's total taxable assessed value for Real and Personal Property including Machinery and Tools increased by \$4,447.6 million or 17.8 percent.
- The City's General Obligation Bond rating was upgraded to Aa1 by Moody's and was reaffirmed as AA+ by both Standard and Poor's and Fitch Ratings, with a stable outlook.
- At the end of the Fiscal Year, the City's Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$1,085.5 million. Net Position was comprised mainly of \$820.4 million attributable to the City's Net Investment in Capital Assets, \$66.0 million in Restricted and \$199.1 million in Unrestricted.
- The City's Cigarette Tax, which was implemented July 1, 2019, with a \$0.50 tax per pack of 20 cigarettes yielded revenues of \$3.9 million.
- The City expanded the Real Estate Tax Relief for the Elderly and Disabled Program. The income allowable increased to \$60,000 and the net worth allowable increased to \$350,000. Additionally, credit percentage guidelines increased in most income categories, with those with income between \$50,001 and \$60,000 becoming newly eligible in 2020.
- The Richmond Public Library suspended fines as of February 28, 2020, to increase accessibility to under served communities.
- Net Position for Governmental Activities increased \$29.9 million or 13.5 percent compared to the prior year.
- For this Fiscal Year, General Fund Revenues and Financing Sources were \$747.2 million. General Fund Expenditures and Other Financing Uses were \$732.6 million. City Taxes accounted for 72.8 percent of Revenue.
- The City's Business-Type Activities Net Position increased by \$15.8 million or 1.9 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's CAFR consists of three sections: Introductory, Financial and Statistical. As illustrated in the following chart, the financial section of this report consists of five components: Management's Discussion and Analysis (this section), the Basic Financial Statements, Notes to the Financial Statements, Required Supplementary Information and Other Supplementary Information.



The City's financial statements present a focus on the City as a whole (Government-Wide) as well as the major individual funds. The Government-Wide financial statements provide both long-term and short-term information about the City's overall financial status. The Fund financial statements focus on the individual parts of the City government, reporting the operations of the City in more detail than the government-wide statements. Both perspectives, Government-Wide and individual Fund, allow the user to address relevant questions, broaden the basis for comparisons year to year or government to government and enhance the City's accountability.

Government-Wide Financial Statements

The Government-Wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Government-Wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all of the City's Assets and Liabilities, both short-term and long-term, while 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. Over time, the increases or decreases in the City's Net Position can be an indicator of the City's financial condition. CAFR users should also consider additional non-financial factors in assessing the overall health of the City.

The City's Government-Wide financial statements are divided into three categories:

- **Governmental Activities** – Most of the City's basic services including Police, Fire, Economic and Community Development, Parks, Recreation and Community Facilities, Social Services and General Administration are reported here. The majority of these activities are supported by property taxes, other local taxes and federal and state funding.
- **Business-Type Activities** – The City's Gas, Water, Wastewater, Stormwater, Parking and Cemeteries are reported here. Fees are charged to customers to help cover the costs of providing these services.

- **Component Units** – Five separate legal entities are included in this report: Richmond School Board, Richmond Economic Development Authority, Richmond Ambulance Authority, Richmond Behavioral Health Authority and Richmond Redevelopment and Housing Authority. Although legally separate, these component units are important because the City is financially accountable for them, and may provide significant operating or capital funding, or both.

Fund Financial Statements

The Fund financial statements provide detailed information about the City's most significant funds and not the City as a whole. Funds are an accounting tool that the City uses to track resources that are segregated for specific activities or objectives. Some funds are required by state law or by bond covenants. Other funds are established to control and manage money for particular purposes or to show that the City is using specific revenue sources such as taxes and grants for their intended purposes. The City has three types of funds: Governmental, Proprietary and Fiduciary.

- **Governmental Funds** – The General Fund, Debt Service Fund, Capital Projects Fund, Special Revenue funds and Permanent Funds are Governmental Funds. These Funds' statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the Fiscal Year. Additional information is provided accompanying these statements that explains the relationship between the long-term focused Government-Wide statements and the short-term focused Governmental Fund statements.
- **Proprietary Funds** – Services for which the City charges customers a fee are generally reported in Proprietary Funds. Like the Government-Wide statements, Proprietary Fund statements provide both long and short-term financial information. The City maintains two types of Proprietary Funds:
 - **Enterprise Funds** – Similar to Business-Type Activities included in the Government-Wide statements, the Enterprise Fund financial statements provide more detail and additional information such as Cash-Flow.
 - **Internal Service Funds** – The City uses Internal Service Funds to report activities that provide supplies and services for the City's other programs and activities.
- **Fiduciary Funds** – Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. These Fiduciary activities are excluded from the City's Government-Wide financial statements because the City cannot use these assets to finance its operations. The City maintains two Fiduciary Funds:
 - **Trust Funds** – Provides Retirement and Disability Benefits for all vested full time employees under a City deferred compensation plan created in accordance with the Internal Revenue Code Section 457.
 - **Agency Funds** – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. The Agency Funds consist of the Assets and Liabilities of several organizations for which the City serves as Fiscal Agent, such as the Department of Parks, Recreation and Community Facilities, the Department of Public Works and the Law Department.

Notes to the Financial Statements

The notes to the financial statements provide information that is essential for a full understanding of the information provided in the Government-Wide and Fund financial statements. The notes also present certain Required Supplementary Information.

GOVERNMENT-WIDE ANALYSIS

Net Position

FY2020, Total Assets for the Primary Government were \$3,549.2 million, an increase from prior year total Assets by \$308.7 million. Total Assets for only Governmental Activities were \$1,611.4 million, up by \$159.6 million or 11.0 percent. Total Assets from Business-Type Activities increased by \$148.9 million and were still predominant in FY2020, accounting for 54.6 percent of total Primary Government Assets compared to 55.2 percent in FY2019.

Total Liabilities were \$2,594.5 million up \$314.6 million from \$2,279.9 million in FY2019. Total Liabilities associated with Governmental Activities increased by \$200.2 million up 15.6 percent while total Liabilities associated with Business-Type Activities increased \$114.4 million or 11.5 percent.

Total Net Position was \$1,085.5 million up \$45.7 million over the prior year's balance. Table 1 summarizes the City's Government-Wide Net Position at June 30, 2020 and 2019.

Table 1
City of Richmond's Schedule of Net Position
As of the Fiscal Years Ended June 30, 2020 and 2019
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 368.8	\$ 315.6	\$ 561.5	\$ 409.3	\$ 930.3	\$ 724.9
Capital Assets, Net	1,242.7	1,136.2	1,376.2	1,379.5	2,618.9	2,515.6
Total Assets	<u>1,611.4</u>	<u>1,451.8</u>	<u>1,937.7</u>	<u>1,788.8</u>	<u>3,549.2</u>	<u>3,240.5</u>
Deferred Outflow of Resources	<u>145.0</u>	<u>86.4</u>	<u>36.4</u>	<u>30.3</u>	<u>181.4</u>	<u>116.7</u>
Current and Other Liabilities	225.3	194.2	88.4	86.4	313.7	280.7
Long-Term Obligations Outstanding	1,258.9	1,089.7	1,021.9	909.5	2,280.8	1,999.2
Total Liabilities	<u>1,484.1</u>	<u>1,283.9</u>	<u>1,110.3</u>	<u>995.9</u>	<u>2,594.5</u>	<u>2,279.9</u>
Deferred Inflows of Resources	<u>21.1</u>	<u>33.1</u>	<u>1.7</u>	<u>4.6</u>	<u>22.8</u>	<u>37.7</u>
Net Position:						
Net Investment in Capital Assets	416.5	377.1	403.9	568.9	820.4	946.0
Restricted	66.0	97.2	-	27.3	66.0	124.5
Unrestricted	(231.4)	(253.1)	430.5	222.4	199.1	(30.7)
Total Net Position	<u>\$ 251.1</u>	<u>\$ 221.2</u>	<u>\$ 834.4</u>	<u>\$ 818.6</u>	<u>\$ 1,085.5</u>	<u>\$ 1,039.8</u>

Note - Immaterial rounding differences between the tables in the MD&A and the Exhibits in the Financial Statements may exist.

Activities

In FY2020, total Primary Government Revenues were \$1,190.8 million, which reflects no change from prior year. Program Revenues (Charges for Service, Grants, and Contributions) of \$615.9 million accounted for 51.7 percent of all Primary Government Revenues, while property and other local taxes attributable to Governmental Activities accounted for \$541.5 million, most of the remainder. Total Revenues for all Governmental Activities were \$816.6 million. Governmental Activities' Program Revenues of \$250.8 million accounted for 30.7 percent.

Total Expenses for Primary Government were \$1,117.3 million. Four activities: General Government, Public Safety and Judiciary, Education, and Business-Type Activities accounted for the following amounts and percentages: \$101.9 million (9.1 percent), \$279.6 million (25.0 percent), \$181.4 million (16.2 percent), and \$299.9 million (26.8 percent), respectively. Table 2 summarizes the City's Government-Wide Activities for the years ended June 30, 2020 and 2019.

Table 2
City of Richmond's Schedule of Activities
As of the Fiscal Years Ended June 30, 2020 and 2019
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 194.7	\$ 192.6	\$ 345.8	\$ 353.9	\$ 540.5	\$ 546.5
Operating Grants and Contributions	39.2	33.5	0.1	0.2	39.3	33.7
Capital Grants and Contributions	16.9	15.3	19.2	34.0	36.1	49.3
General Revenues:						
Property Taxes	402.0	374.9	-	-	402.0	374.9
Other Taxes	139.5	145.7	-	-	139.5	145.7
Investment Income	0.8	0.8	6.0	-	6.8	0.8
Miscellaneous	23.5	27.5	3.1	12.4	26.6	39.9
Total Revenues	<u>816.6</u>	<u>790.3</u>	<u>374.2</u>	<u>400.5</u>	<u>1,190.8</u>	<u>1,190.8</u>
Expenses:						
Primary Government						
General Government	101.9	147.0	-	-	101.9	147.0
Public Safety and Judiciary	279.6	216.0	-	-	279.6	216.0
Highway, Street, Sanitation and Refuse	94.2	88.3	-	-	94.2	88.3
Human Services	86.8	76.0	-	-	86.8	76.0
Culture and Recreation	33.1	27.4	-	-	33.1	27.4
Education	181.4	154.0	-	-	181.4	154.0
Transportation	16.2	15.5	-	-	16.2	15.5
Capital Outlay	-	-	-	-	-	-
Interest and Fiscal Charges	24.3	23.0	-	-	24.3	23.0
Business-Type Activities	-	-	299.9	303.9	299.9	303.9
Total Expenses	<u>\$ 817.5</u>	<u>\$ 747.2</u>	<u>\$ 299.9</u>	<u>\$ 303.9</u>	<u>\$ 1,117.3</u>	<u>\$ 1,051.1</u>
(Loss) Income Before Transfers	(0.9)	43.1	74.4	96.6	73.5	139.7
Transfers	30.8	26.9	(30.8)	(26.9)	-	-
Proceeds from Section 108 and EDA	-	2.2	-	-	-	2.2
Changes in Net Position	29.9	72.2	43.5	69.7	73.5	141.9
Net Position, Beginning of Year	221.2	146.7	818.6	751.2	1,039.8	897.9
Prior Period Adjustment	-	2.3	-	(2.3)	-	-
Net Position, End of Year as restated	<u>\$ 251.1</u>	<u>\$ 221.2</u>	<u>\$ 862.1</u>	<u>\$ 818.6</u>	<u>\$ 1,113.3</u>	<u>\$ 1,039.8</u>

Note - Immaterial rounding differences between the tables in the MD&A and the Exhibits in the Financial Statements may exist.

GENERAL FUND

The General Fund is by far the City's largest governmental Fund and, therefore, deserves special attention. Total Revenues and Other Financing Sources totaled \$747.2 million in FY2020, an increase of \$31.4 million from the prior year. Property and other local taxes accounted for \$538.2 million or 72.8 percent of total Revenues

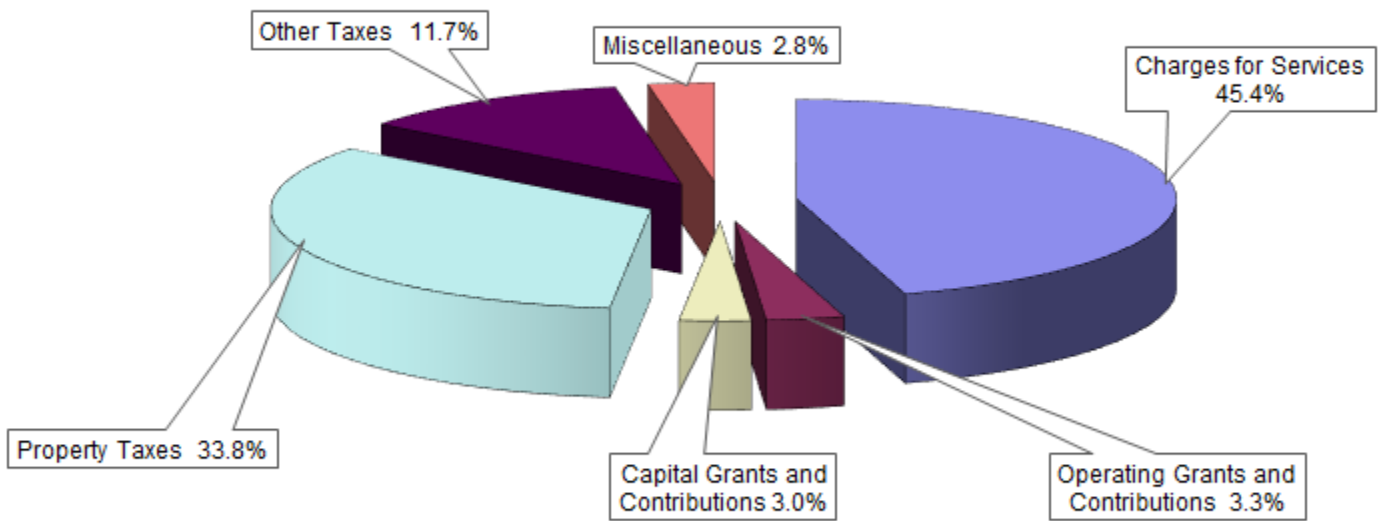
On the other side of the ledger, Expenditures and Transfers Out totaled \$732.6 million, an increase of \$32.8 million or 4.7 percent, from the prior year. Public Safety & Judiciary and Education, the two largest program areas, totaled \$391.3 million, or 60.5 percent of total General Fund Expenses.

Table 3
City of Richmond's Budgetary Comparison
General Fund
For the Fiscal Years Ended June 30, 2020 and 2019
(In Millions, rounded)

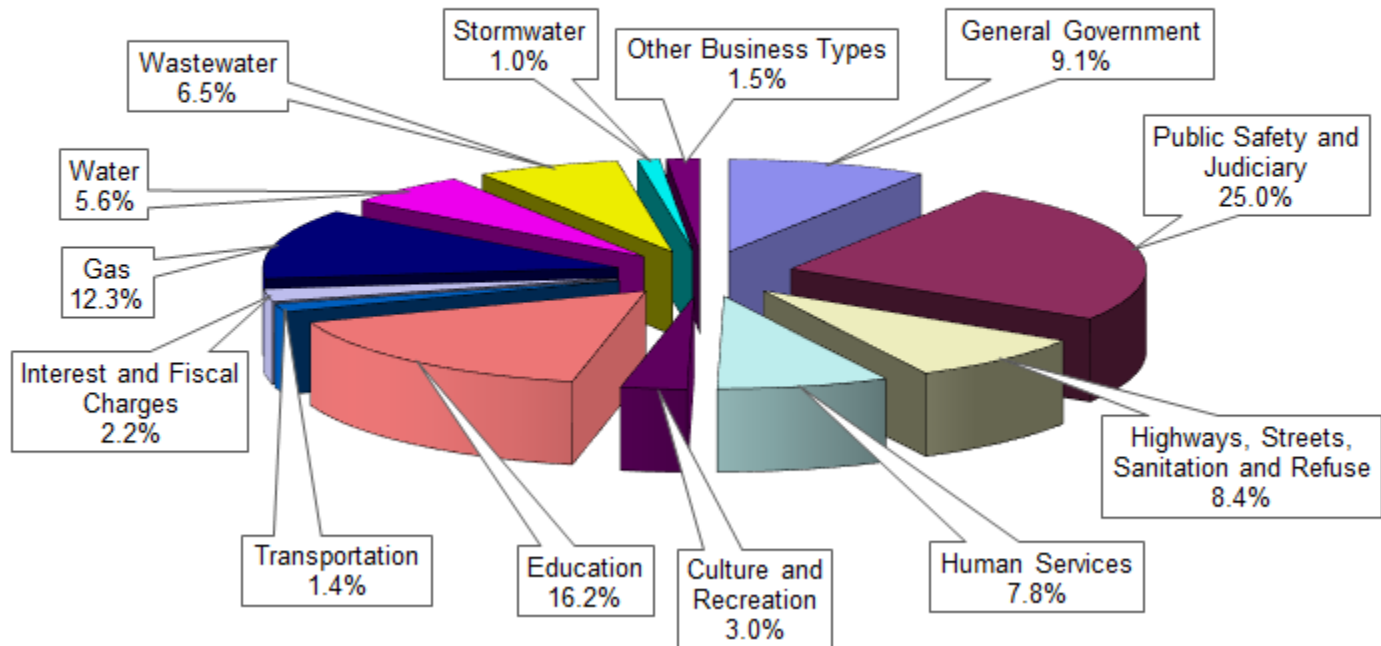
	Original Budget		Amended Budget		Actual		Positive (Negative) Variance	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues:								
Property Taxes	\$ 374.8	\$ 344.1	\$ 377.3	\$ 346.3	\$ 398.3	\$ 371.6	\$ 21.0	\$ 25.3
Other Taxes	162.1	158.0	144.6	158.2	139.9	146.0	(4.7)	(12.2)
Intergovernmental	87.8	86.9	85.1	87.9	87.1	82.6	2.0	(5.3)
Miscellaneous	119.3	113.5	119.3	113.3	114.2	110.4	(5.1)	(2.9)
Other Financing Sources	2.2	17.5	17.6	24.7	7.7	5.2	(9.9)	(19.5)
Total Revenues and Other Financing Sources	<u>\$ 746.2</u>	<u>\$ 719.9</u>	<u>\$ 743.9</u>	<u>\$ 730.4</u>	<u>\$ 747.2</u>	<u>\$ 715.8</u>	<u>\$ 3.3</u>	<u>\$ (14.6)</u>
Expenses:								
General Government	\$ 58.3	\$ 54.0	\$ 56.1	\$ 55.3	\$ 51.2	\$ 51.2	\$ 4.9	\$ 4.1
Public Safety and Judiciary	210.8	202.9	212.2	208.2	215.3	206.4	(3.1)	1.8
Highway, Street, Sanitation and Refuse	33.5	31.2	35.3	33.1	33.2	32.6	2.1	0.5
Human Services	64.2	62.1	61.3	62.2	58.3	58.2	3.0	4.0
Culture and Recreation	24.1	22.2	23.6	22.8	23.6	23.1	-	(0.3)
Education	184.6	178.3	181.8	178.4	176.0	156.7	5.8	21.7
Non-Departmental	83.2	55.0	85.3	53.7	88.7	84.4	(3.4)	(30.5)
Other Financing Uses	87.5	114.3	91.6	122.1	86.3	87.2	5.3	34.7
Total Expenses and Other Financing Uses	<u>\$ 746.2</u>	<u>\$ 720.0</u>	<u>\$ 747.2</u>	<u>\$ 735.8</u>	<u>\$ 732.6</u>	<u>\$ 699.8</u>	<u>\$ 14.6</u>	<u>\$ 36.0</u>

Note - Immaterial rounding differences between the tables in the MD&A and the Exhibits in the Financial Statements may exist.

**Primary Government Sources of Revenues
Year Ended June 30, 2020**



**Primary Government Functional Expenses
Year Ended June 30, 2020**



CAPITAL ASSETS

The Department of Public Utilities' spent \$68.1 million during the Fiscal Year to expand, upgrade, and renew its Infrastructure. The Gas Utility invested approximately \$8.3 million to support our expanding market base and \$15.1 million in upgrades to existing Infrastructure. The Water Utility invested approximately \$13.4 million in upgrades to existing Infrastructure including \$2.7 million of investments in major Plant, Pumping and Transmission improvements. The Wastewater Utility invested approximately \$23.3 million in upgrades to existing Infrastructure, of which \$2.3 million was spent on major plant improvements. The Storm water Utility invested \$7.6 million to upgrade their existing Infrastructure.

Table 4
City of Richmond's Capital Assets
As of the Fiscal Years Ended June 30, 2020 and 2019
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 105.2	\$ 98.9	\$ 26.3	\$ 30.9	\$ 131.5	\$ 129.8
Construction In Progress	181.0	97.3	36.1	69.4	217.1	166.7
Works of Art/Historical Treasures	8.7	8.7	-	-	8.7	8.7
Total Assets Not Being Depreciated	<u>294.9</u>	<u>204.9</u>	<u>62.4</u>	<u>100.3</u>	<u>357.3</u>	<u>305.2</u>
Capital Assets Being Depreciated:						
Infrastructure	998.5	955.7	-	-	998.5	955.7
Buildings and Structures	986.3	933.9	2,250.2	2,092.9	3,236.5	3,026.8
Equipment and Other Assets	140.4	142.0	35.5	41.5	175.9	183.5
Improvements Other Than Buildings	33.4	30.2	-	-	33.4	30.2
Total Other Assets	<u>2,158.6</u>	<u>2,061.8</u>	<u>2,285.7</u>	<u>2,134.4</u>	<u>4,444.3</u>	<u>4,196.2</u>
Less Accumulated Depreciation For:						
Infrastructure	636.9	615.0	-	-	636.9	615.0
Buildings and Structures	451.8	394.5	969.5	873.7	1,421.3	1,268.2
Equipment and Other Assets	107.7	108.0	2.5	7.6	110.2	115.6
Improvements Other Than Buildings	14.4	13.0	-	-	14.4	13.0
Total Accumulated Depreciation	<u>1,210.8</u>	<u>1,130.5</u>	<u>972.0</u>	<u>881.3</u>	<u>2,182.8</u>	<u>2,011.8</u>
Total Capital Assets Being Depreciated, Net	<u>947.8</u>	<u>931.3</u>	<u>1,313.8</u>	<u>1,253.1</u>	<u>2,261.5</u>	<u>2,184.4</u>
Total Capital Assets, Net	<u>\$ 1,242.7</u>	<u>\$ 1,136.2</u>	<u>\$ 1,376.2</u>	<u>\$ 1,353.4</u>	<u>\$ 2,618.8</u>	<u>\$ 2,489.6</u>

Note - Immaterial rounding differences between the tables in the MD&A and the Exhibits in the Financial Statements may exist.

Additional capital asset information can be found in Note 6.

LONG-TERM OBLIGATIONS

As of June 30, 2020, the City had \$1.8 billion of outstanding Bonds, Notes and Bond Premiums, an increase of \$163.4 million compared to the previous year. Outstanding debt of the City's Governmental Activities at year end was \$846.2 million, while the Business-Type Activities outstanding Debt (primarily Utilities and Parking operations) was \$988.5 million.

In FY2020, the City issued its \$132.9 million Series 2019A General Obligation Bonds to finance ongoing City Capital Projects and to refinance existing Bond Debt at lower interest rates. At the time of this Bond Issue, Moody's Investors Services upgraded the City's General Obligation Bond rating to Aa1, while both Standard and Poor's and Fitch Ratings reaffirmed their AA+ credit rating of the City's General Obligation Debt, with a Stable outlook. During the Fiscal Year, the City also issued two General Obligation Equipment Notes in amounts totaling \$8.8 million to finance the acquisition of vehicles and equipment purchased by the City and the Stormwater Utility.

The City's Gas and Wastewater Utilities issued its \$135.4 million, Series 2020A Public Utility Revenue Bonds to finance ongoing utility capital expenditures. The City also refunded existing outstanding Utility debt by issuing its \$180.0 million, Series 2020B Public Utility Revenue and Refunding Bonds, which achieved future debt service savings for the Gas, Water, and Wastewater Utilities. More detailed information about the City's long-term Liabilities is presented in Note 7 of the notes to the financial statements.

Table 5
City of Richmond's Long-Term Obligations
For the Fiscal Year Ended June 30, 2020
(In Thousands, rounded)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Not Due Within One Year	Due Within One Year
Primary Government - Governmental Activities						
General Obligation Bonds	\$ 646,856.7	\$ 135,018.7	\$ 56,428.6	\$ 725,446.8	\$ 675,920.7	\$ 49,526.1
General Obligation Bond - Direct Borrowing	12,472.0	264.9	70.9	12,666.1	12,593.7	72.4
Qualified Zone Academy Bonds	440.0	-	78.3	361.6	-	361.6
Total General Obligation Bonds	<u>659,768.7</u>	<u>135,283.6</u>	<u>56,577.8</u>	<u>738,474.5</u>	<u>688,514.4</u>	<u>49,960</u>
Line of Credit - BAN - Series 2018A & Series 2018B	42,200.0	17,000.0	45,000.0	14,200.0	14,200.0	-
General Obligation Serial Equipment Notes	-	5,462.0	-	5,462.0	4,503.0	959.0
Total General Obligation Notes	<u>42,200.0</u>	<u>22,462.0</u>	<u>45,000.0</u>	<u>19,662.0</u>	<u>18,703.0</u>	<u>959.0</u>
HUD Section 108 Notes	11,157.0	-	670.0	10,487.0	9,811.0	676.0
Premium on Debt Issued	69,271.4	17,046.0	9,837.9	76,479.5	65,479.3	11,000.2
Total Obligations	<u>\$ 782,397.1</u>	<u>\$ 174,791.6</u>	<u>\$ 112,085.7</u>	<u>\$ 845,103.0</u>	<u>\$ 782,507.6</u>	<u>\$ 62,595.4</u>
Advantage Richmond Lease Revenue Bond	<u>\$ 2,213.1</u>	<u>\$ -</u>	<u>\$ 1,077.5</u>	<u>\$ 1,135.6</u>	<u>\$ -</u>	<u>\$ 1,135.6</u>
Compensated Absences	<u>\$ 18,945.1</u>	<u>\$ 19,988.1</u>	<u>\$ 17,811.2</u>	<u>\$ 21,122.0</u>	<u>\$ 17,523.3</u>	<u>\$ 3,598.7</u>
Net Other Post Employment Benefit Obligations	<u>\$ 74,060.8</u>	<u>\$ 26,473.4</u>	<u>\$ -</u>	<u>\$ 100,534.2</u>	<u>\$ 100,534.2</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 267,319.0</u>	<u>\$ 56,144.3</u>	<u>\$ -</u>	<u>\$ 323,463.3</u>	<u>\$ 323,463.3</u>	<u>\$ -</u>

Table 6
City of Richmond's Long-Term Obligations
For the Fiscal Year Ended June 30, 2020
(In Thousands, rounded)

Primary Government - Business-Type Activities

	Balance			Balance		
	July 1, 2019	Additions	Deletions	June 30, 2020	Not Due Within One Year	Due Within One Year
General Obligation Bonds:						
Utilities						
General Obligation Bonds	\$ 22,222.0	\$ -	\$ 3,924.1	\$ 18,297.9	\$ 11,382.0	\$ 6,915.9
General Obligation Bond - Direct Borrowing	12,207.9	3,324.0	7,078.6	8,453.3	3,782.9	4,670.4
Premium on Utility Debt, Net	134.8	-	100.9	33.9	33.9	-
Total Utilities General Obligation Debt	34,564.7	3,324.0	11,103.6	26,785.1	15,198.8	11,586.3
Non-Major Enterprise Funds						
General Obligation Bonds	55,910.8	-	7,855.9	48,054.9	44,220.6	3,834.3
General Obligation Bond - Direct Borrowing	266.3	-	264.9	1.4	1.4	-
Premium on Non-Major Debt, Net	1,537.4	-	215.1	1,322.3	1,322.3	-
Total Non-Major Enterprise Funds General Obligation Debt	57,714.5	-	8,335.9	49,378.6	45,544.3	3,834.3
Total General Obligation Debt	92,279.2	3,324.0	19,439.5	76,163.6	60,743.0	15,420.6
Revenue Bonds:						
Public Utility Revenue Bonds	666,435.0	315,445.0	179,855.0	802,025.0	779,160.0	22,865.0
Public Utility Revenue Bond - Direct Borrowing	48,383.3	-	3,830.8	44,552.5	40,699.5	3,852.9
Premium on Public Utility Debt, Net	79,617.8	15,435.4	29,298.6	65,754.6	65,754.6	-
Total Revenue Bonded Debt	794,436.1	330,880.4	212,984.4	912,332.1	885,614.1	26,717.9
		\$				
Total Bonded Debt	\$ 886,715.3	334,204.4	\$ 232,423.9	\$ 988,495.7	\$ 946,357.1	\$ 42,138.5
Compensated Absences:						
Gas	\$ 920.0	\$ 973.1	\$ 845.6	\$ 1,047.5	\$ 806.6	\$ 240.9
Water	709.7	722.8	654.4	778.1	599.2	178.9
Wastewater	630.9	695.0	577.7	748.2	576.2	172.1
Storm water	236.6	250.2	217.4	269.4	207.4	61.9
Stores Operating Fund	26.3	27.8	24.2	29.9	23.0	6.9
Cemeteries	54.3	42.0	50.8	45.6	38.3	7.3
Other Non-major Enterprise Funds	45.3	84.1	38.9	90.5	81.7	8.8
Total Compensated Absences	\$ 2,623.1	\$ 2,795.0	\$ 2,409.0	\$ 3,009.1	\$ 2,332.4	\$ 676.8
Net Other Post Employment Benefit Obligations	\$ 11,978.4	\$ 4,421.0	\$ -	\$ 16,399.4	\$ 16,399.4	\$ -
Net Pension Liability	\$ 39,039.5	\$ 8,176.3	\$ -	\$ 47,215.8	\$ 47,215.8	\$ -

COVID-19 MD&A HIGHLIGHTS

The City received \$20.1 million in funding under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in May 2020. \$3.0 million of this revenue was recognized in 2020 while the remaining balance was deferred as of June 30, 2020.

The City offered a tax amnesty program in the wake of COVID-19 for Admissions, Lodging, and Meals Taxes (ALM) to alleviate short-term cash flow concerns facing a number of City businesses that depend on public tourism and negatively affected by the COVID-19 virus. Qualifying taxpayers that normally file an ALM return and provided a monthly tax remittance could submit a return each month (with or without payment), and either pay all taxes due by June 30, 2020, or enter an approved payment plan by that time.

The City offered a Tax Amnesty Program in the wake of COVID-19 for Real Estate and Personal Property Taxes to alleviate short-term cash flow concerns facing a number of City residents negatively affected by the COVID-19 virus. Qualifying taxpayers were permitted to pay their tangible personal property taxes otherwise due June 5, 2020, and/or their real estate taxes otherwise due June 15, 2020, by August 14, 2020, without penalty or interest.

Parking fines were suspended in response to COVID-19 from March 25, 2020, through the end of the Fiscal Year.

ECONOMIC FACTORS

The City's economy, which had been showing steady growth, was and continues to be impacted by COVID-19. The City shutdown on March 13, 2020, following Governor Northam's state of emergency declaration. On March 30, 2020, the Governor issued a statewide Stay at Home executive order to protect the health and safety of Virginians and mitigate the spread of COVID-19 through June 10, 2020. On this same date, the Governor requested federal disaster assistance that was received in the form of a Major Disaster Declaration on April 2, 2020. This designation provided federal public assistance for all areas of the Commonwealth affected by COVID-19 which included Richmond.

On May 8, 2020, Governor Northam presented a detailed, multi-phased plan entitled "Forward Virginia". Phase One, "Safer at Home", became effective on May 15, 2020. This phase limited social gatherings to 10 or less people and continued recommendations for teleworking, social distancing, and protective masks. However, some Commonwealth localities, including Richmond, delayed implementation of Phase One by two weeks in order to meet the health metrics required by the Commonwealth. Phase One had considerable economic impacts on Richmond given the necessary limitations imposed on restaurants, bars, gyms, entertainment, and other businesses. Late in Phase One the City reopened for non-essential employees on May 22, 2020 while encouraging teleworking where appropriate.

Phase Two of "Forward Virginia" became effective on June 5, 2020. This Executive Order continued recommendations for teleworking, social distancing, and required that masks be worn in all indoor public settings. Some operating limitations imposed on business were reduced; the maximum social gathering size permitted was increased to 10 - 50 people, restaurants and bars could operate indoor dining at 50.0 percent capacity, gyms could operate indoor areas at 30 percent occupancy, and certain entertainment venues (museums, zoos, aquariums, outdoor concerts, performing arts venues, sporting events, etc.) could operate with special restrictions. These reopening's provided some additional economic activity to Richmond – but non-essential retail, personal grooming services, and more were still shut down in Phase Two.

Richmond reopened first floor public access for services and in-person payments on June 15, 2020, at City Hall and the East District Center. Additional facilities reopened to the public by appointment only as of this date. As of the end of the 2020 Fiscal Year, Richmond and Virginia remained in Phase Two with plans to enter Phase Three beginning July 1, 2020.

The economic impacts of COVID-19 and the ensuing continued regulations implemented by Governor Northam have produced considerable deleterious impacts to Richmond's economy. The annual unemployment rate at Fiscal Year end increased 8.7 percent from 3.1 percent in June 2019 to 11.8 percent in June 2020. This COVID-19 related spike in unemployment is not unique to Richmond as the Commonwealth experienced a jump of 5.1 percent in unemployment in the same period. Richmond, the Commonwealth, and the entirety of the United States experienced a high spike in unemployment at the end of Fiscal Year 2020.

COVID-19 has influenced the real estate market as well. Interest rates for home loans saw all-time record lows that, despite high unemployment numbers, has led to increased sales. Residents in Richmond and beyond are becoming geographically untethered from their physical workplaces via teleworking. This untethering has led homeowners to reassess their needs as additional space and comfort have replaced geographical ties in the wake of COVID-19.

While population estimates for 2019 (reported as Fiscal Year 2020) do not reflect these housing shifts, the City did show year over year growth in population from 228,783 in 2018 to 230,436 in 2019. This continues a year over year growth trend in population for the City since 2004.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide City residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives and disburses. Questions concerning this report or requests for additional financial information should be directed to the Director of Finance, City of Richmond, 900 East Broad Street, 10th floor Suite 1003, Richmond, Virginia 23219.

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BASIC FINANCIAL



STATEMENTS

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CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2020

Exhibit A, Continued

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Assets				
Current Assets:				
Cash and Cash Equivalents (Note 3)	\$ 190,362,194	\$ 294,907,494	\$ 485,269,688	\$ 114,623,770
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes and Licenses	86,110,076	-	86,110,076	-
Accounts Receivable	26,475,810	40,865,227	67,341,037	8,737,136
Internal Balances, Net	1,554,110	(1,554,110)	-	-
Due From Other Governments (Note 5)	37,309,007	4,171,595	41,480,602	38,672,669
Inventories of Materials and Supplies	287,769	8,828,006	9,115,775	761,945
Prepaid Assets	678,373	7,475,376	8,153,749	8,092,435
Total Current Assets	342,777,339	354,693,588	697,470,927	170,887,955
Non-Current Assets:				
Restricted Assets - Cash and Investments (Note 3)	25,985,899	206,798,364	232,784,263	5,106,660
Mortgage Loans Receivable	-	-	-	27,239,645
Capital Assets, Net (Note 6):				
Land, Land Improvement and Works of Art/Historical	113,967,409	26,342,255	140,309,664	8,003,619
Infrastructure, Net	361,513,047	955,793,652	1,317,306,699	-
Buildings, Structures, Improvements, and Equipment, Net	586,185,172	358,004,819	944,189,991	140,151,679
Construction in Progress	181,001,800	36,093,379	217,095,179	10,483,241
Total Capital Assets, Net	1,242,667,428	1,376,234,105	2,618,901,533	158,638,539
Total Non-Current Assets	1,268,653,327	1,583,032,469	2,851,685,796	190,984,844
Total Assets	1,611,430,666	1,937,726,057	3,549,156,723	361,872,799
Deferred Outflows of Resources				
Deferred Losses on Refunding	20,019,689	16,156,940	36,176,629	-
Pension Related Activities (Note 11)				
Outflows - Pension and OPEB Related	124,962,685	20,234,374	145,197,059	69,728,691
Total Deferred Outflows of Resources	\$ 144,982,374	\$ 36,391,314	\$ 181,373,688	\$ 69,728,691

CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2020

Exhibit A, Concluded

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current Liabilities:				
Combined RPS City Withholding	\$ 1,510,248	\$ -	\$ 1,510,248	\$ -
Accounts Payable	41,549,063	21,374,655	62,923,718	12,330,146
Accrued Liabilities	10,484,292	7,592,565	18,076,857	39,220,063
Accrued Wages	9,738,555	1,617,497	11,356,052	-
Due To Component Units - Schools	47,073,232	-	47,073,232	-
Due To Other Governments	87,219	-	87,219	3,201,847
Accrued Interest on Bonds and Notes Payable	12,461,365	14,056,727	26,518,092	-
Unearned Revenues	31,726,292	-	31,726,292	17,422,807
General Obligation Bonds, Serial Notes Payable (Note 7)	62,595,383	15,420,596	78,015,979	-
Revenue Bonds Payable (Note 7)	1,135,571	26,718,039	27,853,610	-
Compensated Absences (Note 7)	3,598,693	676,732	4,275,425	2,697,193
Other Liabilities and Claims Payable	3,312,053	968,090	4,280,143	25,063,218
Total Current Liabilities	<u>225,271,966</u>	<u>88,424,901</u>	<u>313,696,867</u>	<u>99,935,274</u>
Non-Current Liabilities				
Customers' Deposits	-	9,579,841	9,579,841	796,018
General Obligation Bonds, Serial Notes Payable (Note 7)	782,507,612	60,743,039	843,250,651	1,536,461
Revenue Bonds Payable (Note 7)	-	885,614,073	885,614,073	-
Compensated Absences (Note 7)	17,523,337	2,332,414	19,855,751	-
Other Liabilities and Claims Payable (Note 9)	34,916,102	-	34,916,102	405,687,145
Net Pension and OPEB Liability	423,997,435	63,615,222	487,612,657	16,962,012
Total Non-Current Liabilities	<u>1,258,944,486</u>	<u>1,021,884,589</u>	<u>2,280,829,075</u>	<u>424,981,636</u>
Total Liabilities	<u>1,484,216,452</u>	<u>1,110,309,490</u>	<u>2,594,525,942</u>	<u>524,916,910</u>
Deferred Inflows of Resources				
Membership Fees Received in Advance	-	-	-	9,725
Deferred Revenues	18,068,020	-	18,068,020	-
Prepaid Taxes	57,321	-	57,321	-
Rate Stabilization	-	2,166,333	2,166,333	-
Pension Related Activities (Note 11): Inflows - Pension & OPEB Related	2,956,013	(450,550)	2,505,463	33,208,220
Total Deferred Inflows of Resources	<u>21,081,354</u>	<u>1,715,783</u>	<u>22,797,137</u>	<u>33,217,945</u>
Net Position				
Net Investment in Capital Assets	416,448,551	403,895,298	820,343,849	123,807,408
Restricted for (Note 8):				
Capital Projects	15,686,156	-	15,686,156	33,144,880
Grants and donations	36,978,325	-	36,978,325	1,186,446
Restricted for Debt Service	13,360,832	27,689,733	41,050,565	-
Nonspendable	8,822	-	8,822	118,312
Unrestricted	(231,367,452)	430,507,067	199,139,615	(284,790,411)
Total Net Position	<u>\$ 251,115,234</u>	<u>\$ 862,092,098</u>	<u>\$ 1,113,207,332</u>	<u>\$ (126,533,365)</u>

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

CITY OF RICHMOND, VIRGINIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

EXHIBIT B

Functions/Program Activities	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
Primary Government:								
Governmental:								
General Government	\$ 101,875,696	\$ 85,631,515	\$ 11,060,813	\$ 82,354	\$ (5,101,014)	\$ -	\$ (5,101,014)	\$ -
Public Safety and Judiciary	279,586,631	27,495,861	6,327,626	-	(245,763,144)	-	(245,763,144)	-
Highways, Streets, Sanitation and Refuse	94,247,378	33,296,191	16,939,863	16,106,140	(27,905,184)	-	(27,905,184)	-
Human Services	86,812,754	47,180,443	1,938,961	-	(37,693,350)	-	(37,693,350)	-
Culture and Recreation	33,089,503	1,074,941	601,135	-	(31,413,427)	-	(31,413,427)	-
Education	181,367,280	-	-	-	(181,367,280)	-	(181,367,280)	-
Transportation	16,205,159	-	-	-	(16,205,159)	-	(16,205,159)	-
Interest and Fiscal Charges	24,298,185	-	2,286,520	663,810	(21,347,855)	-	(21,347,855)	-
Total Governmental Activities	<u>817,482,586</u>	<u>194,678,951</u>	<u>39,154,918</u>	<u>16,852,304</u>	<u>(566,796,413)</u>	<u>-</u>	<u>(566,796,413)</u>	<u>-</u>
Business-type:								
Gas	\$ 137,916,117	\$ 150,940,718	\$ (630)	\$ 482,528	\$ -	\$ 13,506,499	\$ 13,506,499	\$ -
Water	62,305,376	77,341,658	62,202	12,927,413	-	28,025,897	28,025,897	-
Wastewater	72,276,266	86,822,228	(30)	5,823,189	-	20,369,121	20,369,121	-
Stormwater	11,297,361	12,192,869	(1,414)	32,144	-	926,238	926,238	-
Cemeteries	1,730,660	1,617,007	-	-	-	(113,653)	(113,653)	-
Parking	14,339,019	16,948,365	-	-	-	2,609,346	2,609,346	-
Total Business-type Activities	<u>299,664,799</u>	<u>345,862,845</u>	<u>60,128</u>	<u>19,265,274</u>	<u>-</u>	<u>65,323,448</u>	<u>65,323,448</u>	<u>-</u>
Total Primary Government	<u>\$ 1,117,347,385</u>	<u>\$ 540,541,796</u>	<u>\$ 39,215,046</u>	<u>\$ 36,117,578</u>	<u>\$ (566,796,413)</u>	<u>\$ 65,323,448</u>	<u>\$ (501,472,965)</u>	<u>\$ -</u>
Component Units:								
School Board	389,340,743	1,480,307	118,001,571	19,100,000	-	-	-	(250,758,865)
Richmond Economic Development Authority	1,819,597	457,988	1,264,539	-	-	-	-	(97,070)
Richmond Ambulance Authority	19,738,471	15,870,005	-	-	-	-	-	(3,868,466)
Richmond Behavioral Health Authority	58,552,603	16,444,092	-	-	-	-	-	(42,108,511)
Richmond Redevelopment and Housing Authority	67,563,954	11,053,739	52,151,985	4,455,651	-	-	-	97,421
Total Component Units	<u>\$ 537,015,368</u>	<u>\$ 45,306,131</u>	<u>\$ 171,418,095</u>	<u>\$ 23,555,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(296,735,491)</u>
General Revenues:								
City Taxes								
Real Estate					301,191,413	-	301,191,413	-
Sales Tax					36,859,051	-	36,859,051	-
Personal Property					67,470,336	-	67,470,336	-
Machinery and Tools					15,375,569	-	15,375,569	-
General Utility Sales					18,858,085	-	18,858,085	-
State Communication Taxes					13,881,289	-	13,881,289	-
Bank Stock					8,951,709	-	8,951,709	-
Prepared Food					40,470,943	-	40,470,943	-
Cigarette Tax					3,856,544	-	3,856,544	-
Lodging Tax					6,537,135	-	6,537,135	-
Admissions					2,561,066	-	2,561,066	-
Real Estate Taxes - Delinquent					9,300,420	-	9,300,420	-
Personal Property Taxes - Delinquent					8,715,611	-	8,715,611	-
Private Utility Poles and Conduits					99,758	-	99,758	-
Penalties and Interest					4,839,234	-	4,839,234	-
Titling Tax-Mobile Home					8,206	-	8,206	-
State Recordation					809,327	-	809,327	-
Property Rental 1%					71,218	-	71,218	-
Vehicle Rental Tax					1,320,598	-	1,320,598	-
Telephone Commissions					418,395	-	418,395	-
Total City Taxes					<u>541,595,907</u>	<u>-</u>	<u>541,595,907</u>	<u>-</u>
Intergovernmental Revenue					-	-	-	108,909,826
Payment From Primary Government - Unrestricted					-	-	-	185,254,042
Investment Earnings					824,899	5,965,690	6,790,589	(190,267)
Miscellaneous					23,481,934	3,073,871	26,555,805	9,944,566
Transfers					30,828,438	(30,828,438)	-	-
Total General Revenues and Transfers					<u>596,731,178</u>	<u>(21,788,877)</u>	<u>574,942,301</u>	<u>303,918,167</u>
Changes in Net Position					29,934,765	43,534,571	73,469,336	7,182,676
Net Position - Beginning of Year, as restated					221,180,469	818,557,527	1,039,737,996	(133,716,041)
Net Position - End of Year					<u>\$ 251,115,234</u>	<u>\$ 862,092,098</u>	<u>\$ 1,113,207,332</u>	<u>\$ (126,533,365)</u>

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

**CITY OF RICHMOND, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020**

EXHIBIT C, Continued

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents (Note 3)	\$ 102,216,981	\$ 652,688	\$ -	\$ 38,012,803	\$ 140,882,472
Receivables (Net of Allowance for Doubtful Accounts):					
Taxes and Licenses	86,110,076	-	-	-	86,110,076
Accounts Receivable, Net	5,266,867	2,477,000	-	13,617,541	21,361,408
Due From Other Funds (Note 4)	110,108,450	-	-	-	110,108,450
Due From Other Governments (Note 5)	29,990,755	-	4,505,127	2,813,125	37,309,007
Prepaid Assets	8,822	-	-	-	8,822
Restricted Assets - Cash and Investments (Note 3)	-	10,231,144	15,686,156	68,599	25,985,899
Total Assets	333,701,951	13,360,832	20,191,283	54,512,068	421,766,134
Liabilities:					
Accounts Payable	22,998,681	-	10,989,376	3,302,718	37,290,775
Accrued Wages	8,515,262	-	68,221	715,745	9,299,228
Accrued Liabilities	5,795,985	-	41,300	905,276	6,742,561
Unearned Revenue	16,614,690	-	7,101,602	8,010,000	31,726,292
Due To Other Funds (Note 4)	-	-	85,518,468	4,600,004	90,118,472
Due To Other Governments	87,219	-	-	-	87,219
Due To Component Unit	47,073,232	-	-	-	47,073,232
Total Liabilities	101,085,069	-	103,718,967	17,533,743	222,337,779
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	66,007,067	-	-	-	66,007,067
Prepaid Taxes	57,321	-	-	-	57,321
Total Deferred Inflows of Resources	66,064,388	-	-	-	66,064,388
Fund Balances (Note 8):					
Nonspendable	8,822	-	-	-	8,822
Restricted	-	13,360,832	15,686,156	36,978,325	66,025,313
Committed	20,090,612	-	-	-	20,090,612
Assigned	33,685,155	-	-	-	33,685,155
Unassigned	112,767,905	-	(99,213,840)	-	13,554,065
Total Fund Balances	166,552,494	13,360,832	(83,527,684)	36,978,325	133,363,967
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 333,701,951	\$ 13,360,832	\$ 20,191,283	\$ 54,512,068	\$ 421,766,134

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

**CITY OF RICHMOND, VIRGINIA
RECONCILIATION OF THE STATEMENT OF NET POSITION TO THE BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2020

EXHIBIT C, Concluded

Total Fund Balances for Governmental Funds		\$ 133,363,967
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land, Works of Art/Historical Treasures	110,604,020	
Infrastructure, net	361,513,047	
Buildings, structures, improvements, and equipment, net	553,352,065	
Construction in progress	<u>179,893,762</u>	1,205,362,894
Other Assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds		
Deferred loss on refunding debt	20,017,879	
Deferred Outflows Related to Pensions - OPEB-VRS	614,715	
Deferred Outflows Related to Pensions - OPEB-COR	20,081,388	
Deferred Outflows Related to pensions - RRS	94,234,257	
Deferred Outflows Related to pensions - VRS	<u>7,110,412</u>	142,058,651
Some of the City's assets will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable revenue in the funds.		
Taxes	47,939,047	47,939,047
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of:		
Accrued Interest	(12,439,394)	
Governmental bonds, notes payable, and line of credit	(839,349,283)	
Compensated Absences	(20,320,704)	
Pension related - Deferred Inflow of Resources - RRS	(1,912,709)	
Pension related - Deferred Inflow of Resources - VRS	(1,400,563)	
Pension related - Net Pension Liability - RRS	(305,067,879)	
Pension related - Net Pension Liability - VRS	(12,980,010)	
OPEB Deferred Inflow of Resources - VRS	(285,000)	
Net Other Post Employment Benefit liability - VRS	(2,124,233)	
Net Other Post Employment Benefit liability - Richmond Plan	<u>(95,315,654)</u>	(1,291,195,429)
Internal service funds are used by the City to charge costs of certain activities to individual funds. The net position of the internal service funds are reported as components of Governmental Activities		
		<u>13,586,104</u>
Net Position of Governmental Activities		<u>\$ 251,115,234</u>

CITY OF RICHMOND, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

EXHIBIT D, Continued

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
Revenues					
City Taxes					
Real Estate	\$ 300,312,274	\$ -	\$ -	\$ -	\$ 300,312,274
Sales Tax	36,859,051	-	-	-	36,859,051
Personal Property	65,221,194	-	-	-	65,221,194
Machinery and Tools	14,769,176	-	-	-	14,769,176
Utility Sales Tax Gas	5,037,801	-	-	-	5,037,801
Utility Sales Tax Electric	14,520,162	-	-	-	14,520,162
Utility Sales Tax Telephone	8,723	-	-	-	8,723
State Communications Taxes	13,881,289	-	-	-	13,881,289
Bank Stock	8,951,709	-	-	-	8,951,709
Prepared Food	38,099,329	-	-	-	38,099,329
Cigarette Tax	3,856,544	-	-	-	3,856,544
Lodging Tax	6,389,571	-	-	-	6,389,571
Admission	2,503,594	-	-	-	2,503,594
Real Estate Taxes - Delinquent	9,300,420	-	-	-	9,300,420
Personal Property Taxes - Delinquent	8,715,611	-	-	-	8,715,611
Private Utility Poles and Conduits	99,758	-	-	-	99,758
Penalties and Interest	7,059,151	-	-	-	7,059,151
Titling Tax-Mobile Home	8,206	-	-	-	8,206
State Recordation	809,327	-	-	-	809,327
Property Rental 1%	71,218	-	-	-	71,218
Vehicle Rental Tax	1,320,598	-	-	-	1,320,598
Telephone Commissions	418,395	-	-	-	418,395
Total City Taxes	538,213,101	-	-	-	538,213,101
Licenses, Permits and Privilege Fees	47,357,981	-	-	-	47,357,981
Intergovernmental	87,132,204	663,810	16,188,494	53,801,730	157,786,238
Service Charges	27,848,904	-	74,129	3,204,194	31,127,227
Fines and Forfeitures	7,520,329	-	-	(870,246)	6,650,083
Utility Payments	24,823,423	-	-	-	24,823,423
Investment Income	-	101,517	717,415	5,967	824,899
Miscellaneous	6,603,977	-	-	11,310,389	17,914,366
Total Revenues	739,499,919	765,327	16,980,038	67,452,034	824,697,318
Expenditures					
Current:					
General Government	51,227,665	-	-	15,370,554	66,598,219
Public Safety and Judiciary	215,243,959	-	-	9,323,090	224,567,049
Highways, Streets, Sanitation and Refuse	33,149,596	-	-	31,561,732	64,711,328
Human Services	58,328,039	-	-	13,955,699	72,283,738
Culture and Recreation	23,619,794	-	-	1,663,135	25,282,929
Education	176,032,861	-	-	-	176,032,861
Non-Departmental	88,689,125	-	-	-	88,689,125
Capital Outlay	-	-	155,501,294	-	155,501,294
Debt Service:					
Principal Retirement	-	43,223,078	-	-	43,223,078
Interest Payments	-	29,808,584	-	-	29,808,584
Debt Issuance costs	-	398,547	486,475	-	885,022
Total Expenditures	646,291,039	73,430,209	155,987,769	71,874,210	947,583,227
Excess (Deficiency) of Revenues Over (Under) Expenditures	93,208,880	(72,664,882)	(139,007,731)	(4,422,176)	(122,885,909)
Other Financing Sources (Uses)					
Issuance of Debt	-	-	17,000,000	-	17,000,000
Issuance of Bonds	-	-	90,486,475	-	90,486,475
Issuance of Refunding Bonds	-	59,444,516	-	-	59,444,516
Receipts from EDA	-	1,433,945	-	-	1,433,945
Payment to Refunded Bond Escrow Agent	-	(14,118,982)	-	-	(14,118,982)
Payoff Line of Credit BAN	-	(45,000,000)	-	-	(45,000,000)
Transfers In - Other Funds	7,678,744	72,506,816	3,593,296	11,577,021	95,355,877
Transfers Out - Other Funds	(86,272,388)	-	-	(1,598,608)	(87,870,996)
Total Other Financing Sources (Uses), Net	(78,593,644)	74,266,295	111,079,771	9,978,413	116,730,835
Net Change in Fund Balances	14,615,236	1,601,413	(27,927,960)	5,556,237	(6,155,074)
Fund Balances - Beginning of Year	151,937,258	11,759,419	(55,599,724)	31,422,088	139,519,041
Fund Balances - End of Year	\$ 166,552,494	\$ 13,360,832	\$ (83,527,684)	\$ 36,978,325	\$ 133,363,967

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

CITY OF RICHMOND, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN THE FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

EXHIBIT D, Concluded

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net change in Fund Balances - Total Governmental Funds	\$	(6,155,074)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Purchase/Disposal of Assets	214,511,878	
Depreciation expense	<u>(47,762,797)</u>	166,749,081

The issuance of long term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from borrowing, net of escrow payments	(166,930,991)	
Principal payments of bonds, net of payments on behalf of Component Units	102,108,079	
Amortization of bond premiums and refunding	<u>6,631,884</u>	(58,191,028)

Some revenues in the Statement of Activities do not provide of current financial resources and, therefore, are not reported as revenues in the governmental funds.

Change in Deferred Tax Revenue	9,957,009	9,957,009
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Some expenditures in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in Accrued Interest	1,489,743	
Change in Compensated Absences	(2,014,819)	
Change in Pension	(59,002,124)	
Change in Other Post Employment Benefit Obligations	<u>(25,502,183)</u>	(85,029,383)

Internal Service Funds are used by the City to charge costs of certain activities to individual funds. The net revenue of Internal Service Funds is reported as a component of Governmental Activities.

		<u>2,604,160</u>
Change in Net Position of Governmental Activities	\$	<u><u>29,934,765</u></u>

CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

EXHIBIT E-1

Enterprise Funds

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Assets							
Current Assets:							
Cash and Cash Equivalents (Note 3)	\$ 45,678,456	\$ 106,319,093	\$ 133,424,923	\$ -	\$ 9,485,022	\$ 294,907,494	\$ 49,479,719
Accounts Receivables (Net of Allowance for Doubtful Accounts)	2,611,781	18,377,531	14,391,707	4,018,649	1,465,559	40,865,227	5,114,402
Due From Other Funds (Note 4)	996,066	938,706	4,235,706	-	-	6,170,478	-
Due From Other Governments (Note 5)	-	3,001,703	1,169,892	-	-	4,171,595	-
Inventories of Materials and Supplies	4,212,001	-	-	-	-	4,212,001	4,903,774
Prepaid Expenses and Other Current Assets	2,475,786	2,216,572	2,683,992	-	-	7,376,350	768,577
Total Current Assets	55,974,090	130,853,605	155,906,220	4,018,649	10,950,581	357,703,145	60,266,472
Noncurrent Assets:							
Restricted Cash	31,297,422	31,249,670	144,251,272	-	-	206,798,364	-
Capital Assets (Note 6):							
Land	219,200	878,307	1,101,261	-	22,456,955	24,655,723	5,049,921
Buildings and Structures	649,957,917	524,968,988	644,267,223	19,611,054	36,121,387	1,874,926,569	61,964,250
Equipment and Other Assets	60,469,960	91,415,511	187,913,639	32,026,274	3,894,379	375,719,763	118,431,388
Construction in Progress	3,477,086	13,744,843	15,180,147	3,691,303	-	36,093,379	1,108,038
Less: Accumulated Depreciation	(300,761,547)	(251,316,842)	(363,547,649)	(8,058,542)	(13,887,324)	(937,571,904)	(146,838,488)
Total Capital Assets, Net Accumulated Depreciation	413,362,616	379,690,807	484,914,621	47,270,089	48,585,397	1,373,823,530	39,715,109
Total Noncurrent Assets	444,660,038	410,940,477	629,165,893	47,270,089	48,585,397	1,580,621,894	39,715,109
Total Assets	500,634,128	541,794,082	785,072,113	51,288,738	59,535,978	1,938,325,039	99,981,581
Deferred Outflows of Resources							
Losses on Refunding of Debt	6,172,029	4,009,714	5,975,197	-	-	16,156,940	1,810
Outflows-Pension and OPEB Related	7,281,571	4,707,848	5,551,943	1,725,870	794,039	20,061,271	3,095,015
Total Deferred Outflows of Resources	13,453,600	8,717,562	11,527,140	1,725,870	794,039	36,218,211	3,096,825
Liabilities							
Current Liabilities:							
Combined RPS City Withholding	-	-	-	-	-	-	1,510,248
Accounts Payable	8,207,870	4,036,927	6,498,118	1,319,803	987,125	21,049,843	4,583,097
Accrued Liabilities	2,931,112	3,109,237	1,508,752	26,037	15,963	7,591,101	3,743,195
Accrued Wages	561,837	421,241	417,256	147,844	58,539	1,606,717	450,107
Due To Other Funds (Note 4)	-	-	-	5,965,621	1,554,110	7,519,731	18,640,725
Accrued Interest on Bonds Payable	4,895,456	3,407,678	5,071,211	1,428	680,954	14,056,727	21,971
General Obligation Bonds and Notes Payable (Note 7)	5,706,165	4,548,140	724,499	607,469	3,834,323	15,420,596	1,097,703
Revenue Bonds Payable (Note 7)	7,881,751	6,572,256	12,264,032	-	-	26,718,039	1,135,571
Compensated Absences (Note 7)	240,880	178,940	172,056	61,941	16,032	669,849	69,835
Other Liabilities & Claims Payable	203,296	-	-	764,794	-	968,090	3,312,053
Total Current Liabilities	30,628,367	22,274,419	26,655,924	8,894,937	7,147,046	95,600,693	34,564,505
Noncurrent Liabilities:							
Customers' Deposits	7,198,866	2,380,975	-	-	-	9,579,841	-
General Obligation Bonds and Notes Payable (Note 7)	7,113,237	4,299,264	3,422	3,782,859	45,544,257	60,743,039	4,656,009
Revenue Bonds Payable (Note 7)	280,814,264	202,696,659	402,103,150	-	-	885,614,073	-
Compensated Absences (Note 7)	806,623	599,206	576,159	207,417	119,962	2,309,367	761,421
Net Pension and OPEB Liability	22,877,905	14,781,725	17,357,841	5,571,857	2,477,154	63,066,482	9,058,398
NC Other Liabilities & Claims Payable	-	-	-	-	-	-	34,916,102
Total Noncurrent Liabilities	318,810,895	224,757,829	420,040,572	9,562,133	48,141,373	1,021,312,802	49,391,930
Total Liabilities	349,439,262	247,032,248	446,696,496	18,457,070	55,288,419	1,116,913,495	83,956,435
Deferred Inflows of Resources							
Inflows-Pension and OPEB Related	(190,509)	(191,788)	(11,113)	(33,134)	(33,932)	(460,476)	(632,333)
Rate Stabilization	-	-	2,166,333	-	-	2,166,333	-
Total Deferred Inflows of Resources	(190,509)	(191,788)	2,155,220	(33,134)	(33,932)	1,705,857	(632,333)
Net Position							
Net Investment in Capital Assets	118,019,228	165,584,202	75,794,715	42,879,761	(793,183)	401,484,723	32,827,638
Restricted - Debt Service	9,128,885	6,964,281	11,596,567	-	-	27,689,733	-
Unrestricted	37,690,862	131,122,701	260,356,255	(8,289,089)	5,868,713	426,749,442	(13,073,334)
Total Net Position	\$ 164,838,975	\$ 303,671,184	\$ 347,747,537	\$ 34,590,672	\$ 5,075,530	\$ 855,923,898	\$ 19,754,304

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

Reconciliation of Enterprise Funds
Net Position to Business-Type of Net Position

Net Position as Shown on Statement of Net
Position - Proprietary Fund 855,923,898

The Allocation of Internal Service Fund to
Various Activities, Funds, Etc. as it Relates
to Business-Type Activities 6,168,200

Net Position Shown on Government-Wide
Statement of Net Position \$ 862,092,098

CITY OF RICHMOND, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN THE NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

EXHIBIT E-2

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Operating Revenues							
Charges for Goods and Services	\$ 150,461,746	\$ 77,076,714	\$ 86,821,333	\$ 12,192,198	\$ 18,527,823	\$ 345,079,814	\$ 118,620,476
Operating Expenses							
Purchased Gas	61,470,173	-	-	-	-	61,470,173	-
Intragovernmental Goods and Services Sold	-	-	-	-	-	-	9,879,421
Salaries and Wages and Benefits	19,759,799	14,432,628	14,043,741	4,876,058	1,841,777	54,954,003	12,247,996
Data Processing	-	-	-	-	-	-	8,161,312
Materials and Supplies	1,247,430	1,424,820	1,421,650	126,020	42,973	4,262,893	1,673,644
Rents and Utilities	401,021	4,416,317	4,353,987	174,906	499,186	9,845,417	3,070,717
Maintenance and Repairs	13,428,540	7,342,462	7,721,798	2,773,599	4,928,391	36,194,790	2,194,519
Depreciation and Amortization	22,476,040	16,583,271	21,819,032	1,960,759	1,619,174	64,458,276	5,190,908
Claims and Settlements	-	-	-	-	25,447	25,447	62,821,013
Uncollectible Expense	1,688,690	1,421,129	1,691,052	244,475	-	5,045,346	(780)
Miscellaneous Operating Expenses	12,570,253	15,367,833	19,389,363	1,139,553	5,836,610	54,303,612	11,226,370
Total Operating Expenses	133,041,946	60,988,460	70,440,623	11,295,370	14,793,558	290,559,957	116,465,120
Operating Income (Loss)	17,419,800	16,088,254	16,380,710	896,828	3,734,265	54,519,857	2,155,356
Non-Operating Revenues (Expenses)							
Interest on Long-Term Debt	(10,141,392)	(7,561,750)	(9,548,483)	(1,428)	(1,276,121)	(28,529,174)	(103,108)
Interest Income	39,730	2,747,490	3,178,470	-	-	5,965,690	4,827
Interest Expense	(37,542)	(10,591)	-	-	-	(48,133)	-
Miscellaneous Revenues (Expenses)	(175,538)	1,196,827	2,184,840	(67,033)	-	3,139,096	(83,861)
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	(73,360)
Total Non-Operating Revenues (Expenses), Net	(10,314,742)	(3,628,024)	(4,185,173)	(68,461)	(1,276,121)	(19,472,521)	(255,502)
Net Income Before Contributions and Transfers	7,105,058	12,460,230	12,195,537	828,367	2,458,144	35,047,336	1,899,854
Capital Contributions	438,672	12,985,963	5,791,779	30,866	-	19,247,280	91,569
Transfers In - Other Funds	-	-	-	-	37,549	37,549	746,033
Transfers Out - Other Funds	(3,048,686)	(784,103)	(3,750,968)	-	(3,347,133)	(10,930,890)	-
Change in Net Position	4,495,044	24,662,090	14,236,348	859,233	(851,440)	43,401,275	2,737,456
Net Position - Beginning of Year	160,343,931	279,009,094	333,511,189	33,731,439	5,926,970	812,522,623	17,016,848
Net Position - End of Year	\$ 164,838,975	\$ 303,671,184	\$ 347,747,537	\$ 34,590,672	\$ 5,075,530	\$ 855,923,898	\$ 19,754,304

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

Reconciliation of Enterprise Funds Change in Net Position per
statement above to the Statement of Activities change in net
position for Business-Type Activities

Changes in net position as Shown on Statement of Net
Position - Proprietary Funds 43,401,275

The Allocation of Internal Service Fund to
Various Activities, Funds, Etc. as it Relates
to Business-Type Activities 133,296

Change in Net Position as Shown on Government-Wide
Statement of Activities \$ 43,534,571

CITY OF RICHMOND, VIRGINIA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

EXHIBIT E-3

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Cash Flows from Operating Activities							
Receipts from Customers	\$ 151,403,005	\$ 74,092,842	\$ 83,357,889	\$ 12,201,862	\$ 18,916,232	\$ 339,971,830	\$ 119,792,312
Payments to Suppliers	(79,851,846)	(22,562,884)	(24,966,136)	(4,089,115)	(11,225,915)	(142,695,896)	(99,514,154)
Payments to Employees	(18,748,292)	(13,771,252)	(13,287,828)	(4,645,965)	(1,688,717)	(52,142,054)	(11,374,708)
Payments to Other Funds	(6,409,213)	(6,208,210)	(7,641,691)	-	-	(20,259,114)	-
Receipts from Other Funds	-	-	-	-	-	-	(230,670)
Other Receipts or (Payments)	1,597	1,299,061	(13,237)	(68,311)	-	1,219,110	7,706
Net Cash Provided By Operating Activities	46,395,251	32,849,557	37,448,997	3,398,471	6,001,600	126,093,876	8,680,486
Cash Flows from Noncapital Financing Activities							
Government Subsidies	487,995	14,360,936	13,279,179	44,403	37,549	28,210,062	-
Transfers In - Other Funds	-	-	-	-	-	-	-
Transfers Out - Other Funds	(3,048,686)	(784,103)	(3,750,968)	-	-	(7,583,757)	-
Due From Other Funds	(107,999)	(86,331)	(158,216)	476,585	-	124,039	-
Due to Other Funds	-	-	-	-	(8,206)	(8,206)	(6,589,338)
Net Cash Provided By (Used In) Noncapital Financing Activities	(2,668,690)	13,490,502	9,369,995	520,988	29,343	20,742,138	(6,589,338)
Cash Flows from Capital and Related Financing Activities							
Acquisition of Capital Assets	(24,753,094)	(13,713,988)	(21,254,036)	(7,178,990)	-	(66,900,108)	(1,923,229)
Proceeds from Bond Sale	19,895,903	-	130,623,164	3,324,000	-	153,843,067	-
Repayments of Revenue Bonds, General Obligation Bonds	(13,193,878)	(11,010,276)	(11,365,133)	(64,469)	(5,937,319)	(41,571,075)	4,244,769
Repayments of Notes Payables	-	-	-	-	-	-	-
Interest Paid on Long-Term Debt	(12,380,766)	(9,469,821)	(11,958,997)	-	(1,336,346)	(35,145,930)	(114,848)
Net Cash Used in Capital and Related Financing Activities	(30,431,835)	(34,194,085)	86,044,998	(3,919,459)	(7,273,665)	10,225,954	2,206,692
Cash Flows from Investing Activities							
Interest Earned on Operating Funds	39,730	2,747,490	3,178,469	-	-	5,965,689	-
Interest Paid on Customers' Deposits	(37,542)	(10,591)	-	-	-	(48,133)	-
Net Cash Provided By Investing Activities	2,188	2,736,899	3,178,469	-	-	5,917,556	-
Net Increase (Decrease) in Cash and Cash Equivalents	13,296,914	14,882,873	136,042,459	-	(1,242,722)	162,979,524	4,297,840
Cash and Cash Equivalents at July 1, 2019	63,678,964	122,685,890	141,633,736	-	10,727,744	338,726,334	45,181,879
Cash and Cash Equivalents at June 30, 2020	\$ 76,975,878	\$ 137,568,763	\$ 277,676,195	\$ -	\$ 9,485,022	\$ 501,705,858	\$ 49,479,719
Reconciliation of Operating Income (Loss)							
To Net Cash Provided by (Used In) Operating Activities							
Operating Income (Loss)	\$ 17,419,800	\$ 16,088,254	\$ 16,380,710	\$ 896,828	\$ 3,734,265	\$ 54,519,857	\$ 2,155,356
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:							
Depreciation	22,476,040	16,583,271	21,819,032	1,960,759	1,619,174	64,458,276	5,190,908
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	73,360
Pension Expense	884,049	592,971	638,572	197,301	99,536	2,412,429	576,727
Miscellaneous Revenues (Expenses)	(175,538)	1,196,827	(13,237)	(68,311)	-	939,741	7,706
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Accounts Receivable	2,629,949	(1,562,744)	(1,772,392)	254,139	388,410	(62,638)	1,170,653
Due from General Fund	-	-	-	-	-	-	-
Due From Component Unit	-	-	-	-	-	-	-
Inventories of Material and Supplies	2,566,516	-	-	-	-	2,566,516	15,594
Prepaid Expenses	(37,192)	(183,947)	(71,820)	-	-	(292,959)	(636,933)
Accounts Payable	321,746	86,399	350,796	126,436	106,710	992,087	233,700
Accrued Liabilities	5,275	(122,114)	-	-	17,100	(99,739)	(305,360)
Customers' Deposits	220,992	107,958	-	-	-	328,950	-
Compensated Absences	127,470	68,405	117,336	32,778	36,405	382,394	198,775
Other Liabilities	-	(64,273)	-	(1,459)	-	(65,732)	-
Total Adjustments	29,019,307	16,702,753	21,068,287	2,501,643	2,267,335	71,559,325	6,525,130
Net Cash Provided by (Used In) Operating Activities	\$ 46,439,107	\$ 32,791,007	\$ 37,448,997	\$ 3,398,471	\$ 6,001,600	\$ 126,079,182	\$ 8,680,486

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

CITY OF RICHMOND, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2020

EXHIBIT F-1

	Pension Trust Funds	Agency Funds
Assets:		
Cash and Short-term Investments	\$ 7,081,202	\$ 3,727,087
Pooled Funds	782,386	
Receivables:	-	
Due from Other Funds	-	-
Due from Brokers on Sale of Securities	135,314	-
Interest and Dividends	94,958	-
Contributions from Participating Employers	1,444,155	-
Other Accounts Receivable	2,901,758	-
Investments, at Fair Value:	-	
US-Equities	151,359,553	-
International Equities	97,784,185	-
Fixed Income	176,918,106	-
Real Estate Investment Trusts	33,911,739	-
Diversifying Assets	59,991,630	-
Private Debt	154,712,029	-
Private Equity	14,232,905	-
Opportunistic Fixed Income	-	-
Total Investment, at Fair Value	688,910,147	3,727,087
Cash Collateral Received - Security Lending Program	689,549	-
Total Assets	702,039,469	3,727,087
Capital Assets:		
Furniture Fixtures and Equipment	127,215	-
Leasehold Improvement	173,193	-
Total Capital Assets	300,408	-
Total Assets	702,339,877	3,727,087
Liabilities:		
Accounts Payable	16,870,449	-
Refundable Deposits	-	638,045
Payable for Collateral Received - Security Lending Program	694,622	-
Due to Other Funds	-	-
Due to Various Agents	-	3,089,042
Total Liabilities	\$ 17,565,071	\$ 3,727,087
Net Position Restricted for Pensions	\$ 684,774,806	

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

CITY OF RICHMOND, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2020

EXHIBIT F-2

	Pension Trust Funds
Additions:	
Contributions:	
City of Richmond	\$ 54,468,427
Richmond Behavioral Health Authority	1,090,640
Richmond Public Schools	181,354
Plan Members	10,113,838
Total Contributions	65,854,259
Investment Income:	
Net Depreciation in Fair Value of Investments	13,415,974
Interest	541,717
Dividends	2,362,350
Net Increase in the Fair Value of Investments	16,320,041
Net Income Earned on Securities Lending Transactions:	
Securities Lending Income	38,447
Securities Lending Expense	(26,824)
Total Net Income Earned on Securities Lending Transactions	11,623
Investment Income	16,331,664
Less: Investment Expense	(2,178,492)
Net Investment Loss	14,153,172
Total Additions, net	80,007,431
Deductions:	
Benefits	83,853,813
Refunds of Member Contributions	52,402
Administrative Expenses	1,570,240
Depreciation Expense	60,082
Other	(76,608)
Total Deductions	85,459,929
Net Increase	(5,452,497)
Net Position Restricted for Pensions - Beginning of Year	690,227,303
Net Position Restricted for Pensions - End of Year	\$ 684,774,806

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

**CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2020**

EXHIBIT G-1

	School Board	Richmond Economic Development Authority	Richmond Ambulance Authority	Richmond Behavioral Health Authority	Richmond Redevelopment and Housing Authority	Total
Assets						
Cash and Cash Equivalents	\$ 50,148,673	\$ 6,789,506	\$ 5,811,490	\$ 22,635,409	\$ 29,238,692	\$ 114,623,770
Due From Primary Government	-	-	-	-	-	-
Due From Other Governments	37,442,626	-	-	1,230,043	-	38,672,669
Accounts Receivable	1,015,635	460,738	2,319,984	2,872,237	2,068,542	8,737,136
Inventories of Materials and Supplies	523,149	-	238,796	-	-	761,945
Prepaid Expenses and Other Current Assets	25,400	27,728	633,502	930,298	6,475,507	8,092,435
Investments	1,513,920	459,620	2,512,863	-	620,257	5,106,660
Mortgage Loans Receivable and Other Non-Current Assets	-	-	-	-	27,239,645	27,239,645
Capital Assets:						
Land	-	-	-	-	8,003,619	8,003,619
Buildings and Structures	-	12,379,547	998,407	-	154,821,428	168,199,382
Other Non-Current Assets	-	20,353,959	-	19,521,358	-	39,875,317
Equipment	55,792,898	-	11,600,630	-	18,541,900	85,935,428
Less: Accumulated Depreciation	(37,966,427)	-	(8,725,426)	-	(107,166,595)	(153,858,448)
Construction in Progress	-	-	-	-	10,483,241	10,483,241
Total Capital Assets	<u>17,826,471</u>	<u>32,733,506</u>	<u>3,873,611</u>	<u>19,521,358</u>	<u>84,683,593</u>	<u>158,638,539</u>
Total Assets	<u>108,495,874</u>	<u>40,471,098</u>	<u>15,390,246</u>	<u>47,189,345</u>	<u>150,326,236</u>	<u>361,872,799</u>
Deferred Outflows of Resources						
Deferred OPEB contributions	3,102,699	-	-	-	-	3,102,699
Deferred OPEB investment experience	1,694	-	-	-	-	1,694
Deferred OPEB Economic experience	1,013,086	-	-	-	166,900	1,179,986
Deferred Pension change of assumptions	27,461,054	-	-	-	-	27,461,054
Deferred OPEB change of assumptions	2,126,881	-	-	-	-	2,126,881
Deferred Pension proportionate share	5,484,097	-	-	-	-	5,484,097
Deferred OPEB proportionate share	645,725	-	-	-	1,288,657	1,934,382
Deferred Pension contributions	25,232,270	-	-	3,205,628	-	28,437,898
Total Deferred Outflows of Resources	<u>65,067,506</u>	<u>-</u>	<u>-</u>	<u>3,205,628</u>	<u>1,455,557</u>	<u>69,728,691</u>
Liabilities						
Accounts Payable	6,123,991	43,285	1,070,203	2,428,374	2,664,293	12,330,146
Accrued Liabilities	35,571,908	62,308	538,411	1,277,325	1,770,111	39,220,063
Due To Primary Government	-	-	-	-	-	-
Due To Other Governments	2,665,291	-	-	-	536,556	3,201,847
Unearned Revenues	4,876,921	-	-	12,028,434	517,452	17,422,807
Customers' Deposits	-	134,000	-	-	662,018	796,018
Bonds, Notes Payable and Capital Leases	-	-	-	170,824	-	170,824
Other Current Liabilities	2,635,867	685,000	-	15,216,694	14,985	18,552,546
Compensated Absences	-	-	-	2,042,978	654,215	2,697,193
Accrued helathcare claims	6,339,848	-	-	-	-	6,339,848
Non-Current Liabilities:						
Bonds, Notes Payable and Capital Leases	-	-	14,648	-	1,521,813	1,536,461
Other Noncurrent Liabilities	362,429,260	27,547,507	-	2,946,496	12,763,882	405,687,145
Net Other Postemployment Benefit Obligations	-	-	-	2,877,159	-	2,877,159
Net Pension Liability	-	-	-	7,743,358	6,341,495	14,084,853
Total Liabilities	<u>420,643,086</u>	<u>28,472,100</u>	<u>1,623,262</u>	<u>46,731,642</u>	<u>27,446,820</u>	<u>524,916,910</u>
Deferred Inflow of Resources						
Net Difference Between Projected and Actual Earnings on Pension Plan	-	-	-	-	673,957	673,957
Deferred OPEB assumptions	645,753	-	-	-	-	645,753
Deferred OPEB Economic Experience	219,898	-	-	-	-	219,898
Deferred OPEB investment experience	464,848	-	-	-	-	464,848
Deferred OPEB proportionate share	623,320	-	-	-	-	623,320
Deferred Inflow Change in Assumptions	-	-	-	198,173	-	198,173
Deferred Pension investment experience, net	6,300,627	-	-	-	-	6,300,627
Deferred Pension Economic experience	17,545,326	-	-	-	-	17,545,326
deferred Pension Proportionate share	5,496,129	-	-	-	-	5,496,129
Other Pension Deferrals	-	-	-	1,040,189	-	1,040,189
Membership fees received in advance	-	-	9,725	-	-	9,725
Total Deferred Inflows of Resources	<u>31,295,901</u>	<u>-</u>	<u>9,725</u>	<u>1,238,362</u>	<u>673,957</u>	<u>33,217,945</u>
Net Position						
Net Investment in Capital Assets	13,981,267	4,879,547	3,858,963	16,404,038	84,683,593	123,807,408
Restricted for:						
Capital Projects	18,921,633	1,737,212	-	-	12,486,035	33,144,880
Permanent Funds:						
Expendable	1,186,446	-	-	-	-	1,186,446
Nonexpendable	118,312	-	-	-	-	118,312
Unrestricted	(312,583,265)	5,382,239	9,898,296	(13,979,069)	26,491,388	(284,790,411)
Total Net Position	<u>\$ (278,375,607)</u>	<u>\$ 11,998,998</u>	<u>\$ 13,757,259</u>	<u>\$ 2,424,969</u>	<u>\$ 123,661,016</u>	<u>\$ (126,533,365)</u>

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

**CITY OF RICHMOND, VIRGINIA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2020**

Functions/Program Activities	Program Revenues				Net (Expenses) Revenues and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Richmond Economic Development Authority	Richmond Ambulance Authority	Richmond Behavioral Health Authority	Richmond Redevelopment and Housing Authority	Total
School Board	\$ 389,340,743	\$ 1,480,307	\$ 118,001,571	\$ 19,100,000	\$ (250,758,865)	\$ -	\$ -	\$ -	\$ -	\$ (250,758,865)
Richmond Economic Development Authority	1,819,597	457,988	1,264,539	-	-	(97,070)	-	-	-	(97,070)
Richmond Ambulance Authority	19,738,471	15,870,005	-	-	-	-	(3,868,466)	-	-	(3,868,466)
Richmond Behavioral Health Authority	58,552,603	16,444,092	-	-	-	-	-	(42,108,511)	-	(42,108,511)
Richmond Redevelopment and Housing Authority	67,563,954	11,053,739	52,151,985	4,455,651	-	-	-	-	97,421	97,421
Total Component Units	\$ 537,015,368	\$ 45,306,131	\$ 171,418,095	\$ 23,555,651	\$ (250,758,865)	\$ (97,070)	\$ (3,868,466)	\$ (42,108,511)	\$ 97,421	\$ (296,735,491)
General Revenues:										
Payment From Primary Government					175,193,144	741,172	5,000,000	4,319,726	-	185,254,042
Intergovernmental Revenue Not Restricted to Specific Programs					80,230,781	(2,631,784)		31,310,829	-	108,909,826
Investment Earnings						221,000			118,855	339,855
Gain/(Loss) on Disposal of Assets								874,600		874,600
Miscellaneous Other Income					447,358	1,267,190	762,761	138,830	6,592,657	9,208,796
Interest Expense						(767,229)		(54,106)		(821,335)
Interest Income					14,185	4,873	53,706	79,619		152,383
Total General Revenues					255,885,468	(1,164,778)	5,816,467	36,669,498	6,711,512	303,918,167
Changes in Net Position					5,126,603	(1,261,848)	1,948,001	(5,439,013)	6,808,933	7,182,676
Net Position - Beginning of Year					(283,502,210)	13,260,846	11,809,258	7,863,982	116,852,083	(133,716,041)
Net Position - End of Year					\$ (278,375,607)	\$ 11,998,998	\$ 13,757,259	\$ 2,424,969	\$ 123,661,016	\$ (126,533,365)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Richmond, Virginia (City) was founded by William Byrd in 1737, established as a town in May 1742, and incorporated as a City on July 19, 1782. The City operates on a Mayoral-Council form of government and provides all municipal services to its residents. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City's financial statements are prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's financial reporting entity is defined and its financial statements are presented in accordance with GAAP, which defines the distinction between the City as a Primary Government and its related entities. Accordingly, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable, hereafter referred to as the reporting entity. The City has two types of Component Units – Blended and Discretely. The Blended Component Units are separate legal entities, in substance, that are part of the City's operations; thus, financial data from these units are combined with that of the City and reported in the appropriate fund type. Each Blended Component Unit has a June 30 fiscal year-end. The Discretely presented Component Units, on the other hand, are reported in a separate column in the Government-Wide financial statements to emphasize that they are legally separate from the primary government. Each Discretely presented Component Unit has a June 30 fiscal year-end, except for the Richmond Redevelopment and Housing Authority, which has a September 30 fiscal year-end.

Blended Component Units

The City reports two Blended Component Units, the Richmond Retirement System (RRS) and the Advantage Richmond Corporation (ARC). These Component Units are reported as a Fiduciary Pension Trust Fund and an Internal Service Fund, respectively.

The Richmond Retirement System (RRS)

The purpose of the RRS is to manage retirement plans for the City. RRS is fiscally dependent upon the City and provides services primarily to the City's employees. RRS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report can be requested at 900 East Broad Street, Richmond, VA 23219 or may be accessed on the RRS website at the following address:

<https://rva.gov/index.php/retirement-system/annual-reports>

Advantage Richmond Corporation (ARC)

The purpose of the ARC is to assist the City, when authorized by the City Council, in acquiring, constructing, renovating, equipping, maintaining, and operating public buildings and other public structures for or on behalf of the City and in providing financing for such activities. ARC is fiscally dependent upon and performs services primarily for the City.

Discretely Presented Component Units

The Component Unit column in the Government-Wide financial statements comprises financial data on the City's Discretely presented Component Units. The governing bodies of all Component Units are appointed by the City Council, except the School Board of the City of Richmond, which is elected. The following Component Units are included in the reporting entity because they are financially accountable to the City and there is a financial burden and/or a benefit relationship between the City and the Component Unit.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

The School Board of the City of Richmond (School Board)

The School Board administers the Richmond Public School system. The City Council approves the School Board's annual operating budget and provides a major portion of the funding through annual appropriations. Complete financial statements of the School Board may be obtained from the administrative offices located at 301 North Ninth Street, Richmond, VA 23219.

Proprietary Component Units

Economic Development Authority of the City of Richmond, Virginia (EDA)

The EDA promotes industry and develops trade by inducing entities to locate in or remain in the City. The City annually provides significant operating subsidies to the EDA, thus, a financial burden/benefit relationship exists between the entities. Complete financial statements for EDA may be requested at 501 E. Franklin Street, Richmond, VA 23219.

Richmond Ambulance Authority (RAA)

RAA provides emergency and non-emergency medical care and transportation services for the City. The City annually provides significant operating subsidies to RAA, thus, a financial burden relationship exists between the City and RAA. Complete financial statements for RAA may be requested at Post Office Box 26286, Richmond, VA 23260.

Richmond Behavioral Health Authority (RBHA)

RBHA provides behavioral health services to residents of the City under Sections 15.1-1676 of the *Code of Virginia* (1950), as amended. The City annually provides significant operating subsidies to RBHA, thus, a financial burden relationship exists between the City and RBHA. Complete financial statements for RBHA may be obtained from the administrative offices located at 107 S. 5th Street, Richmond, VA 23219.

Richmond Redevelopment and Housing Authority (RRHA)

RRHA is responsible for operating a low-rent housing program, which provides housing for eligible families, for operating redevelopment and conservation programs in accordance with the City's Master Plan, and for the delivery of services to citizens of low-rent housing and urban renewal areas through the encouragement and development of social and economic opportunities. The City Council appoints the Commissioners of RRHA and is financially accountable for RRHA's operations. RRHA's September 30 fiscal year-end Audited Financial Statements are included in the City's Component Unit combining financial statements. Complete financial statements for RRHA may be obtained from the administrative offices located at 901 Chamberlayne Avenue, Richmond, VA 23220.

RRHA and the City have different fiscal years, which can result in timing differences in transactions between RRHA and the City as noted in the basic financial statement balances for Due To and From Primary Government and Component Units.

Joint Ventures

Greater Richmond Transit Company (GRTC)

The City retains an ongoing financial responsibility for the Greater Richmond Transit Company, which under a joint venture agreement between the City and the County of Chesterfield, Virginia, provides mass transportation for passengers on a regional basis and associated para-transit service mandated by the Americans with Disabilities Act for the purposes of providing continuous service within and between the jurisdictions of the City, Chesterfield County and Henrico County. Greater Richmond Transit Company, a public service corporation incorporated on April 12, 1973, is governed by a six-member board of directors; three of which are appointed by the City and three by the County of Chesterfield. MV Contract Transportation Inc., is under contract with the Greater Richmond Transit Company to provide the executive management team that manages the operations of the 100 percent owned subsidiary, Old Dominion Transit Management Company, which does business as GRTC Transit System.

Fare revenues and route subsidies pay all costs associated with each locality utilizing the GRTC Transit System services only to the extent that each locality operates routes within their jurisdiction. The City expended \$15,915,367 for operating subsidies for bus routes and para-transit services within the City for the year ended June 30, 2020. The City also expended \$344,493 for local match funds needed to secure 80 percent of Federal grant funds that are used for the Company's capital purchases. Complete financial statements for the Greater Richmond Transit Company can be obtained from the Finance Department, GRTC Transit System, 301 East Belt Boulevard, Richmond, VA 23224.

Jointly Governed Organizations

Capital Region Airport Commission (Commission) was created in 1975 under Chapter 380 (as amended by Chapter 410) of the *Code of Virginia* (Code) when the City and the County of Henrico adopted a resolution declaring a need for the Commission. Since that time, the Counties of Chesterfield and Hanover have become Commission participants.

The Commission is comprised of a fourteen-member board of directors, with four members each appointed by the City, County of Henrico and County of Chesterfield and two members appointed by the County of Hanover. The Commission generates its revenues from service charges to users of the Airport facilities to recover the costs of maintaining, repairing and operating the Airport. Virginia law requires that the Commission submit an annual budget showing estimated revenues and estimated expenditures to the governing bodies. If the Commission's budget contains estimated expenditures which exceed estimated revenues, the governing bodies are required to fund the deficit in proportion to their financial interest in the Commission. If, however, actual revenues are less than estimated revenues identified in the budget (resulting in a deficit), the City and Counties may, at their discretion, appropriate funds necessary to fund the deficit. The City did not provide funding to the Commission during the fiscal year ended June 30, 2020.

Central Virginia Waste Management Authority (CVWMA) was created pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2 of the Code of Virginia (1950), as amended). CVWMA's purpose is to plan, acquire, construct, reconstruct, improve, extend, operate, contract for and maintain any garbage and refuse collection, transfer and disposal program or system, including waste reduction, waste material recovery, recycling as mandated by law or otherwise, resource recovery, waste incineration, landfill operation, ash management, sludge disposal from water and wastewater treatment facilities, household hazardous waste management and disposal, and similar programs within one or more political subdivisions which are members of the CVWMA. The City is a member of the CVWMA. The CVWMA is governed by a Board of Directors consisting of one or more representatives appointed by each of the thirteen member cities, town and counties. The City appointed three of the twenty-member board of directors. The City provided \$2,595,957 in funding to CVWMA for the fiscal year ended June 30, 2020.

The *Greater Richmond Partnership* (GRP) is comprised of members from the City and the counties of Chesterfield, Hanover, and Henrico. Together in partnership with the business leadership of the area, the GRP's purpose is to further economic development of the metropolitan Richmond area. The City has one member on the board that is an elected official and one alternate member. The City provided \$385,000 in funding to GRP for the year ended June 30, 2020.

The *Richmond Metropolitan Convention and Visitors Bureau* (RMCVB) – also “DBA” Richmond Region Tourism - serves the City 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 City has three representatives serving on the RMCVB Board of Directors. The City contributed \$1,729,835 to RMCVB for the year ended June 30, 2020.

The *Richmond Regional Planning District Commission* (RRPDC) is comprised of representatives from nine local jurisdictions which include Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, the City of Richmond, and the Town of Ashland. The major functions of the RRPDC are to promote regional cooperation; coordinate the activities and policies of local member governments; resolve service delivery challenges involving more than one government within the region; and provide planning assistance to local governments. The City has seven representatives serving on the RRPDC. The City provided funding to RRPDC in the amount of \$133,712 for the year ended June 30, 2020.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

The *Greater Richmond Convention Center Authority* (GRCCA), a political subdivision of the Commonwealth of Virginia, was created on January 9, 1998 pursuant to the Public Recreational Facilities Authority Act, Chapter 56 of Title 15.2, *Code of Virginia*. The GRCCA was created to acquire, finance, expand, renovate, construct, lease, operate, and maintain the facility and grounds of a visitors and convention center. The political subdivisions participating in the incorporation of the GRCCA are the City and the Counties of Chesterfield, Hanover and Henrico. The GRCCA 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 Counties of Chesterfield, Hanover and Henrico. The City contributed \$7,307,076 in transient occupancy tax revenue for the year ending June 30, 2020.

B. Basis of Presentation

Government-Wide and Fund Financial Statements

The basic financial statements include both Government-Wide (based on the City as a whole) and the Fund financial statements, including the major individual funds of the Governmental Funds (General, Capital Projects and Debt Service Funds) and Proprietary Funds (Gas, Water, Wastewater and Storm water), as well as the Fiduciary Funds and the Component Units. Both the Government-Wide and fund financial statements categorize primary activities as either governmental or business-type. In the Government-Wide Statement of Net Position, both the governmental and business-type activities columns are presented on an aggregated basis by column and are reflected on a full accrual, economic resource measurement focus basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The Government-Wide Statement of Activities reflects both the gross and net cost per functional category (e.g. Public Safety, Public Works, Human Services, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by directly related program revenues, operating and capital grants, and contributions. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not specifically restricted to the various programs are reported as general revenues. Operating grants presented include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

In the Fund financial statements, financial transactions, and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations and restrictions, or limitations. GAAP sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Non-Major Funds are combined in a single column in the fund financial statements and detailed in the combining statements. The Governmental Fund financial statements are presented on current financial resources measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the Governmental Fund financial statements are presented on a different measurement focus and basis of accounting than the Government-Wide financial statements' governmental activities column, a reconciliation is presented, which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the Government-Wide financial statements.

Internal Service Funds of the City, which traditionally provide services primarily to other funds of the government, are presented in summary form as part of the Proprietary Fund financial statements. In the Government-Wide financial statements, assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses of the funds are allocated to either the governmental or business-type activities, based on their predominate use of the fund's services. To the extent possible, the costs of these services are reflected in the appropriate functional activity (e.g., Public Safety and Judiciary, Human Services, etc.). See Exhibits E-1 and E-2 for specific allocation of the Stores and Transportation Division Internal Service Fund results to the business-type activities.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

The City's Fiduciary Funds are presented in the fund financial statements by type (Pension and Agency). Since by definition these assets are being held for the benefit of a third party (e.g. private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the Government-Wide financial statements.

The following is a brief description of the specific funds used by the City:

Governmental Funds

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

- *General Fund (Major Fund)* – The General Fund is the City's primary operating fund. It accounts for and reports all financial resources of the City's general government not accounted for and reported in another fund.
- *Debt Service Fund (Major Fund)* – The Debt Service Fund accounts for and reports the accumulation of resources for and the payment of principal and interest and fiscal charges not being financed by proprietary funds or financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The Debt Service Fund reports resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also are reported in the Debt Service Fund.
- *Capital Projects Fund (Major Fund)* – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets approved by City Council. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. Its principal source of funding is the sale of General Obligation Bonds.
- *Special Revenue Funds* – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects. Each fund is established on a functional basis and may include one or more grants or other funding sources.
- *Permanent Funds* – Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the City programs, that is, for the benefit of the government or its citizenry.

Proprietary Funds

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City reports the following Proprietary Funds:

- *Enterprise Funds* -Enterprise Funds are used to report activities for which a fee is charged to external users for goods and services. The City maintains seven Enterprise Funds consisting of the Gas, Water, Wastewater operations and Storm water operations (all of which are considered Major Funds), Cemeteries, and Parking Enterprise (which are combined into a single, aggregated presentation as Non-Major Proprietary Funds).

A description of the major Enterprise Funds are as follows:

- *Gas* – The Gas Utility provides natural gas service to the City and surrounding counties. Operation of the Gas Utility is designed to be self-supporting through user charges.
- *Water* – The Water Utility provides retail water service to the City and surrounding counties. Operation of the Water Utility is designed to be self-supporting through user charges.
- *Wastewater* – The Wastewater Utility provides wastewater service to the City and portions of the surrounding counties. Operation of the Wastewater Utility is designed to be self-supporting through user charges.
- *Stormwater Utility* – The Storm water Utility provides storm water service to the City. Operation of the Storm water Utility is designed to be self-supporting through user charges.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

- *Internal Service Funds* - Internal Service Funds account for operations that provide services to City departments/agencies on a cost reimbursement basis. The city maintains eight Internal Service Funds consisting of Fleet Management, Radio Management, Health Self-Insurance, Advantage Richmond Corporation, Information Technology, Risk Management, Electric Utility, and Stores and Transportation, which exclusively serves the City's Major Proprietary Funds.
- *Fiduciary Funds* - Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governments.
 - *Pension Trust Funds* – For accounting measurement purposes, the Pension Trust Funds are accounted for in essentially the same manner as Proprietary Funds. The Trust Funds consist of the City's Retirement Plan, OPEB Trust and Deferred Compensation Plan.
 - *Agency Funds* – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. The Agency Funds consist of the assets and liabilities of several organizations for which the City serves as fiscal agent, such as the Department of Parks, Recreation and Community Facilities, the Department of Public Works and the Law Department.

Reconciliation of Government-Wide and Fund Financial Statements

A summary reconciliation of the difference between total fund balances, as reflected on the Governmental Funds' Balance Sheet, and total net position for governmental activities, as shown on the Government-Wide Statement of Net Position, is presented in a schedule accompanying the Governmental Funds' Balance Sheet. The assets and deferred outflows of resources and liabilities and deferred inflows of resources elements, which comprise the reconciliation differences, stem from Governmental Funds, using the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. A summary reconciliation of the differences between net change in total fund balances as reflected on the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net position for governmental activities, as shown on the Government-Wide Statement of Activities, is presented in a schedule accompanying the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances. The revenue and expense elements, which comprise the reconciliation differences, stem from the governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting, while the Government-Wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using the current financial resources measurement focus wherein only current assets and current liabilities are included on the Balance Sheet in the fund statements whereas long-term assets and long-term liabilities are included in the Government-Wide statements. Operating statements of the Governmental Funds present increases (e.g. revenues and other financial sources) and decreases (e.g. expenditures and other financing uses) in fund balances.

Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Revenues from taxes are generally considered available if received within two months after the fiscal year end. Revenue from categorical and other grants are generally considered available when all eligibility criteria have been met and if received within one year. Expenditures are recorded when the related liability is incurred and payment is due, except for principal and interest on long-term debt, and compensated absences and claims.

The Government-Wide financial statements are reported and accounted for on the economic resources measurement focus and the accrual basis of accounting, which include all assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with governmental and business-type activities. Assets and liabilities associated with fiduciary activities are included in the Statement of Fiduciary Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City either gives or receives value without directly receiving or giving equal value in exchange, include sales and income taxes, real estate and personal property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes are recognized when the underlying

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

exchange transaction takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Operating revenues and expenses in the Proprietary Funds result from providing goods and services in connection with their principal ongoing operations (e.g., 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 this definition are reported as non-operating revenues and expenses.

The Pension Trust Funds' contributions from members, recorded under the full accrual basis of accounting, are recorded when the employer makes payroll payments on behalf of Plan members. The Agency Funds use the full accrual basis of accounting and do not measure the results of operations.

D. Cash and Cash Equivalents

Cash and cash equivalents are stated at cost, which approximates fair value. Cash and cash equivalents include cash on hand, checking and savings accounts, and short-term investments, with original maturities of one year or less from the date of acquisition. For the purpose of the Statement of Cash Flows, the City considers cash and highly liquid investments, including restricted assets, with a maturity of three months or less, as cash and cash equivalents.

E. Investments

Investments are reported at fair value, which is based on quotations obtained from readily available sources.

F. Allowances for Doubtful Accounts

The City calculates its allowances for doubtful accounts using historical collection data, specific account analysis, and management's judgment.

Allowances for doubtful accounts at June 30, 2020, were as follows:

General Fund and Governmental Activities	\$ 12,742,728
Enterprise Funds	11,208,927
Total Allowances for Doubtful Accounts	<u>\$ 23,951,655</u>

G. Inventories

Inventories on hand at June 30, 2020, have been reported on the Government-Wide Statement of Net Position. Inventories of consumable supplies are recorded at cost determined on a first in, first out basis. Inventories in the Proprietary Funds are accounted for under the lower of cost, determined by using weighted average cost or first-in, first-out methods, or market.

H. Capital Assets

Capital assets and improvements include substantially all land and works of art/historical treasures, buildings, equipment, water distribution and sewage collection systems, and other elements of the City's infrastructure having a minimum useful life of two years and having an initial cost of more than \$5,000. Capital assets, which are used for general governmental purposes and are not available for expenditure, are accounted for and reported in the government-wide financial statements. Infrastructure elements include the roads, bridges, curbs and gutters, streets and sidewalks, park land, and improvements.

Capital assets are stated at historical cost or estimated historical cost based on appraisals or on other acceptable methods when historical cost is not available. Donated capital assets are stated at their acquisition value as of the date of the donation. Capital leases are classified as capital assets in amounts equal to the lesser of the fair market value or the discounted present value of net minimum lease payments at the inception of the lease. Accumulated depreciation and amortization are reported as reductions of capital assets.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Capital asset depreciation has been provided over the estimated useful lives using the straight-line method as follows:

Governmental:	
Infrastructure	20 to 50 years
Buildings and structures	20 to 50 years
Equipment and other assets	2 to 20 years
Enterprise Funds:	
Gas production, distribution, equipment	17 to 34 years
Water pumping, treatment, distribution, equipment	20 to 50 years
Sewage gathering and treatment equipment	20 to 50 years
Cemeteries	2 to 20 years
Buildings and structures	20 to 60 years
Equipment and other assets	2 to 20 years

I. Construction Period Interest

The City adopted *GASB Statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

J. Compensated Absences

The City's general employees earn vacation pay in varying amounts and can accumulate vacation pay based on length of service. All general employees earn sick pay at the same rate regardless of the length of service. Sworn officers earn both vacation pay and sick pay based on length of service and employment date.

Earning rates for vacation pay and sick pay and maximum vacation accumulation hours are as follows:

	Vacation Pay Bi-weekly Earning Rate Min-Max Hours	Sick Pay Bi-weekly Earning Rate Hours	Maximum Vacation Accumulation Hours
General Employees	3.7 - 7.4	3.7	192.0 - 384.0
Sworn Shift Employees	5.2 - 11.1	5.2 - 7.4	268.0 - 576.0

Maximum vacation accumulated hours is payable at the date of separation. Employees leaving City employment are paid all accumulated unused vacation pay up to the maximum limit. The unused balance of sick leave is not paid at the date of separation.

The current portions of the Governmental Activities' compensated absences liabilities are recorded as accrued liabilities when they are expected to be liquidated within the next year. The current and noncurrent portions are recorded in the Government-Wide financial statements. The amount of vacation recognized as expense is the amount earned during the year. Compensated absences are reported in the Governmental Funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Judgment and Claims

The City is self-insured with respect to risks including, but not limited to, property damage and personal injury. The City is self-insured with respect to payments for workers' compensation, general liability, automobile liability, public officials or police professional liability claims. The City also carries commercial insurance in a number of smaller more defined risk areas such as employees' faithful performance, money and securities, unmanned aerial vehicles, cyber insurance and medical professional liability. In the fund financial statements, expenditures for judgments and claims, including estimates of claims that have been incurred but not reported, are recorded in the Risk Management agency within the

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Internal Services Fund. The City is self-insured with respect to payments for health care and is reported in the Health Self-Insurance Internal Service Fund (ISF).

L. Deferred Outflows and Inflows of Resources

In addition to assets, the Balance Sheet and Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources related to pensions and the unamortized losses on refunding of debt, resulting 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 refunding debt.

In addition to liabilities, the Balance Sheet and Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenues) until that time. The City has deferred inflows of resources related to unavailable revenues, pensions, prepaid taxes, and others reported under the modified accrual basis of accounting in the Governmental Funds' Balance Sheet. The Governmental Funds report unavailable revenues from property taxes, from federal and state governments, and other sources as appropriate. These amounts are deferred and recognized as revenues in the period the amounts become available or earned.

For the RRS Pension Plan, the City had deferred inflows of \$819,900 due to the difference between expected and actual experience.

Deferred outflows of \$111.69 million was comprised primarily of 1) difference between expected and actual experience of \$5.80 million, 2) the difference between actual and expected investment earnings of \$12.38 million, 3) employer contributions subsequent to the measurement date of \$48.39 million and 4) change in assumptions of \$45.12 million.

For the Virginia Retirement System, deferred outflows consisted of total employer contributions made after the measurement date of \$4.21 million. Deferred Inflows for the VRS plan totaled \$1.40 million, which consisted of \$0.29 million for the difference between expected and actual experience, and change in assumptions of \$0.07 million and the difference between projected and actual earnings on plan investments of \$1.04 million.

For OPEB under the Richmond Plan deferred outflows of resources was \$25.78 million, which represented changes in assumptions of \$5.42 million and experience losses of \$20.36 million.

The VRS OPEB deferred outflow of resources were \$0.61 million comprised of 1) difference between actual and expected experience of \$0.14 million, 2) changes in assumptions of \$0.13 million and 3) employer contributions subsequent to the measurement date of \$0.34 million.

The VRS Group Life OPEB Plan also had a deferred inflow of \$0.29 million, made primarily of changes in assumptions of \$0.06 million, difference between projected and actual earnings of \$0.04 million; changes in proportion of \$0.15 million and difference between expected and actual experience of \$0.03 million.

M. Restricted Assets

In accordance with applicable covenants of certain Enterprise Fund bond issues, cash and other assets have been appropriately restricted. Cash has also been restricted to the extent of customers' deposits, unexpended bond proceeds or by grantor's requirements. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources, as they are needed.

N. Categories of Fund Balance

GAAP establishes the categories state and local governments must use to categorize fund balance, as follows:

Nonspendable – Amounts that cannot be spent due to either their physical form or as a result of a legal or contractual obligation (such as inventory or the corpus of an endowment fund).

Restricted – Amounts constrained to specific purposes by either a third party (such as grantors, bondholders, or creditors) or by law through constitutional provisions or enabling legislation.

Committed – Amounts constrained to specific purposes by formal action (adoption of an ordinance) by the government's highest level of decision-making authority (City Council). Committed amounts do not lapse nor can they be used for any other purpose unless the government takes the same level of action (adoption of another ordinance) to remove or change the constraint.

City Council, through Ordinance No. 2010-181-163 adopted September 27, 2010, created a new reservation of fund balance called the Revenue Stabilization Fund for the purpose of helping the City manage through the immediate effects of economic factors including, but not limited to, revenue reductions and unanticipated cuts in state funding, and to set aside \$2 million in Fiscal Year 2010 as a reservation of fund balance. During 2012, City Council adopted Resolution No. 2012-R41-69, which amended the policy. To state, "The Mayor will prepare and administer General Fund budgets such that funding will be budgeted annually for a Revenue Stabilization and Contingency Fund (the "RSCF") until the RSCF reaches a minimum of \$10,000,000. On December 11, 2017, the City Council further strengthened this policy by adopting Ordinance No. 2017-215 which sets the target balance of the Committed RSCF to 3.0 percent of budgeted General Fund expenditures. Accordingly, an appropriation from the RSCF cannot be proposed unless; (a) projected general fund revenue reflects a 0.5 percent or greater decrease from current year's authorized budget due to a catastrophic, unforeseen or unavoidable event or (b) expenses increase by 0.5 percent or greater over the current year's authorization due to a catastrophic, unforeseen or unavoidable event. These events must be quantifiable and distinguishable from other events that may occur during the normal course of government operations. If funds are withdrawn from the RSCF, a plan must be put in place within 60 days to replenish the fund to the required minimum level. The City shall dedicate up to one half of any year end surplus or other one time revenue toward reaching the targeted goal.

Assigned – Amounts constrained by the City's expressed intent to use resources for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body has delegated the authority. Resolution No. 2011-65-69 and Chapter 8 of the City Charter provided that the Director of Finance is in charge of the financial affairs of the City, and to that end, he/she shall have authority and shall be responsible for the management of City finances in a professionally accountable and responsible manner. In order for assigned funds to be expended for the assigned purpose, an ordinance would need to be adopted by City Council. Assigned funds lapse at the end of the fiscal year in which they were assigned. With the exception of the General Fund, this is the residual fund balance of the classification of all Governmental Funds with positive balances.

Unassigned – Amounts that are available for any purpose. These amounts are reported only in the General Fund, although unassigned fund balance may be expressed as a negative amount in the other governmental funds.

As required by GAAP, the City has adopted a spending policy indicating that when multiple categories of fund resources are available, they will be expended in a specific order beginning first with restricted resources and continuing in a descending order using unassigned resources last. On December 11, 2017, City Council adopted Ordinance No. 2017-215, which amended the fund balance policy, to further increase the required level of unassigned fund balance from 10.00 percent to 13.67 percent of budgeted General Fund expenditures.

O. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is comprised of three components:

Net Investment in Capital Assets – Consists of the historical cost of capital assets net of any accumulated depreciation and outstanding debt which was used to finance those assets.

Restricted – Consists of assets where limitations are imposed on their use through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or the laws and regulations of other governments.

Unrestricted – Net position not reported as net investment in capital assets or restricted assets.

P. Internal and Intra-entity Activity

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds have been eliminated or reclassified. Eliminations are made in the Statement of Net Position to minimize the *grossing-up* effect on assets and liabilities within the governmental and business-type activities columns of the Primary Government. Amounts reported in the funds as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the government-wide financial statements, except for net residual amounts due between governmental and business type activities, which are presented as internal balances. Also, eliminations are made in the Statement of Activities to remove the *doubling-up* effect of Internal Service Fund activity.

Payments from a fund receiving revenue to a fund through which the revenue is to be expended are reported as operating transfers. Such payments include transfers for debt service and capital construction. In the Government-Wide financial statements, resource flows between the Primary Government and the Discretely presented Component Units are reported as if they were external transactions.

Q. Advances to Other Funds

Movement of money representing a loan extending beyond one year are recorded as advances to other funds.

R. Rate Stabilization

City Code section 106-37 authorizes the Utilities Enterprise Funds to establish rate stabilization accounts within each utility. The purpose of rate stabilization is to mitigate and smooth any rate increases that otherwise might be required from year to year by increasing the rate stabilization amounts in years when revenues exceed those needed to meet reasonable rates of return. For the year ended June 30, 2020, Wastewater Utility has approximately \$2.2 million for rate stabilization funds.

The Wastewater Utility expects to utilize these funds over the next two years to mitigate a portion of the expenses that will be required to meet total maximum daily load requirements as imposed by the United States Environmental Protection Agency and the Virginia Department of Environmental Quality.

S. Estimates and Assumptions

A number of estimates and assumptions relating to the reporting of revenues, expenditures, assets, liabilities, and the disclosure of contingent liabilities were used to prepare these basic financial statements in conformity with GAAP. Actual results could differ from those estimates.

T. Identification of Major Revenue Sources Susceptible to Accrual

In the Governmental Funds, property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

U. Permanent Funds

Principal portion of permanent funds are reported as nonspendable while the net revenue of Permanent Funds is available for expenditure. Authorization for spending the investment income is derived from the specifications as prescribed by the donor.

V. Unearned Revenues

Unearned revenue represents a liability related to amounts received but not yet earned or an asset for which an enforceable lien is in place but the tax has not been received. At the government-wide level, unearned revenue is primarily comprised of money received from federal and/or state grants in advance of services to be provided. At the

fund level, unearned revenue is primarily comprised of taxes with an enforceable lien but not available, prepaid taxes and money received from federal and/or state grants in advance of services to be provided.

W. Adoption of New Accounting Pronouncements

During the year ended June 30, 2020, the City implemented the provisions of the following GASB statement:

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance: The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: • Statement No. 83, Certain Asset Retirement Obligations, Statement No. 84, Fiduciary Activities, Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, Statement No. 90, Majority Equity Interests, Statement No. 91, Conduit Debt Obligations, Statement No. 92, Omnibus 2020, Statement No. 93, Replacement of Interbank Offered Rates, Implementation Guide No. 2017-3, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting), Implementation Guide No. 2018-1, Implementation Guidance Update—2018, Implementation Guide No. 2019-1, Implementation Guidance Update—2019, Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases, Implementation Guide No. 2019-3, Leases. This statement will help to improve financial reporting by providing governments with sufficient time to apply the authoritative guidance addressed in this Statement which will help to safeguard the reliability of financial statements.

X. Future Accounting Pronouncements

Issued in May 2020, *GASB Statement No. 96 Subscription Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. The subscription asset should be initially measured as the sum of 1) the initial subscription liability amount, 2) payments made to the SBITA vendor before commencement of the subscription term, and 3) capitalized implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term. The City will implement this statement in July 2023.

Issued on April 20, 2020 *GASB Statement No. 94 Public-Private and Public- Public Partnerships and Availability Payment Arrangements* is designed to improve local and state governments' accounting for P3 arrangements including those outside the scope of GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangement and Statement No. 87 Leases. Statement No. 94 defines a P3 and provides both P3 and APA guidance. For all P3s Statement 94 provides specific guidance from the perspective of both a government that transfers right to another party and a governmental operator that receives those right. Statement 94 requires governments to account for APAs related to those activities and in which ownership of the asset transfers by the end of the contract as a financed purchase of the underlying infrastructure or other nonfinancial asset. It also requires a government to report an APA that is related to operating or maintaining a nonfinancial asset as an outflow of resources (for example, an expense in the period to which payments relate).

GASB Statement No. 93, Replacement of Interbank Offered Rates was issued in March 2020 and effectively addresses the accounting implications of the replacement of IBOR by clarifying exceptions for some hedging derivative

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

instruments, termination provisions and removes LIBOR as an appropriate benchmark interest rate. It also identifies the Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap and provides an exception to the lease modifications guidance in Statement 87 for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

In January 2020, *GASB Statement No. 92, Omnibus 2020* was issued. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following five categories:

- 1) Leases - The amended guidance clarifies the requirements for interim reporting by stating that the effective date of Statement No. 87, *Leases*, and Implementation Guide 2019-03, *Leases*, is for fiscal years beginning after December 15, 2019 and for all reporting periods thereafter.
- 2) Intra-entity Transfer of Assets - The updated guidance is intended to eliminate conflicting guidance for intra-entity transfers of capital and financial assets between a government employer or nonemployee contributing entity and a pension plan or other post-employment benefit (OPEB) plan.
- 3) For Post-employment Benefit - Statement No. 84, *Fiduciary Activities*, requires a government to recognize a liability to the beneficiaries of a fiduciary activity when an event has occurred that compels the government to disburse fiduciary resources. The amendments clarify that this requirement also applies to assets that are accumulated for purposes of providing pensions or OPEB through defined benefit pension plans or defined benefit OPEB plans that aren't administered through trusts that meet the scope criteria of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This amendment is effective for reporting periods beginning after June 15, 2020.
- 4) Government Acquisitions - The amended guidance states that the liabilities and assets related to the acquired entity's asset retirement obligations (AROs) should be measured using the accounting and financial reporting requirements per Statement No. 83, *Certain Asset Retirement Obligations*, when the AROs are within the scope of Statement No. 83. This amendment is effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.
- 5) Risk Financing and Insurance - Related Activities of Public Entity Risk Pools-This amendment clarifies guidance in Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. When applying the reinsurance guidance, amounts recoverable from reinsurers or excess insurers related to paid claims and claim adjustment expenses *may* be reported as reduction of expenses. This amendment became effective upon issuance of Statement No. 92.

The City will implement the various provisions of this statement as required by the individual components of the statement.

GASB Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City is reviewing the impact of this Statement and will implement it in 2021.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

GASB Statement No 90, Majority Equity Interests. An Amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a Fiduciary Fund, an Endowment (including permanent and term endowments), or Permanent Fund. Those governments and funds should measure the majority equity interest at fair value.

This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a Component Unit.

This Statement also requires that a Component Unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the Component Unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The City is reviewing the impact of this Statement and will implement it in 2021.

In June 2017, GASB issued *Statement No. 87 Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City will implement this Statement in 2021.

Issued in January 2017, *Statement No. 84 Fiduciary Activities* seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. The City will review the impact of this Statement and implement in 2021.

2. REAL AND PERSONAL PROPERTY TAXES

Real and personal property taxes are levied on a calendar year basis on January 1, the assessment date, with an assessed value as of that date. Real property taxes become a lien on the property as of assessment. Personal property tax on motor vehicles acquiring or losing situs (location where property is principally parked or garaged) throughout the year are prorated on a monthly basis. For partial months in situs, assessments, abatement, and refunds are rounded to the nearest full month.

Personal property taxes may be paid without penalty and interest on or before June 5 or 60 days from the date the vehicle acquired situs in Richmond. Effective January 1, 2011, real estate taxes are billed on a semi-annual basis. These taxes may be paid without penalty and interest on or before January 14 and June 14. Penalty for late payment is 10 percent or \$10, whichever is greater not to exceed the full amount of the tax. In 2020, the interest rate for unpaid taxes was 10 percent.

The City bills and collects its own property taxes. Delinquent property taxes may be sent to collection services. Property taxes levied January 1, 2020, are intended to finance operations of the fiscal year ended June 30, 2020. The real estate taxes assessed and due on January 14, 2020, and June 14, 2020, are intended to finance operations of the fiscal year ended June 30, 2020.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents – Primary Government

At June 30, 2020, cash on hand, cash items and petty cash totaled approximately \$48,519 and the carrying value of the City's demand deposits, savings accounts, and time certificates of deposit with institutions totaled \$113,667,559 and is included in cash and cash equivalents. The City's deposits of \$113,667,559 were covered by federal depository insurance or insured in accordance with provisions of the Virginia Security for Public Deposit Act (The Act). This Act requires financial institutions holding public deposits in excess of amounts covered by federal insurance to pledge collateral in the amount of 50 percent of excess deposits, while savings and loans are required to collateralize 100 percent of excess deposits. The State Treasury Board can assess additional collateral from participating financial institutions to cover collateral shortfalls in the event of default and is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by financial institutions. All funds, unless otherwise classified as restricted, are deposited into pooled bank accounts; the major account defined as the General Fund concentration account. As disbursements are made from the payroll, budget and social services bank accounts, funds from the general fund concentration account are automatically transferred to those bank accounts to cover those disbursements on a daily basis. All cash classified as restricted are related to grantor or debtor requirements.

All cash of the City is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (The Act), Section 2.2-4400 et. Seq. of the Code of Virginia or covered by Federal Depository Insurance Corporation (FDIC). Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC must pledge collateral of 50 percent of the excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100 percent of deposits in excess of the FDIC limits and are considered insured.

B. Investments

Investment Policy:

City policy is consistent with the statutes of the Commonwealth of Virginia governing investment, wherein permissible investments include obligations of the Commonwealth, the United States, its agencies and instrumentalities, time certificates of deposit, bankers' acceptances, repurchase agreements, demand notes, commercial paper, the State Treasurer's Local Government Investments Pool (The Virginia LGIP), and the State Non-Arbitrage Program (SNAP). As of June 30, 2020, all non-system investments were in either LGIP or SNAP, which were both rated AAAM, and the length of the investments for both programs was less than 90 days. Additionally, the City is authorized to place investments of the RRS in common stocks, corporate debt securities, U.S. Government and Agency Securities, international stocks and bonds, money market, and mutual funds. At no time, shall more than 35 percent of the portfolio be invested in commercial paper. No more than 5 percent of the portfolio shall be invested in the commercial paper of a single entity.

Custodial credit risk for deposits:

At June 30, 2020, the City did not have any deposits that were not covered by depository insurance or collateralized under the Virginia Security for Public Deposits Act.

Custodial credit risk for investments:

As of June 30, 2020, the City holds its investment securities primarily in external investment pools and thus is not subject to custodial credit risk disclosure.

Concentration Risk:

As of June 30, 2020, the City does not have concentration of credit risk, as no investments were with any one issuer representing more than 5 percent of total investments.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

A summary of deposits and investments held by the Government-Wide at June 30, 2020, is as follows:

	<u>Government-Wide</u>	<u>Agency</u>
Deposits		
Cash on hand	\$ 48,519	\$ -
Demand deposits	113,667,559	3,727,087
Investments		
LGIP	401,576,601	-
Trusts	10,231,144	-
Money markets	192,530,128	-
Total deposits and investments	<u>\$ 718,053,951</u>	<u>\$ 3,727,087</u>

Reconciliation of Cash Schedule to Statements of Net Position:

	Government-Wide		Fiduciary Funds Statement of Net Position			Total
	Statement of Net Position	Richmond Retirement System	Other Employee Benefits	Pooled OPEB Trust	Agency	
Cash and cash equivalents	\$ 485,269,688	\$ 7,081,202	\$ -	\$ -	\$ 3,727,087	\$ 496,077,977
Investments	-	573,271,694	115,638,453	-	-	688,910,147
Restricted assets	232,784,263	-	-	782,386	-	233,566,649
Total	<u>\$ 718,053,951</u>	<u>\$ 580,352,896</u>	<u>\$ 115,638,453</u>	<u>\$ 782,386</u>	<u>\$ 3,727,087</u>	<u>\$ 1,418,554,773</u>

Cash has been restricted to the extent of customers' deposits, unexpended bond proceeds or by grantor's requirements and cash set aside for future debt payments as required by debt covenants.

The Richmond Retirement System (RRS) categorizes the fair value measurements of its assets within the fair value hierarchy established by Generally Accepted Accounting Principles (GAAP) outlined in GASB Statement No. 72. The following table shows the RRS fair value measurements as of June 30, 2020.

Investments Measured at Fair Value

	Fair Value at June 30, 2020	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Equities				
Consumer Spending	\$ 7,889,658	\$ 7,889,658	\$ -	\$ -
Energy and Industrials	5,878,703	5,878,703	-	-
Information Technology	9,695,201	9,695,201	-	-
Financials	10,368,876	10,368,876	-	-
Healthcare	7,827,774	7,827,774	-	-
Other	3,863,038	3,863,038	-	-
Total U.S. Equities	<u>45,523,250</u>	<u>45,523,250</u>	<u>-</u>	<u>-</u>
International Equities	<u>605,573</u>	<u>605,573</u>	<u>-</u>	<u>-</u>
Total US Fixed Income				
Real Estate	7,576,532	5,975,512	-	1,601,020
Diversifying Assets	37,082,355	-	-	37,082,355
Private Debt	39,073,576	-	-	39,073,576
Private Equity	14,232,905	-	-	14,232,905
	<u>97,965,368</u>	<u>5,975,512</u>	<u>-</u>	<u>91,989,856</u>
Total Investments Measured at Fair Value	<u>\$ 144,094,191</u>	<u>\$ 52,104,335</u>	<u>\$ -</u>	<u>\$ 91,989,856</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Required Redemption Notice
US Equity Funds	\$ 105,836,303	\$ -	Daily	3 - 5 days
International Equities	97,178,612	-	Daily	1 - 30 days
Global Fixed Income	176,918,106	-	Daily	1 - 10 days
Real Estate Investment Trusts and Funds	26,335,207	-	Quarterly	45 days
Hedge Funds	22,909,275	-	Daily, Quarterly	1 - 95 days
Total Investments Measured at Net Asset Value (NAV)	<u>\$ 429,177,503</u>			
Total Investments at Fair Value	<u>\$ 573,271,694</u>			

Level 1 investments are valued at active market quoted prices.

Level 2 fixed income investments are valued using a pricing model that utilizes observed market inputs in determining the fair value as well as matrix yield curves.

Level 3 investments are valued by market assumptions that are based off of unobservable inputs.

1. U.S. Equities — Shares held in common stock and mutual funds are classified in Level 1 of the fair value hierarchy and valued using price quotes on active markets for those securities. Units held in commingled funds are valued using the NAV practical expedient of the commingled fund as reported by the investment managers. The NAV practical expedient is based on the fair value of the underlying assets owned by the fund minus its liabilities and then divided by the number of units outstanding.

2. International Equities — International Equities include units in commingled funds that hold investments in securities of international issuers and emerging markets. Units held in these funds are valued using the NAV practical expedient as reported by the investment managers.

3. U.S. Fixed Income — Domestic fixed-income securities include investments in corporate bonds, U.S. Treasury obligations, mortgage-backed securities issued by federal agencies and collateralized mortgage obligations, and mutual funds with underlying investments in fixed-income securities. Investments in corporate bonds, mutual funds, and U.S. Treasury obligations are classified in Level 1 of the fair value hierarchy and valued using prices quoted on active markets for those securities.

Investments in mortgage-backed securities and other fixed-income investments are valued using pricing models maximizing the use of observable inputs for similar securities which includes basing value on yields currently available on comparable securities of issuers with similar credit ratings and are classified in Level 2 of the fair value hierarchy.

4. Global Fixed Income — Global Fixed Income securities include mutual funds invested in fixed-income securities of international issuers, mutual funds and commingled trusts invested in global fixed income securities. Investment managers have the ability to invest in a variety of industry spaces, such as government and corporate bonds, and across a multitude of countries, both developed and emerging markets. Investments in corporate bonds and mutual funds are classified in Level 1 of the fair value hierarchy and valued using prices quoted on active markets for those securities. Units held in commingled funds are valued using the NAV practical expedient of the commingled fund as reported by the investment managers.

5. Real Estate Investment Trusts and Funds — This category includes investments in real estate investment trusts (REITs) and real estate funds that invest in residential, office, retail, and industrial real estate or debt related to real estate acquisitions. Investments in REITs are classified in Level 1 of the fair value hierarchy and valued using prices quoted on active markets for those securities. Units held in real estate funds are valued using the NAV practical expedient of the commingled fund as reported by the investment managers. Real estate funds that are not valued at NAV practical expedient include significant unobservable inputs and are classified in Level 3 of the fair value hierarchy.

6. Hedge Funds — This category consists of investments in hedge funds-of-funds and direct investments. Investment managers in this category have the ability to invest in underlying managers that focus on a variety of different strategies such as long/short, event-driven, leveraging, and other derivative instruments. Units held in investments valued using the NAV practical expedient are excluded from the fair value hierarchy and reported at the NAV provided

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

by the investment managers. Investments in limited partnerships that are not valued at NAV are classified in Level 3 of the fair value hierarchy.

7. Private Debt and Private Equity — Private debt includes investments in limited partnerships and portfolios focused on direct, distressed or mezzanine lending as governed by their respective investment agreements. Private equity includes limited partnerships and portfolios focused on small buyouts, secondary acquisitions, distressed companies, or sector-focused investments. Investments in private debt and private equity represent partnership interests and capital investments valued as limited partnership ownership interests valued based on investment statements and other information provided by each investment manager. Investments in private debt and private equity are classified in Level 3 of the fair value hierarchy.

The City of Richmond also has investments measured at fair value in its ICMA-RC 457 Deferred Compensation Plan and they are categorized according to the fair value hierarchy established by GAAP outlined in GASB 72. The following table shows the fair value measurement as of June 30, 2020.

**ICMA-RC
Investments Measured at Fair Value
June 30, 2020**

<u>Investments Measured at Fair Value</u>	<u>Fair Value</u>	<u>Quoted Price in Active Market (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Stable Value Cash Management Funds	\$ 32,323,564	\$ 32,323,564	\$ -	\$ -
Bonds	5,682,475	5,682,475	-	-
Guaranteed Lifetime Income Funds	347,022	347,022	-	-
Balance Asset Allocation	26,885,514	26,885,514	-	-
US Stock	45,906,146	45,906,146	-	-
International Global Stock	4,493,733	4,493,733	-	-
Total Investments at Fair Value	<u>\$ 115,638,453</u>	<u>\$ 115,638,453</u>	<u>\$ -</u>	<u>\$ -</u>

Participation in External Investment Pools

The City of Richmond has invested bond proceeds subject to rebate of arbitrage earnings in the Virginia State Non-Arbitrage Program ("SNAP"). SNAP is designed to assist local governments in complying with the arbitrage rebate requirements of the Tax Reform Act of 1986. These programs provide comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of general obligation and revenue tax-exempt bond financing of Virginia cities, counties and towns. As of June 30, 2020, the City had \$179,108,631 in the SNAP short-term investment. SNAP is administered by the Commonwealth of Virginia Treasury Board. The Board is committed to managing certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share, which is determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

- a) SNAP is rated 'AAAm' by Standard & Poor's and managed in a manner to comply with their 'AAAm' rating requirements.
- b) The portfolio securities are valued by the amortized cost method, and on a daily basis this valuation is compared to the current market to monitor any variance.
- c) Investments are limited to short-term, high-quality credits that can be readily converted into cash with limited price variation.

The City is a participant in the Local Government Investment Pool (LGIP) which is administered by the Commonwealth of Virginia Department of Treasury. As of June 30, 2020, the City had \$348,516,443 in LGIP short-term investments. The Commonwealth's Department of Treasury is committed to managing certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share, which is determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

- a) The LGIP is rated 'AAAm' by Standard & Poor's and managed in a manner to comply with their 'AAAm' rating requirements.
- b) The portfolio securities are valued using the amortized cost method, and on a weekly basis this valuation is compared to the current market to monitor any variance.
- c) Investments are limited to short-term, high-quality credits that can be readily converted into cash with limited price variation.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

The City is also a participant in the Local Government Investment Pool - Extended Maturity (LGIP - EM) which is administered by the Commonwealth of Virginia Department of Treasury. As of June 30, 2020, the City's investment in the fund was valued at \$53,060,158.

- a) The LGIP-EM is rated AA Af / S1 by Standard & Poor's based on the fund's credit quality, market price exposure and management experience.
- b) Investments are limited to high quality investment grade securities with the fund's duration target being 0.75 to 1.25 years.

Healthcare OPEB Trust Plan Investment

The City has invested funds with the Virginia Pooled OPEB Trust Fund (the "OPEB Trust Fund"), which was established to assist Virginia local governments in funding their future OPEB healthcare liabilities. The OPEB Trust Fund was established by the Virginia Association of Counties and the Virginia Municipal League and is an Internal Revenue Code, Section 115, governmental trust, offered to local governments to help defray future healthcare related expenses. The OPEB Trust Fund held total pooled investments of Virginia local governments in excess of \$1.1 billion in 2019, making it the largest pooled OPEB trust in the United States.

The primary benefits of participation in the trust include access to institutional investment fund managers offered through two diversified portfolios, the guidance of an investment consultant, economies of scale through pooling, and administrative services. Participants hold individual trust accounts wherein they can monitor the performance of their investments. As of June 30, 2020, the City of Richmond's investments in the OPEB Trust Fund had a market value of \$782,386. The OPEB Trust Fund issues a separate audited financial report which may be obtained by visiting the website: valocalfinance.org/opeb/ or by contacting the VML/VACo Finance, 8 East Canal Street, Suite 100, Richmond, VA 23219.

4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The City reports inter-fund balances among many of its funds, as follows:

		Due From					Total
		Capital Projects	Non-Major Governmental	Non-Major Proprietary	Stormwater	Internal Service	
Due To	General	\$ 85,518,468	\$ 4,600,004	\$ 1,554,110	\$ -	\$ 18,435,868	\$ 110,108,450
	Gas	-	-	-	864,957	131,109	996,066
	Water	-	-	-	864,958	73,748	938,706
	Wastewater	-	-	-	4,235,706	-	4,235,706
	Total	\$ 85,518,468	\$ 4,600,004	\$ 1,554,110	\$ 5,965,621	\$ 18,640,725	\$ 116,278,928

The balances resulted from the time lag between the dates that inter-fund goods and services are provided or reimbursable expenditures occur and payments among funds are made. The City reports inter-fund transfers among many of its funds. Inter-fund transfers for the year ended June 30, 2020, consisted of the following:

Transfers are used to 1) 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) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due or 3) to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

The City report inter-fund transfers among many of its funds. Inter-fund transfers for the year ended June 30, 2020, consisted of the following:

		Transfer From						
		General Fund***	Major Proprietary Funds			Non-Major Enterprise*	Non-Major Governmental	Total
			Gas	Water	Wastewater			
Transfer To	General	\$ -	\$ 3,048,686	\$ 784,103	\$ 3,750,968	\$ 94,987	\$ -	\$ 7,678,744
	Capital Projects	3,593,296	-	-	-	-	-	3,593,296
	Debt Service**	70,814,523	-	-	-	-	852,575	71,667,098
	Non-Major Enterprise	37,549	-	-	-	-	-	37,549
	Non-Major Governmental	11,577,021	-	-	-	-	-	11,577,021
	Internal Service	-	-	-	-	-	746,033	746,033
	Total	<u>\$ 86,022,389</u>	<u>\$ 3,048,686</u>	<u>\$ 784,103</u>	<u>\$ 3,750,968</u>	<u>\$ 94,987</u>	<u>\$ 1,598,608</u>	<u>\$ 95,299,741</u>

*Coliseum transfers out \$3,347,133, of which transfers in to General Fund \$94,987 and Government Wide \$3,252,146 respectively.

**General Fund Transfers Out to Debt Service - Non Departmental of \$839,718

***General Fund Transfers Out to Fiduciary Fund (OPEB) of \$250,000

5. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2020, are as follows:

Primary Government	Federal	State	Other Localities	Total
General Fund	\$ -	\$ 29,990,755	\$ -	\$ 29,990,755
Capital Projects Fund	2,392,566	2,112,561	-	4,505,127
Non-Major Governmental Funds	735,421	370,489	1,707,215	2,813,125
Water Fund	-	67,110	2,934,593	3,001,703
Wastewater Fund	-	1,169,892	-	1,169,892
	<u>\$ 3,127,987</u>	<u>\$ 33,710,807</u>	<u>\$ 4,641,808</u>	<u>\$ 41,480,602</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

6. CAPITAL ASSETS

Primary Government – Governmental Activities

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 98,850,495	\$ 1,802,775	\$ 1,248	\$ 4,582,160	\$ 105,234,182
Construction in Progress	97,311,773	156,151,637	72,461,610	-	181,001,800
Works of Art/Historical Treasurers	8,733,227	-	-	-	8,733,227
Total Capital Assets, not being depreciated	<u>204,895,495</u>	<u>157,954,412</u>	<u>72,462,858</u>	<u>4,582,160</u>	<u>294,969,209</u>
Capital Assets, Being Depreciated:					
Infrastructure	955,689,919	42,760,888	-	-	998,450,807
Building and Structures	933,901,576	17,274,770	8,629	35,133,821	986,301,538
Equipment	142,042,726	10,190,287	11,837,218	-	140,395,795
Improvements Other Than Buildings	30,166,313	3,201,652	-	-	33,367,965
Total Capital Assets, being depreciated	<u>2,061,800,534</u>	<u>73,427,597</u>	<u>11,845,847</u>	<u>35,133,821</u>	<u>2,158,516,105</u>
Less Accumulated Depreciation For:					
Infrastructure	615,046,833	21,890,927	-	-	636,937,760
Building and Structures	394,470,972	23,599,723	2,844	33,701,783	451,769,634
Equipment**	108,038,199	5,872,028	11,763,064	5,531,428	107,678,591
Improvements Other Than Buildings	12,952,097	1,479,804	-	-	14,431,901
Total Accumulated Depreciation	<u>1,130,508,101</u>	<u>52,842,482</u>	<u>11,765,908</u>	<u>39,233,211</u>	<u>1,210,817,886</u>
Total Capital Assets, Being Depreciated, Net	<u>931,292,433</u>	<u>20,585,115</u>	<u>79,939</u>	<u>(4,099,390)</u>	<u>947,698,219</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,136,187,928</u>	<u>\$ 178,539,527</u>	<u>\$ 72,542,797</u>	<u>\$ 482,770</u>	<u>\$ 1,242,667,428</u>

*In Fiscal Year 2020, Coliseum Capital Assets were transferred from Business-Type Activities (Enterprise Fund) to Governmental Activities due to discontinued operations.

**In Fiscal Year 2020, the heavy equipment vehicles had changed its estimates from five years to ten years.

Depreciation expense was charged to functions as follows:

General Government	\$ 24,218,397
Public Safety and Judiciary	1,057,424
Highways, Streets, Sanitation and Refuse	21,021,810
Human Services	6,817
Culture and Recreation	1,906,552
Education	4,631,482
Subtotal	<u>52,842,482</u>
Allocation related to Internal Service Funds excludes Stores	5,079,685
Total	<u>\$ 47,762,797</u>

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Primary Government – Business-Type Activities

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Gas Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 219,200	\$ -	\$ -	\$ -	\$ 219,200
Construction in Progress	2,035,149	23,448,548	22,006,611	-	3,477,086
Total Capital Assets, not being depreciated	<u>2,254,349</u>	<u>23,448,548</u>	<u>22,006,611</u>	<u>-</u>	<u>3,696,286</u>
Capital Assets, Being Depreciated:					
Plant-in-service	690,147,720	21,830,686	1,550,529	-	710,427,877
Total Capital Assets, being depreciated	<u>690,147,720</u>	<u>21,830,686</u>	<u>1,550,529</u>	<u>-</u>	<u>710,427,877</u>
Less Accumulated Depreciation For:					
Plant-in-service	279,836,036	22,476,040	1,550,529	-	300,761,547
Total Accumulated Depreciation	<u>279,836,036</u>	<u>22,476,040</u>	<u>1,550,529</u>	<u>-</u>	<u>300,761,547</u>
Total Capital Assets, Being Depreciated, Net	410,311,684	(645,354)	-	-	409,666,330
Gas Utility Capital Assets, Net	<u>\$ 412,566,033</u>	<u>\$ 22,803,194</u>	<u>\$ 22,006,611</u>	<u>\$ -</u>	<u>\$ 413,362,616</u>
Water Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 878,307	\$ -	\$ -	\$ -	\$ 878,307
Construction in Progress	11,458,121	13,655,689	11,368,967	-	13,744,843
Total Capital Assets, not being depreciated	<u>12,336,428</u>	<u>13,655,689</u>	<u>11,368,967</u>	<u>-</u>	<u>14,623,150</u>
Capital Assets, Being Depreciated:					
Plant-in-service	605,451,222	11,103,347	170,070	-	616,384,499
Total Capital Assets, being depreciated	<u>605,451,222</u>	<u>11,103,347</u>	<u>170,070</u>	<u>-</u>	<u>616,384,499</u>
Less Accumulated Depreciation For:					
Plant-in-service	234,903,641	16,583,271	170,070	-	251,316,842
Total Accumulated Depreciation	<u>234,903,641</u>	<u>16,583,271</u>	<u>170,070</u>	<u>-</u>	<u>251,316,842</u>
Total Capital Assets, Being Depreciated, Net	370,547,581	(5,479,924)	-	-	365,067,657
Water Utility Capital Assets, Net	<u>\$ 382,884,009</u>	<u>\$ 8,175,765</u>	<u>\$ 11,368,967</u>	<u>\$ -</u>	<u>\$ 379,690,807</u>
Wastewater Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,101,261	\$ -	\$ -	\$ -	\$ 1,101,261
Construction in Progress	28,454,853	23,548,987	36,823,693	-	15,180,147
Total Capital Assets, not being depreciated	<u>29,556,114</u>	<u>23,548,987</u>	<u>36,823,693</u>	<u>-</u>	<u>16,281,408</u>
Capital Assets, Being Depreciated:					
Plant-in-service	795,583,560	36,603,789	6,487	-	832,180,862
Total Capital Assets Being Depreciated	<u>795,583,560</u>	<u>36,603,789</u>	<u>6,487</u>	<u>-</u>	<u>832,180,862</u>
Less Accumulated Depreciation For:					
Plant-in-service	341,735,104	21,819,032	6,487	-	363,547,649
Total Accumulated Depreciation	<u>341,735,104</u>	<u>21,819,032</u>	<u>6,487</u>	<u>-</u>	<u>363,547,649</u>
Total Capital Assets, Being Depreciated, Net	453,848,456	14,784,757	-	-	468,633,213
Wastewater Utility Capital Assets, Net	<u>\$ 483,404,570</u>	<u>\$ 38,333,744</u>	<u>\$ 36,823,693</u>	<u>\$ -</u>	<u>\$ 484,914,621</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Stormwater Utility					
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 845,213	\$ 7,601,573	\$ 4,755,483	\$ -	\$ 3,691,303
Total Capital Assets, not being depreciated	<u>845,213</u>	<u>7,601,573</u>	<u>4,755,483</u>	<u>-</u>	<u>3,691,303</u>
Capital Assets, Being Depreciated:					
Plant-in-service	47,248,667	4,632,336	243,675	-	51,637,328
Total Capital Assets, being depreciated	<u>47,248,667</u>	<u>4,632,336</u>	<u>243,675</u>	<u>-</u>	<u>51,637,328</u>
Less Accumulated Depreciation For:					
Plant-in-service	6,341,458	1,960,759	243,675	-	8,058,542
Total Accumulated Depreciation	<u>6,341,458</u>	<u>1,960,759</u>	<u>243,675</u>	<u>-</u>	<u>8,058,542</u>
Total Capital Assets, Being Depreciated, Net	<u>40,907,209</u>	<u>2,671,577</u>	<u>-</u>	<u>-</u>	<u>43,578,786</u>
Storm water Utility Capital Assets, Net	<u>\$ 41,752,422</u>	<u>\$ 10,273,150</u>	<u>\$ 4,755,483</u>	<u>\$ -</u>	<u>\$ 47,270,089</u>
Other Business-Type Activity:					
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 27,039,115	\$ -	\$ 4,582,160	\$ -	\$ 22,456,955
Total Capital Assets, not being depreciated	<u>27,039,115</u>	<u>-</u>	<u>4,582,160</u>	<u>-</u>	<u>22,456,955</u>
Capital Assets, Being Depreciated:					
Buildings and Structures	71,255,204	-	35,133,817	-	36,121,387
Equipment and Other Capital Assets	9,596,651	-	5,702,272	-	3,894,379
Total Capital Assets, being depreciated	<u>80,851,855</u>	<u>-</u>	<u>40,836,089</u>	<u>-</u>	<u>40,015,766</u>
Less-Accumulated Depreciation For:					
Buildings and Structures	43,705,219	1,424,561	33,701,783	-	11,427,997
Equipment and Other Assets	7,861,238	194,612	5,596,523	-	2,459,327
Total Accumulated Depreciation	<u>51,566,457</u>	<u>1,619,173</u>	<u>39,298,306</u>	<u>-</u>	<u>13,887,324</u>
Total Capital Assets, Being Depreciated, Net	<u>29,285,398</u>	<u>(1,619,173)</u>	<u>1,537,783</u>	<u>-</u>	<u>26,128,442</u>
Other Business-Type Activity Capital Assets, Net	<u>\$ 56,324,513</u>	<u>\$ (1,619,173)</u>	<u>\$ 6,119,943</u>	<u>\$ -</u>	<u>\$ 48,585,397</u>
Enterprise Funds Capital Assets, Net	<u>\$ 1,376,931,547</u>	<u>\$ 77,966,680</u>	<u>\$ 81,074,697</u>	<u>\$ -</u>	<u>\$ 1,373,823,530</u>
Internal Service Fund - Stores Utility, Net	<u>\$ 2,521,798</u>	<u>\$ -</u>	<u>\$ 111,223</u>	<u>\$ -</u>	<u>\$ 2,410,575</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 1,379,453,345</u>	<u>\$ 77,966,680</u>	<u>\$ 81,185,920</u>	<u>\$ -</u>	<u>\$ 1,376,234,105</u>

* In Fiscal Year 2020, Coliseum Capital Assets were transferred from Business-Type Activities (Enterprise Fund) to Governmental Activities due to discontinued operations.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

7. OBLIGATIONS

Changes in obligations during the fiscal year ended June 30, 2020 are summarized below:

Primary Government – Governmental Activities

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Not Due Within</u> <u>One Year</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 646,856,726	\$ 135,018,681	\$ 56,428,645	\$ 725,446,762	\$ 675,920,692	\$ 49,526,070
General Obligation Bond - Direct Borrowing	12,472,041	264,927	70,850	12,666,118	12,593,668	72,450
Qualified Zone Academy Bonds	439,981	-	78,335	361,646	-	361,646
Total General Obligation Bonds	<u>659,768,748</u>	<u>135,283,608</u>	<u>56,577,830</u>	<u>738,474,526</u>	<u>688,514,360</u>	<u>49,960,166</u>
Line of Credit - BAN - Series 2018A & 2018B	42,200,000	17,000,000	45,000,000	14,200,000	14,200,000	-
General Obligation Serial Equipment Notes	-	5,462,000	-	5,462,000	4,503,000	959,000
Total General Obligation Notes	<u>42,200,000</u>	<u>22,462,000</u>	<u>45,000,000</u>	<u>19,662,000</u>	<u>18,703,000</u>	<u>959,000</u>
HUD Section 108 Notes	11,157,000	-	670,000	10,487,000	9,811,000	676,000
Premium on Debt Issued	69,271,367	17,045,991	9,837,889	76,479,469	65,479,252	11,000,217
Total Obligations	<u>\$ 782,397,115</u>	<u>\$ 174,791,599</u>	<u>\$ 112,085,719</u>	<u>\$ 845,102,995</u>	<u>\$ 782,507,612</u>	<u>\$ 62,595,383</u>
Advantage Richmond Lease Revenue Bond	\$ 2,213,049	\$ -	\$ 1,077,478	\$ 1,135,571	\$ -	\$ 1,135,571
Compensated Absences	\$ 18,945,053	\$ 19,988,145	\$ 17,811,168	\$ 21,122,030	\$ 17,523,337	\$ 3,598,693
Net Other Post Employment Benefit Liability	\$ 74,060,791	\$ 26,473,393	\$ -	\$ 100,534,184	\$ 100,534,184	\$ -
Net Pension Liability	\$ 267,318,966	\$ 56,144,285	\$ -	\$ 323,463,251	\$ 323,463,251	\$ -

* In Fiscal Year 2020, \$2,133,681 of outstanding General Obligation Bonds and \$264,927 of a directly Issued bond debt related to the Richmond Coliseum have been reclassified from Business-Type (Enterprise Fund) Activities debt to Governmental Activities debt due to the closing of the Coliseum.

As of June 30, 2020, the City's Primary Government has total outstanding general obligation bonds and notes of \$845,102,995. Of this total, directly borrowed debt of \$28,976,764 includes bond and note amounts borrowed from Commercial Banks, the Commonwealth of Virginia (Virginia Resources Authority), and from the U.S. Department of Housing and Urban Development (HUD). During the FY2020, the City had in place a \$60.0 million Line of Credit Bond Anticipation Note Facility (See details later in this Footnote) with a year-end outstanding balance of \$14,200,000. Borrowings on this facility will be converted to General Obligation Bonds in subsequent years.

See Note 12 for additional information regarding Other Post Employment Benefits (OPEB). The contributions for OPEB by the City are determined annually by the City's Department of Budget & Strategic Planning and subsequently approved and adopted by City Council through the City's budget process.

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expense when due. All liabilities, both current and long-term, are reported in the Statement of Net Position.

General Obligation Bonds and Notes are secured by the full faith and credit of the City and are payable from taxes levied on property located within the City. General Obligation Serial Equipment Notes and capital leases are payable from General Fund and Internal Service Fund revenues. The allocation of debt between Governmental Activities and Business-Type Activities is recorded on a debt by debt basis.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Primary Government – Business-Type Activities

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Not Due Within One Year	Due Within One Year
Utilities - General Obligation Bonds	\$ 22,222,003	\$ -	\$ 3,924,104	\$ 18,297,899	\$ 11,382,044	\$ 6,915,855
Utilities - General Obligation Bond - Direct Borrowing	12,207,897	3,324,000	7,078,619	8,453,278	3,782,859	4,670,419
Premium on Utility Debt, Net	134,767	-	100,888	33,879	33,879	-
Total Utilities General Obligation Bonds	34,564,667	3,324,000	11,103,611	26,785,056	15,198,782	11,586,274
Non-Major Enterprise Funds Bonds	55,910,870	-	7,855,930	48,054,940	44,220,618	3,834,322
Non-Major Enterprise Funds - Direct Borrowing	266,259	-	264,927	1,332	1,332	-
Premium on Non Major Debt, Net	1,537,379	-	215,072	1,322,307	1,322,307	-
Total Non-Major Enterprise Funds Bonds	57,714,508	-	8,335,929	49,378,579	45,544,257	3,834,322
Total Business-Type General Obligation Bonds	92,279,175	3,324,000	19,439,540	76,163,635	60,743,039	15,420,596
Public Utility Revenue Bonds	666,434,998	315,445,000	179,855,001	802,024,997	779,159,998	22,864,999
Public Utility Revenue Bond - Direct Borrowing	48,383,327	-	3,830,762	44,552,565	40,699,525	3,853,040
Public Utility Premium on Revenue Bond Debt, Net	79,617,756	15,435,394	29,298,600	65,754,550	65,754,550	-
Total Revenue Bonded Debt	794,436,081	330,880,394	212,984,363	912,332,112	885,614,073	26,718,039
Total Obligations	\$ 886,715,256	\$ 334,204,394	\$ 232,423,903	\$ 988,495,747	\$ 946,357,112	\$ 42,138,635
Compensated Absences						
Gas	\$ 920,035	\$ 973,063	\$ 845,595	\$ 1,047,503	\$ 806,623	\$ 240,880
Water	709,740	722,848	654,442	778,146	599,206	178,940
Wastewater	630,880	695,044	577,709	748,215	576,159	172,056
Stormwater	236,581	250,216	217,439	269,358	207,417	61,941
Stores Operating Fund	26,287	27,802	24,159	29,930	23,047	6,883
Cemeteries	54,245	42,027	50,783	45,489	38,303	7,186
Parking Garages	45,332	84,073	38,900	90,505	81,659	8,846
Total Compensated Absences	\$ 2,623,100	\$ 2,795,073	\$ 2,409,027	\$ 3,009,146	\$ 2,332,414	\$ 676,732
Other Post Employment Benefit Liability	\$ 11,978,371	\$ 4,421,078	\$ -	\$ 16,399,449	\$ 16,399,449	\$ -
Net Pension Liability	\$ 39,039,470	\$ 8,176,303	\$ -	\$ 47,215,773	\$ 47,215,773	\$ -

As of June 30, 2020, the outstanding debt of the City's Business-Type Activities (Enterprise Funds) totaled debt of \$988,495,747 including \$921,385,011 of publicly issued bonds and premiums and \$67,110,736 of direct borrowings from the Commonwealth of Virginia's Virginia Resources Authority (VRA) and a Commercial Bank.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Details of Bonds and Notes Outstanding

	Interest Rates	Issue Date	Maturity Date	Original Issue	Balance at June 30, 2020	
					Governmental Activities	Enterprise Funds
General Obligation Bonds						
Public Improvement Bonds 2010B (QSCB)	5.27%	11/16/2010	11/1/2029	14,980,000	14,980,000	-
Public Improvement Refunding Bonds 2010C	1.50% - 5.00%	11/16/2010	7/15/2023	85,180,000	8,332,600	122,400
Public Improvement Bonds 2011A (VRA)	0.00%	6/1/2011	1/15/2032	225,000	-	135,000
Public Improvement Bonds 2012A	2.00% - 5.00%	6/28/2012	3/1/2032	98,835,000	16,760,000	-
Public Improvement Refunding Bonds 2012B	2.00% - 5.00%	6/28/2012	7/15/2024	46,870,000	21,435,000	-
Public Improvement Refunding Bonds 2012C	0.35% - 2.85%	6/28/2012	7/15/2023	100,030,000	13,859,162	16,220,838
Public Improvement Bonds 2012 D (QSCB)	4.15%	6/28/2012	1/15/2033	7,500,000	7,500,000	-
Public Improvement Bonds 2013A	2.00% - 5.00%	9/26/2013	3/1/2033	127,745,000	15,725,000	-
Public Improvement Bonds 2013B	3.00% - 4.80%	9/26/2013	3/1/2033	11,295,000	8,835,000	-
Public Improvement Bonds 2014A	3.00% - 5.00%	12/23/2014	3/1/2035	99,295,000	51,785,000	-
Public Improvement Refunding Bonds 2014B	5.00%	12/23/2014	7/15/2026	25,605,000	25,605,000	-
Public Improvement Refunding Bonds 2015A	2.34%	7/15/2015	7/15/2023	56,715,000	12,666,118	7,173,882
Public Improvement Bonds 2015B	3.00% - 5.00%	12/8/2015	3/1/2038	62,795,000	49,630,000	-
Public Improvement Bonds 2015C	3.00% - 4.00%	12/8/2015	6/1/2041	23,000,000	20,510,000	-
Public Improvement Bonds 2017A (VRA)	0.00%	3/30/2017	7/15/2037	1,310,278	-	931,328
Public Improvement Refunding Bonds 2017B	3.00% - 5.00%	7/14/2017	7/15/2037	185,070,000	168,680,000	8,325,000
Public Improvement Refunding Bonds 2017C	1.15% - 3.13%	7/14/2017	7/15/2031	43,965,000	-	38,575,000
Public Improvement Refunding Bonds 2017D	4.00% - 5.00%	12/21/2017	3/1/2033	118,535,000	117,190,000	-
Public Improvement Bonds 2018A	2.00% - 5.00%	8/15/2018	3/1/2041	46,890,000	44,240,000	-
Public Improvement Refunding Bonds 2018B	3.45% - 3.75%	8/15/2018	3/1/2033	8,310,000	7,495,000	-
Public Improvement Refunding Bonds 2019A	2.60% - 5.00%	10/23/2019	7/15/2039	132,885,000	132,885,000	-
Qualified Zone Academy Bonds - 2004B	0.00%	12/30/2004	12/30/2020	1,536,671	361,646	-
General Obligation Notes						
Serial Equipment Note - Series 2020A	1.11%	6/17/2020	6/1/2025	4,960,000	3,518,000	1,442,000
Serial Equipment Note - Series 2020B	1.19%	6/17/2020	6/1/2027	3,826,000	1,944,000	1,882,000
Line of Credit BAN - Series 2018A	Variable	11/29/2018	11/1/2022	150,000,000	14,200,000	-
HUD Section 108 Notes						
HUD Section 108 Note Series 2015A	0.83% - 3.60%	5/28/2015	8/1/2032	10,125,000	8,010,000	-
HUD Section 108 Note Series 2019A	2.54% - 3.64%	3/28/2019	8/1/2038	2,607,000	2,477,000	-
Revenue Bonds						
Public Utility Revenue Bonds 2006 - VRA	2.20%	6/29/2006	1/15/2028	11,000,000	-	5,209,307
Public Utility Revenue Bonds 2008A- VRA	2.52%	6/27/2008	1/15/2029	6,900,000	-	3,509,091
Public Utility Revenue Bonds 2009B-VRA	0.00%	6/24/2009	7/15/2030	32,000,000	-	16,800,000
Public Utility Revenue Bonds 2010A-VRA	0.00%	2/3/2010	7/15/2040	188,218	-	128,986
Public Utility Revenue Bonds 2012A-VRA	0.00%	4/17/2012	1/15/2035	23,289,955	-	17,467,465
Public Utility Revenue Refunding Bonds 2013A	2.00% - 5.00%	5/2/2013	1/15/2043	214,220,000	-	21,620,000
Public Utility Revenue Bonds 2015A - VRA	0.00%	3/5/2015	1/15/2036	2,600,000	-	1,437,716
Public Utility Revenue Refunding Bonds 2016A	4.00% - 5.00%	12/7/2016	1/15/2046	502,260,000	-	464,960,000
Public Utility Revenue Bonds 2020A	2.81% - 5.00%	4/15/2020	1/15/2050	135,445,000	-	135,445,000
Public Utility Revenue Refunding Bonds 2020B	1.63% - 3.54%	4/15/2020	1/15/2043	180,000,000	-	180,000,000
Premiums/(Discounts) on Debt Issued					76,479,469	67,110,734
Total Bonds and Notes					<u>\$ 845,102,995</u>	<u>\$ 988,495,747</u>
Lease Revenue Bond - Advantage Richmond	6.38%	10/26/2005	10/1/2020	12,100,000	\$ 1,135,571	\$ -

The annual requirements to amortize to maturity all long-term debt outstanding (General Obligation Bonds, General Obligation Serial Equipment Notes, Public Utility Revenue Bonds, Advantage Richmond Corporation Lease Revenue Bonds, and Section 108 Promissory Notes) including interest payable is as follows:

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Governmental Activities:

<u>Fiscal Year</u>	(In Thousands)					
	<u>General Obligation Bonds (Bonds)</u>		<u>General Obligation Bonds (Direct Borrowing)</u>		<u>General Obligation Notes & BANs (Direct Borrowing)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 49,164	\$ 30,770	\$ 72	\$ 296	\$ 959	\$ 166
2022	45,925	28,629	6,069	224	966	158
2023	52,724	26,142	-	152	15,177	76
2024	44,339	24,029	6,525	76	988	29
2025	45,760	21,855	-	-	1,000	18
2026 - 2030	224,155	77,707	-	-	572	11
2031 - 2035	170,620	31,140	-	-	-	-
2036 - 2040	88,355	7,427	-	-	-	-
2041 - 2045	4,405	157	-	-	-	-
Subtotal	725,447	247,856	12,666	748	19,662	458
Premium	76,479	-	-	-	-	-
Total	\$ 801,926	\$ 247,856	\$ 12,666	\$ 748	\$ 19,662	\$ 458

<u>Fiscal Year</u>	(In Thousands)					
	<u>HUD Section 108 Notes (Direct borrowing)</u>		<u>Qualified Zone Academy Bonds (Direct Borrowing)</u>		<u>Lease Revenue Bonds (Direct Borrowing)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 676	\$ 311	\$ 362	\$ -	\$ 1,136	\$ 36
2022	685	296	-	-	-	-
2023	700	279	-	-	-	-
2024	711	261	-	-	-	-
2025	725	241	-	-	-	-
2026 - 2030	3,802	867	-	-	-	-
2031 - 2035	2,667	257	-	-	-	-
2036 - 2040	521	37	-	-	-	-
Total	\$ 10,487	\$ 2,549	\$ 362	\$ -	\$ 1,136	\$ 36

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Business-Type Activities:

<u>Fiscal Year</u>	(In Thousands)			
	General Obligation Bonds (Bonds)		General Obligation Bonds (Direct Borrowing)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 10,751	\$ 1,829	\$ 4,670	\$ 121
2022	7,661	1,624	612	32
2023	7,385	1,400	619	26
2024	7,371	1,159	625	20
2025	3,700	985	631	13
2026 - 2030	20,370	3,143	875	7
2031 - 2035	9,115	291	289	3
2036 - 2040	-	-	133	-
Subtotal	66,353	10,431	8,454	222
Premium	1,356	-	-	-
Total	<u>\$ 67,709</u>	<u>\$ 10,431</u>	<u>\$ 8,454</u>	<u>\$ 222</u>

<u>Fiscal Year</u>	(In Thousands)			
	Utility Revenue Bonds (Bonds)		Utility Revenue Bonds (Direct Borrowing)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 22,865	\$ 31,046	\$ 3,853	\$ 203
2022	26,595	32,668	3,876	180
2023	26,845	31,405	3,899	156
2024	27,420	30,124	3,923	133
2025	31,930	29,022	3,948	108
2026 - 2030	176,070	123,518	18,227	179
2031 - 2035	201,680	81,244	6,792	-
2036 - 2040	151,649	42,043	32	-
2041 - 2045	97,615	17,134	3	-
2046 - 2050	39,355	4,139	-	-
Subtotal	802,024	422,343	44,553	959
Premium	65,755	-	-	-
Total	<u>\$ 867,779</u>	<u>\$ 422,343</u>	<u>\$ 44,553</u>	<u>\$ 959</u>

Debt issued during the fiscal year ended June 30, 2020

On November 29, 2018, the City established its Series 2018A General Obligation Line of Credit Bond Anticipation Note Facility (the "Line of Credit") with a Commercial Bank, which was amended to its current Line Amount of \$60.0 million. The Line of Credit is being used to finance the construction of three new Richmond Public Schools. The City pays monthly variable rate interest on the Line of Credit borrowings priced at LIBOR plus 47.5 basis points (0.61 percent on June 30, 2020). The Line of Credit has a final maturity of November 1, 2022. The outstanding balance as of June 30, 2020, was \$14,200,000.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

On October 23, 2019, the City issued \$132,885,000 of tax-exempt General Obligation Public Improvement and Refunding Bonds, Series 2019A. At the time of the debt offering, Moody's upgraded its bond rating of the City's General Obligation debt to Aa1, from Aa2, while Standard & Poor's and Fitch Ratings both re-affirmed the City's bond ratings of AA+ and AA+, respectively.

The \$132,885,000 par amount of the Series 2019A General Obligation bond proceeds, along with a \$17,045,991 premium received, were used to fund \$90,000,000 of new School construction costs, payoff the \$45,000,000 outstanding balance on the Series 2018B Line of Credit Bond Anticipation Note, and current refund certain maturities of the outstanding Series 2009B General Obligation bonds to achieved debt service savings. The refunding of the Series 2009B bonds achieved debt service savings of \$676,358 over four years and an economic gain of \$664,461. The Series 2019A bonds have coupon interest rates ranging from 2.60 percent to 5.00 percent with interest payable on January 15th and July 15th of each year. Serial annual principal amounts of between \$4,315,000 and \$8,540,000 are payable on July 15th of each year, with a final principal maturity due on July 15, 2039.

On April 15, 2020, the City issue \$135,445,000 of tax-exempt Public Utility Revenue Bonds, Series 2020A, and \$180,000,000 taxable Public Utility Revenue Refunding Bonds, Series 2020B. At the time of this debt offering, Moody's upgraded its bond rating of the City's Public Utility Revenue bond debt to Aa1 from Aa2, while Standard & Poor's and Fitch Ratings both re-affirmed the City's Utility Revenue bond ratings of AA and AA, respectively.

The \$135,445,000 par amount of the Series 2020A bonds, along with \$15,435,394 of premiums received, will be used to fund ongoing capital projects of the City's Gas and Wastewater Utilities during the next approximately 24 months. The Series 2020A bonds have coupon interest rates of between 2.81 percent and 5.00 percent with interest paid semiannually on January 15th and July 15th of each year. Serial annual principal payment amounts of between \$820,000 and \$15,850,000 are payable on January 15th of each year with a final principal payment due January 15, 2050.

The \$180,000,000 par amount of the taxable Series 2020B Public Utility Revenue Refunding bonds, along with a \$2,824,704 cash contribution from the Utilities, were used to advance refund certain principal maturities of the outstanding Series 2013A Public Utility Revenue bonds at lower interest rates. The refunding achieved cash flow debt service savings of \$22,700,127 over the remaining 23 year life of the bonds, and an economic gain of \$16,380,305. The Series 2020B bonds have coupon interest rates of between 1.63 percent and 3.54 percent with semiannual interest due January 15th and July 15th. Principal is payable annually on January 15th of each year in amounts of between \$1,940,000 and \$10,205,000, with a final principal payment due January 15, 2043.

On June 17, 2020, the City issued a \$4,960,000 five-year General Obligation Equipment Note, Series 2020A and a \$3,826,000 seven-year General Obligation Equipment Note, Series 2020B to finance vehicles and equipment purchased by the City's Fleet Management Internal Service Fund and the City's Stormwater Utility. The Notes were privately placed with a commercial bank which agreed to provide five-year financing on the Series 2020A Note at a fixed tax-exempt rate of 1.11 percent, along with seven-year financing on the Series 2020B Note at a fixed tax-exempt rate of 1.19 percent.

The Series 2020A Note calls for the City to make serial principal payments of between \$973,000 and \$1,014,000 on June 1st of each year and semi-annual interest payments due on December 1st and June 1st of each year. The final maturity on the Series 2020A Note is June 1, 2025. The Series 2020B Note calls for the City to make serial principal payments of between \$529,000 and \$566,000 on June 1st of each year and semi-annual interest payments due on December 1st and June 1st of each year. The final maturity on the Series 2020B Note is June 1, 2027.

Defeasance of Debt

On July 14, 2017, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds, Series 2017B and 2017C to advance refund principal maturities of the Series 2010D and 2012A General Obligation Bonds. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments due on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2020, the remaining principal amount of defeased bonds is \$96,290,000. The call date of the Series 2010D bonds is July 15, 2020, and for the 2012A bonds is March 1, 2022.

On December 21, 2017, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds, Series 2017D to advance refund principal maturities of the Series 2013A, and 2014A General Obligation Bonds. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

all future debt service payments due on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2020, the principal amount of defeased bonds is \$125,420,000. The call date for the Series 2013A Bonds is March 1, 2023 and for the Series 2014A is March 1, 2024.

On April 15, 2020, the City purchased U.S. Government Securities with proceeds of the Public Utility Revenue and refunding Bonds, Series 2020B to advance refund principal maturities of the Series 2013A Public Utility Revenue Bonds. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments due on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2020, the principal amount of defeased Utility Revenue bonds is \$161,400,000. The call date for the Series 2013A Bonds is January 15, 2023.

Legal Debt Limit

Article VII, Section 10 of the Constitution of Virginia provides that the legal debt limit for cities for issuing General Obligation debt is ten (10) percent of the last preceding assessment for real estate taxes. At June 30, 2020, the City had a legal debt limit of \$2,706,264,400 (10.00 percent of the taxable real estate value) and the statutory capacity to issue approximately \$1,869,697,855 of additional General Obligation debt (remaining debt margin).

Authority to Issue Debt

As of June 30, 2020, the City had a total of \$306,558,732 of additional general obligation and revenue bonds authorized, but not issued, for funding Capital Improvement Projects and the acquisition of Equipment. Of these authorized, but not issued bonds and notes, \$171,953,549 is earmarked for self-supporting Public Utility revenue bond funded projects, \$12,841,722 for Stormwater Utility Projects, \$114,609,462 for various General Fund supported capital projects and \$7,153,999 for funding of equipment purchases.

Bond Ratings

The City of Richmond periodically has three bond rating firms provide credit evaluations of the City's outstanding General Obligation and Public Utility Revenue bond debt. The current bond rating of the City's outstanding bond debt by each firm is as follows:

General Obligation Bonds	
Moody's	Aa1
Standard & Poor's	AA+
Fitch Ratings	AA+
Public Utility Revenue Bonds	
Moody's	Aa1
Standard & Poor's	AA
Fitch Ratings	AA

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

8. FUND BALANCES

Fund balances have been classified to reflect the limitations and restrictions placed on the respective funds. Fund balances at June 30, 2020, are composed of the following:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Non-Major Governmental Funds</u>
Nonspendable:				
Prepaid	\$ 8,822	\$ -	\$ -	\$ -
Total Nonspendable	<u>8,822</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted To:				
Capital Projects	-	13,360,832	15,686,156	-
NM Governmental Funds	-	-	-	36,978,325
Total Restricted	<u>-</u>	<u>13,360,832</u>	<u>15,686,156</u>	<u>36,978,325</u>
Committed To:				
Budget and Revenue Stabilization Contingency	20,000,000	-	-	-
School Board Operations	90,612	-	-	-
Total Committed	<u>20,090,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned To:				
Encumbrance Roll Forward	2,036,058	-	-	-
Capital Reserve	8,452,229	-	-	-
Percent for the Arts	306,396	-	-	-
School Facilities	15,795,920	-	-	-
Unspent Building Code Fees	656,995	-	-	-
Equity Study	110,000	-	-	-
COVID-19 Contingencies	547,557	-	-	-
OPEB Trust	5,780,000	-	-	-
Total Assigned	<u>33,685,155</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned:				
Total Unassigned	112,767,905	-	(99,213,840)	-
Total Fund Balances	<u>\$ 166,552,494</u>	<u>\$ 13,360,832</u>	<u>\$ (83,527,684)</u>	<u>\$ 36,978,325</u>

9. RISK MANAGEMENT

The City's non-health care related risk management activities are conducted through the Self Insurance agency within General Fund and have been accounted for in accordance with GAAP.

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. For all retained risks, claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. There have been no significant reductions in insurance coverage from coverage in the prior year, and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

For workers' compensation claims, the City assumes the first \$2,000,000 for Heart, Lung and Cancer presumptive claims for Public Safety Officer and \$1,500,000 for All Other employees and non-presumptive claims for Public Safety Officers. The City pays claims filed directly from appropriations to various agencies. Excess workers' compensation coverage provides protection for accidents exceeding the self-insured retentions noted above. Claims for indemnity benefits may be paid over a maximum period of 500 weeks with the exception of certain legally defined cases, which may be paid for the lifetime of the claimant.

The City is self-insured for the first \$1,500,000 of any general liability, automobile liability, public officials or police professional liability claim. The City has purchased \$10,000,000 in excess liability coverage over a \$1,500,000 self-insured retention from States Self-Insurers Risk Retention Group (States), a public entity risk pool domiciled in the State of Vermont. Claims under the \$1,500,000 self-insured retention are paid by the Risk Management Unit within the Internal Service Fund.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

The City's Department of Public Utilities (DPU) is a member of the Associated Electric Gas and Insurance Services, Ltd., a member-owned company based in New Jersey. In exchange for an annual premium, the utilities are provided insurance coverage to a limit of \$35 million per occurrence for excess liability with self-insured retention of \$1,000,000 per occurrence for General and Employers' Liability, and \$1,000,000 per occurrence for Pollution Liability. DPU is also a member of Energy Insurance Mutual Ltd., which provides excess liability coverage with limits of \$100 million in excess of the \$35 million underlying coverage.

The City also carries commercial insurance in a number of smaller, more defined risk areas such as employees' faithful performance, money and securities, and medical professional liability. The Risk Management Bureau recently secured Fiduciary coverage for the Richmond Retirement System Fund. The Risk Management Bureau also obtained Malicious Acts coverage.

During the fiscal year ended June 30, 2020, premiums for excess coverage and claims paid for self-insured coverage were recognized as revenue and recorded as expenditures or expenses in the appropriate Governmental and Proprietary Funds, respectively.

The City's aggregate actuarially determined liability for uninsured workers' compensation, general liability, and automobile liability at June 30, 2020, was \$47,258,913 (undiscounted) and \$38,228,155 (discounted at 3.50 percent). Changes in the aggregate for these liabilities for FY2019 and FY2020 were:

<u>Fiscal Year</u>	<u>Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims and Premium Payments</u>	<u>Balance at Fiscal Year End</u>
2019	\$ 33,120,531	\$ 10,969,924	\$ (8,282,134)	\$ 35,808,321
2020	\$ 35,808,321	\$ 11,884,878	\$ (9,465,044)	\$ 38,228,155

Workers' compensation, general liability, and automobile liability future payment projections for fiscal period July 1, 2020, through June 30, 2021, are as follows:

<u>Probability Level</u>	<u>Discounted</u>	<u>Undiscounted</u>
90.00%	\$ 10,839,066	\$ 11,027,118
75.00%	\$ 9,673,769	\$ 9,841,604
Central Estimate	\$ 8,547,615	\$ 8,695,911

10. HEALTH CARE PLAN

On July 1, 2010, the City began to self-insure health care for all eligible employees and retirees by contracting with providers for administrative services only. Services under these contracts include claims adjudication, disease management, lifestyle programs, and wellness initiatives. The Department of Human Resources manages the plan, ensures statutory compliance and makes recommendations to City Council, which has the authority to modify the provisions of the City's active and post-employment benefits program. In accordance with the Affordable Care Act (ACA), any employee who works an average of twenty (20) or more hours within a designated "measurement period" will be eligible to enroll in the City-sponsored health care (with the exception of Seasonal Employees).

Retiree Eligibility

Employees who retire as an active member in the Defined Benefit Plan and Enhanced Defined Benefit Plan and Constitutional employees are eligible for health insurance. Employees must:

- Be under age 65
- Have worked for the City for 15 years or more
- Have worked for the City for 10 or more years with 5 years of continuous participation on the health insurance program immediately prior to retirement

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Sworn Police, Sworn Fire, Sworn VRS, and Executives currently are not in the defined contribution group are also able to participate in the post-retirement medical coverage even if they were hired after January 1, 1997.

Employees who retire as an active member in the Defined Contribution Plan are not eligible for post-retirement benefits and are only eligible for COBRA.

City Subsidy

The amount of subsidy is determined on a yearly basis and based on length of active service. There are three levels of subsidy:

<u>Years of Active Service</u>	<u>Subsidy</u>
25 +	100.00%
15 to 25	75.00%
10 to 15	50.00%
Less than 10	0.00%

Benefits

CIGNA Healthcare is contracted as the third-party administrator for the medical plans. The City offers two medical plan options: Premier and Classic. In-network services for the Premier Plan are covered at 90 percent with a \$20 office visit co-pay for Primary Care Physicians, and a \$40 office visit co-pay for Specialists. In-network services for the Classic Plan are covered at 80 percent with a \$25 office visit co-pay for Primary Care Physicians, and a \$50 office visit co-pay for Specialists. Out-of-network providers are covered at 50 percent. Wellness checkups and services are covered at 100 percent. Prescription drug coverage is included with both medical plans, utilizing a three tier co-pay structure and optional mail order to refill prescriptions. The City pays the full cost of the coverage for life for Line of Service Retirees.

The City purchases specific stop-loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$300,000 per occurrence for individual claims, and an additional 125 percent aggregate stop loss limitation that has been subsequently canceled effective as of August 2014, for the City. The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from the City's outside actuary, MERCER.

	Health Insurance Primary Government	
	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
Unpaid Claims Beginning of Fiscal Year	\$ 3,644,000	\$ 3,917,000
Incurred Claims (including IBNR)	45,646,262	43,385,424
Claim Payments	(46,032,262)	(43,658,424)
Unpaid Claims End of Fiscal Year	<u>\$ 3,258,000</u>	<u>\$ 3,644,000</u>

11. RETIREMENT PLANS

Richmond Retirement System (RRS)

Defined Benefit Plan

A. Plan Description

The RRS was established by action of the Richmond City Council on February 1, 1945. The City Council appoints five members and the Mayor appoints two members of the Board of Trustees to administer the RRS. However, City Council retains the authority to establish or amend benefit provisions. The RRS is currently not subject to the provisions of the Employee Retirement Income Security Act of 1974.

The RRS is a single-employer Defined Benefit Plan. The RRS has one participating employer, the City, including its component unit Richmond Behavioral Health Authority and a small portion of Richmond Public Schools. The plan covers all full-time permanent employees, with the exception of those elected officials and persons eligible for membership in the Judicial Retirement System and the Virginia Retirement System. A majority of the employees of the School Board participate in the Virginia Retirement System (VRS), which offers both agent and cost sharing

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

multiple-employer retirement plan options to Virginia localities and acts as a common investment and administrative agent for certain political subdivisions in the Commonwealth of Virginia. Members are vested after five years of creditable service or at their normal retirement age (age 65 for General Employees; age 60 for Public Safety Employees). The plan is contributory for employees.

B. Contribution Policy

The City Code of 1993, as amended, requires the City to contribute to the RRS, annually, an amount as determined by the actuarial, expressed as a percentage of payroll, equal to the sum of the normal contribution and the actuarial determined contribution.

The actuarial determined contribution is the amount necessary to amortize the unfunded actuarial liability and any increase or decrease in the unfunded actuarial liability in future years due to changes in actuarial assumptions, changes in RRS provisions, including the granting of COLA increases, or actuarial gains or losses amortized over a closed period not to exceed 30 years, with payments increasing up to 4.00 percent per year for Fire and Police and level contributions for General Employees.

C. Actuarial Methods and Assumptions Used to Determine Contribution Rates and Net Pension Liability (NPL)

Actuarial determined contribution rates and net pension liability (NPL) are calculated as of July 1 two years prior to the end of the fiscal year in which contributions are reported. The following assumptions were used to determine contribution rates and NPL:

- Actuarial cost method – Entry Age Normal
- Amortization method – Level percent of pay over a closed period not to exceed 30 years for Police and Fire Employees; level dollar amount over a closed period, not to exceed 30 years for General Members.
- Remaining amortization period – 20 years for remaining unfunded accrued liability as of July 1, 2006; 20 years for subsequent changes.
- Asset valuation method – 5 year spread of the difference between actual investment earnings and assumed investment earnings a 7.50 percent with the restriction that the resulting value must be within 90.00 percent to 110.00 percent of market value.
- Inflation rate - 3.00 percent.
- Salary increases General Employees – 3.00 percent to 4.00 percent.
- Salary Increases – Police and Fire Employees from 3.00 percent to 4.50 percent.
- Investment rate of return – 7.50 percent.
- Interest rate - The expected long term rate of return of 7.50 percent was used to determine the Entry Age Actuarial Liability and Normal Cost for purposes of determining contribution rates. For financial reporting, under GASB67, the same 7.50 percent rate was used because it was projected that under the funding policy there will be no future date at which time system assets will be depleted. If that were the case, a blended rate using 7.50 percent long term rate of return assumption would have been used for years until assets are projected to be depleted and a high quality 20 year municipal bond yield would have been used thereafter.
- Annual Money Weighted Rate of Return, Net of Investment Fess - 7.20 percent. Annual money-weighted rate of return is calculated net of all investment management expenses and additional plan investment related expenses that are reported by the plan's custodian and/or were provided to NEPC by the client. The methodology used to determine the money weighted rate of return is different from the calculation of the fiscal year rate of return, which was 7.20 percent net of fees. Cash flows have a larger impact on the money-weighted rate of return than the fiscal year rate of return, which uses a time-weighted calculation.
- For purposes of determining contribution rates, the difference between actual investment earnings and expected investment earnings is recognized over a five-year period, with the restriction that the actuarial asset value cannot be less than 90.00 percent or more than 110.00 percent of market value. This smoothing

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

method is utilized in order to minimize the impact of short term market fluctuations on the RRS contribution rates and funded status. Fair market value of investments was used to determine NPL.

D. Plan Membership

As of June 30, 2020, membership in the RRS was comprised as follows:

Active vested Plan members	1,333
Active Non-vested Plan members	254
Terminated Vested Plan members	1,545
Retirees and beneficiaries receiving benefits	4,327
Total	7,459

E. Net Pension Liability

A detailed schedule of changes in the net pension liability is presented under required supplementary information. This information is intended to help users assess the extent of the City's obligation to the Defined Benefit Plan. The net pension liability of the City at June 30, 2020, for the RRS was as follows.

Total pension liability (TPL)	\$ 914,809,221
Plan fiduciary net position	557,110,208
City's net pension liability (NPL)	<u>\$ 357,699,013</u>
Plan fiduciary net position as a percentage of the total pension liability	60.90%
Covered payroll	\$ 105,603,023
City's net pension liability as a percentage of covered payroll	338.72%

The plans net pension liability is calculated based on a measurement date of June 30, 2019.

Expected Rate of Return and Target allocation

The long-term expected rate of return on RRS investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (e.g., expected returns, net of pension plan 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 percentage and by adding expected inflation.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized below:

Investment	30-Yr. 2018 NEPC Arithmetic Return
Large Cap Equities	8.83%
SMD Cap Equities	9.64%
Developed International Equities	9.64%
Emerging International Equities	12.47%
Hedge Funds	6.71%
Private Equity	11.72%
Global Multi-Sector Fixed Income	5.29%
Opportunistic Fixed Income	5.32%
Private Debt	8.25%
Real Estate (core)	7.25%
Cash	2.75%

F. Sensitivity of the Net Pension Liability

Changes in the discount rate affect the measurement of pension liabilities; therefore, a small change in the discount rate could result in a significant change in the NPL. As an illustration, the following table present the NPL for the RRS, calculated using the discount rate of 7.50 percent, as well as, what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

Sensitivity of the NPL to Changes in the Discount Rate			
	1.00% Decrease 6.50%	Current Discount Rate 7.50%	1.00% Increase 8.50%
Plan Net Pension Liability	\$ 444,877,811	\$ 357,699,013	\$ 282,566,976

G. Summary of Deferred Outflows and Inflows of Resources

The City reports new deferred outflows of resources and deferred inflows of resources on its Statement of Net Position as a result of pension related activities required under GAAP. Deferred outflows of resources represent a consumption of net position that is applied to future periods and, thus, is not recognized as an outflow of resources or expense until a later year. Deferred inflows of resources are an acquisition of net position that is not recognized in the current year but are recognized as an inflow of resources or revenue in a future year. The component make up of deferred inflows of resources and deferred outflows of resources is as follows:

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Summary of Deferred Outflows and Inflows of Resources - RRS		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,798,962	\$ 819,900
Net difference between expected and actual investment earnings	12,377,293	-
Change in assumptions	45,117,695	-
Change in proportion and difference between employer contribution and proportion share of contribution	-	-
Employer contributions subsequent to the measurement date	48,394,653	-
Total	\$ 111,688,603	\$ 819,900

Deferred outflows of resources for contributions subsequent to measurement date will be recognized in net pension liability/collective net pension liability in fiscal year ended 2020. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over specific years and recognized in pension expense in future years as shown below:

Amortization Schedule of Deferred Outflows and Inflows of Resources		
Year Ended June 30,		
2021	\$	25,356,843
2022	\$	15,438,169
2023	\$	18,395,517
2024	\$	3,283,521
Thereafter	\$	-
Total	\$	62,474,050

For the year ended June 30, 2020, the City recognized RRS pension expense of \$59,446,401. The components of this pension expense include the following:

PENSION EXPENSE - RRS		
Service Cost	\$	10,463,956
Interest Cost		61,669,092
Experience Loss/(Gain)		(273,300)
Contribution Employee		(1,894,850)
Change in Assumptions		15,039,231
Net Investment Income		
Expected Return on Investments		(40,986,004)
Investment Gain or Loss Expensed		3,283,520
Administrative Expense		1,250,142
Amortization		10,894,614
Pension Expense	\$	59,446,401

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

The Defined Benefit Plan is considered part of the City financial reporting entity and is included in the financial statements as a Pension Trust Fund.

Defined Contribution Plan

The RRS also offers a Defined Contribution 401(a) Plan as another retirement option to the City and RBHA. This plan is mandatory for general employees hired on/or after July 1, 2006, and optional for senior executives and public safety officers. The RRS is the administrator for this plan and has contracted with an independent, not-for-profit financial services organization to be the record keeper of the plan. The City contributes a percentage of an employee's creditable compensation, based on years of service, to a portable account for investment by the employee. This plan is non-contributory for employees. There are 1,938 city employees currently enrolled in the plan.

The Defined Contribution Plan is a 401(a) account which grows through contributions from the participating employers and investment earnings. The Defined Contribution Plan is funded entirely by employer contributions, and no employee contributions are required. Participating employers contribute a percentage of the member's salary to an account each pay period in accordance with the following schedule, which is based on years of creditable service:

- Less than 5 years of service 5.00 percent
- 5 to 10 years of service 6.00 percent
- 10 to 15 years of service 8.00 percent
- 15 or more years of service 10.00 percent

The contribution to the RRS plan by the City is determined annually by the City's Department of Budget & Strategic Planning and subsequently approved and adopted through the City's biennial budget process.

RRS Financial can be accessed at: <https://rva.gov/index.php/retirement-system/annual-reports>

Virginia Retirement System (VRS)

A. Plan Description

The City contributes to the Virginia Retirement System (VRS), a cost-sharing and agent multiple-employer defined benefit pension plan administered by the VRS. City members include constitutional offices of the Sheriff, Courts, Registrar and Treasurer. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan. There are three defined benefit plans for local government employees – Plan 1 and Plan 2 and Hybrid Plan.

- Members hired before July 1, 2010, and who were vested as of January 1, 2013, are covered under Plan 1. Non-hazardous duty members 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. They 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
- Members hired or rehired on or after July 1, 2010, and who were not vested on January 1, 2013, are covered under Plan 2. Non-hazardous duty members 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. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Non-hazardous duty employees hired on or after January 1, 2014, are covered under the Hybrid Plan. The VRS Hybrid Retirement Plan combines features of a defined benefit and a defined contribution plan. Employees covered under the VRS Hybrid Plan are eligible for an unreduced benefit when they reach their normal Social Security retirement age or when their age and service equal the sum of 90. Benefits are payable monthly for life in an amount equal to 1.00 percent of their Average Final Salary (AFS) for each year of credited service. Hybrid members make mandatory contributions to the defined contribution component of the plan and may make additional voluntary contributions to the plan, which the employer is required to match. Employees vest in the

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

matching employer contributions based upon a tiered schedule. Employees are 100.00 percent vested in all matching employer contributions upon reaching 4 years of creditable service.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 percent. The retirement multiplier for sheriffs and regional jail superintendents is 1.85 percent. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70 percent or 1.85 percent as elected by the employer. The multiplier for Plan 2 members was reduced to 1.65 percent effective January 1, 2013, unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Eligible hazardous duty members 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. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00 percent; under Plan 2, the COLA cannot exceed 3.00 percent. During years of no inflation or deflation, the COLA is 0.00 percent. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

VRS issues a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the report may be obtained from the VRS website located <http://www.varetire.org/publications/index.asp> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Contribution Policy

The contribution requirement for active employees is governed by Section 51.1-145 of the Code of Virginia (1950), as amended, but may be impacted as a result of funding options provided by the Virginia General Assembly. Employees are required to contribute 5.00 percent of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.0 percent member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.00 percent member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00 percent member contribution. This could be phased in over a period of up to 5 years. The employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The City's contractually required contribution rate for the year ended June 30, 2019, was 11.72 percent of covered employee payroll. This rate was based on an actuarial determined rate from an actuarial valuation of June 30, 2017. This rate, when combined with employee contributions, is expected to finance the costs of benefits earned by the employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan for the years ended June 30, 2020, and June 30, 2019, were \$4,203,607 and \$4,702,343, respectively.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

C. Plan Membership

At June 30, 2019, the valuation date, City membership in the VRS was comprised as follows:

Active members	543
Inactive members	-
Members and their beneficiaries receiving benefits	412
Members active elsewhere in VRS	264
Inactive Non-vested members	136
Inactive Vested members	109
Total	1,464

D. Net Pension Liability

For the City of Richmond, the net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019. A detailed schedule of changes in the net pension liability is presented under required supplementary information. This information is intended to help users assess the extent of the City's obligation to the Defined Benefit Plan. The net pension liability of the City at June 30, 2020, was as follows:

Total Pension Liability	\$	138,039,662
VRS Fiduciary Net Position		125,059,652
Net Pension Liability	\$	12,980,010
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		90.60%
Covered Payroll	\$	26,924,568
City's Net Pension Liability as a Percentage of Covered Payroll		48.21%

E. Actuarial Methods and Assumptions

The City's net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all period included in the measurement and rolled forward to the measurement date of June 30, 2019.

Actuarial Assumptions for General Employees

The actuarial valuation used the Entry Age Normal actuarial cost method and the following assumptions

- Inflation 2.50 percent
- Salary Increase 3.50 percent to 5.35 percent
- Investment Rate of Return net of pension plan investment expense 6.75 percent
- RP-2014 Mortality rate tables were used projected to 2020

Actuarial Assumptions for Public Safety Employees

The actuarial valuation used the Entry Age Normal actuarial cost method and the following assumptions

- Inflation 2.50 percent
- Salary Increase 3.50 percent to 5.35 percent
- Investment Rate of Return net of pension plan investment expense 6.75 percent
- RP-2014 Mortality rate tables were used projected to 2020

Long Term Expected Rate of Return

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

Long Term Expected Rate of Return			
	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
Multi Asset Public Strategies	6.00%	3.52%	0.21%
Private Investment Partnership	3.00%	6.29%	0.19%
	<u>100.00%</u>		<u>5.13%</u>
		Inflation	2.50%
		*Expected arithmetic nominal return	7.63%

* The above allocation provides a one year return of 7.63 percent. However, one year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11 percent, including expected inflation of 2.50 percent. The VRS Board elected a long-term rate of 6.75 percent which is roughly at the 40th percentile of expected long term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS statutes and the employer contribution will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2019, the City was provided with an opportunity to use an alternate employer contribution rate used in fiscal year 2012 or 100.00 percent of the actuarial determined employer contributions rate from the June 30, 2017, actuarial valuation, whichever is greater. From July 1, 2019, on, participating VRS employers are assumed to contribute 100.00 percent of the actuarial determined contribution rates. Based on these 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.

F. Summary of Deferred Outflows and Inflows of Resources VRS

The schedules presented below reflect information required under GAAP and were prepared using an actuarial valuation performed as of June 30, 2018. The valuation was based upon data furnished by the VRS staff concerning active, retired and inactive members, along with pertinent financial information. The projected cash flows used to determine the discount rate assumed that plan member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the policies established by VRS at rates equal to the difference between actuarial determined contribution rates adopted by the VRS board and the member rate.

Deferred outflows of resources represent a consumption of net position that is applied to future periods and thus is not recognized as an outflow of resources or expense until a later year. Deferred inflows of resources are an acquisition of net position that is not recognized in the current year but are recognized as an inflow of resources or revenue in a future year. The component make up of deferred inflows of resources and deferred outflows of resources is as follows:

Summary of Deferred Outflows and Inflows of Resources - VRS		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 357,660	\$ 293,954
Changes in assumptions	2,541,134	64,511
Net difference between projected and actual earnings on plan investments	-	1,042,098
Employer contribution subsequent to the measurement date	4,211,618	-
Total	\$ 7,110,412	\$ 1,400,563

The deferred inflows of the VRS are amortized over a period of 4 years and are presented below to show the amount to be recognized in pension expense in future years. The deferred outflows made subsequent to the measurement date will be recognized as a reduction to NPL in 2020 and are not amortized. \$4,203,607 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Amortization Schedule of Deferred Outflows and Inflows of Resources		
Year Ended June 30,		
2021	\$	1,114,077
2022	\$	325,061
2023	\$	(18,510)
2024	\$	77,603
2025	\$	-
Thereafter	\$	-
Total	\$	1,498,231

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Changes in the discount rate affect the measurement of pension liabilities; therefore, a small change in the discount rate could result in a significant change in the NPL. To show the impact of a 1 percent change in the discount rate the following table is presented with a rate of 5.75 percent and 7.75 percent comparing the total change in the NPL for a 1 percentage increase or decrease.

Sensitivity of the NPL to Changes in Discount Rate			
	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
Plan Net Pension Liability	\$ 30,185,084	\$ 12,980,010	\$ (725,927)

For the year ended June 30, 2020, the City recognized VRS pension expense of \$3,346,908. The components of this pension expense include the following:

PENSION EXPENSE - VRS	
Service Costs	\$ 3,595,008
Interest on the total pension liability	8,750,975
Expensed portion of current-period difference between expected and actual experience in the total pension liability	182,479
Expensed portion of current period changes in assumptions	1,296,497
Member contributions	(1,301,296)
Projected earning on plan investments	(8,312,537)
Expensed portion of current-period differences between actual and projected earnings on plan investments	77,605
Administrative expenses	79,792
Other	4,992
Recognition of beginning deferred outflows of resources as pension expense	1,565,949
Recognition of beginning deferred inflows of resources as pension expense	(2,592,556)
Pension Expense	\$ 3,346,908

Aggregated Pension Expense

For the year ended June 30, 2020, the City recognized pension expense of \$62,793,309, of which, RRS \$59,446,401 and VRS \$3,346,908 respectively.

	RRS	VRS	Total
Service Cost	\$ 10,463,956	\$ 3,595,008	\$ 14,058,964
Interest Cost	61,669,092	8,750,975	70,420,067
Experience Loss (Gain)	(273,300)	182,479	(90,821)
Contribution Employee	(1,894,850)	(1,301,296)	(3,196,146)
Change in Assumptions	15,039,231	1,296,497	16,335,728
Net Investment Income			
Expected Return on Investments	(40,986,004)	(8,312,537)	(49,298,541)
Investment Gain or Loss Expensed	3,283,520	77,605	3,361,125
Administrative Expense	1,250,142	84,784	1,334,926
Amortization	10,894,614	(1,026,607)	9,868,007
Pension Expense	\$ 59,446,401	\$ 3,346,908	\$ 62,793,309

12. OTHER POSTEMPLOYMENT BENEFITS

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In accordance with GAAP, the City recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City’s future cash flows. The City has employees participating in one of two OPEB Plans, The City of Richmond OPEB Plan and the Virginia Retirement System (VRS) OPEB Plan.

Other Post Employment Benefit Plans

A. City of Richmond OPEB Plan Description

The City provides continuous medical insurance coverage for some full-time employees who retire directly from the City, have continuously been enrolled in the health plans for 5 years prior to retirement, and are eligible to receive an early or regular retirement benefit from the City. In addition, they must be employed with the City for at least 10 years of creditable service at retirement. Dental insurance also continues after retirement at the retiree rate. The plan has been changed to only value participants who are currently retired and active members that were hired prior to January 1, 1997. Sworn Police, Sworn Fire, Sworn VRS, and Executives currently not in the defined contribution group are also able to participate in the post- retirement medical coverage even if they were hired after January 1, 1997. All other members hired after this date are assumed to pay the full cost of the program with no implicit rate subsidy and, therefore, have no liability reported under GAAP.

Retirees that become Medicare eligible are no longer eligible for the City retiree medical plan. Surviving spouses of retirees may elect to remain in the deceased member’s health insurance plan for up to 36 months after the death of the member paying the same rate as the retiree, but without the City’s contribution.

Currently the plans offered to retirees provided by the Connecticut General Life Insurance Co. are the Open Access Plus Copay Plan-OAPA Premier Plan and the Open Access Plus Copay Plan-OAPB Classic Plan. Retirees that become Medicare Eligible are no longer eligible for the City of Richmond retiree medical plan.

For pre-Medicare coverage, retirees pay a portion of the early retiree rates based on years of service at retirement. The City pays a subsidy of premiums based on length of active service. This subsidy is determined on an annual basis. There are four levels of City subsidy.

<u>Years of Active Service</u>	<u>Subsidy</u>
25+	100.00%
15 to 25	75.00%
10 to 15	50.00%
Less than 10	0.00%

The City pays the full cost of coverage of Line-of-Service retirees for life.

Employees may retire under the City of Richmond Retirement Plan with an unreduced pension benefit under the following age and service requirements based on the category of employee:

- General employees are eligible at age 65, with no service requirement
- General employees are eligible with 30 years of service regardless of age
- Police officers and firefighters are eligible at age 60, with no service requirement
- Police officers and firefighters are eligible with 25 years of service regardless of age

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Employees may retire with a reduced pension benefit under the RRS under the following age and service requirements based on the category of employee:

- General employees are eligible at age 55, with five years of service
- Police officers and firefighters are eligible at age 50, with five years of service

The number of employee participants as of July 1, 2020, the effective date of the biennial OPEB valuation, follows. There have been no significant changes in the number covered or the type of coverage since that date.

Active Employees	1,920
Retired Employees	323
Total	<u>2,243</u>

Pre-Medicare retirees who participate in the plan pay the full active rate less the contribution from the City of Richmond if they are eligible for the subsidy. The monthly rate for the available plans are as follows:

Years of Service	OAPA Premier Plan	OAPB Classic Plan	High Deductible Plan
0 to 10	\$1,141.01	\$1,045.46	\$860.95
10 to 15	\$ 418.25	\$ 401.58	\$330.70
15 to 25	\$ 340.19	\$ 323.52	\$266.42
25+	\$ 262.10	\$ 245.45	\$202.13

The City contributes the following to the above rates based on the participants' years of service at retirement

Years of Service	OAPA Premier Plan	OAPB Classic Plan	High Deductible Plan
0 to 10	\$ 0.00	\$ 0.00	\$ 0.00
10 to 15	\$712.91	\$634.43	\$522.47
15 to 25	\$792.81	\$714.33	\$588.26
25+	\$872.74	\$794.23	\$654.07

These rates are a blend of the rates paid if a retiree completes an annual health assessment and if they do not complete the health assessment. Retiree contributions are assumed to increase at the health care cost trend rate. The City Of Richmond does not produce a separate stand-alone OPEB financial report.

a. Funding Policy

The City currently pays for post employment healthcare benefits on a pay-as-you-go basis. The City funds on a cash basis as benefits are paid. In February 2019, the City began participating in the Virginia Pooled OPEB Trust Fund, an irrevocable trust. The City began making contributions to the trust for investment purposes. In Fiscal Year 2020, the basis of \$500,000 was contributed to this pooled investment trust and the assets of the trust have been segregated or restricted to provide for other post-retirement benefits in the future.

b. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. Most included coverage is community-rated and annual premiums for community-rated coverage's were used as a proxy for claims costs without age adjustment.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined, regarding the funded status of the plan and the annual

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

required contributions of the employer, are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The required schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

These estimates reflect the potential impact of the Patient Protection and Affordable Care Act (PPACA).

The assumptions used in the basis of the July 1, 2020 valuation include:

- Salary Increases – Not applicable
- Discount Rate – For GASB Statement No. 75 the discount rate is 2.66 percent per annum based on the S&P Municipal Bond 20 Year High Grade Index as of June 30, 2020 compared to the prior discount rate of 3.11 percent.
- Valuation Date - July 1, 2020
- Expected Long – Term Rate of Return on Plan Assets – Not applicable
- Plan Participation – 65.00 percent of employees will elect coverage at retirement.
- Dependent Coverage – 30.00 percent of retirees who elect coverage at retirement will also cover their spouse at retirement.
- Administrative Expenses - are assumed to be included in the per capita medical claims costs.
- Investment Policy - Not Applicable
- Coordination with Medicare - The OPEB program provides primary coverage for pre- Medicare eligible participants. Retiree coverage terminates once a retiree becomes Medicare Eligible
- Age Variance - the medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.

Actuarial Methods:

- Actuarial Method - Retiree postemployment benefit expenses are determined under the Entry Age Normal cost method.
- Asset Valuation Method – Not applicable
- Amortization Period - For Statement 75 contribution calculations: 20 years (closed) beginning July 1, 2017
- For Statement No. 75: Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
- Mortality Rates - were based on the RP- 2000 Employee Mortality Table for constitutional officers and the 1983 Group Annuity Mortality Table for all other employees.
- The actuarial projections are based on established patterns of practice as promulgated by the Actuarial Standards Board.

c. Annual Per Capita Healthcare Cost

Effective for the July 1, 2018 actuarial valuation, an analysis of the City's claims experience was performed for the purposes of setting the retiree medical claims cost. The main purpose is to project the expected annual per capita claims cost for current retirees and future retirees who are currently active.

Benefits are not provided to retirees eligible for Medicare. The annual projected medical claims costs were spread across the active and early retiree population using generally accepted actuarial judgment. It has been assumed that

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

individuals will continue with coverage under their current plan design upon retirement. Furthermore, children and their associated costs have been excluded for purposes of the calculation because generally, retirees do not provide continued coverage to children.

July 1, 2018 annual per capita claim

	<u>Medical/RX*</u>
Retiree Age 65 Pre-Medicare	\$20,638
Spouse Age 65 Pre-Medicare	\$20,638

This claim is for a male at age 65. Medical claims are assumed to increase at the medical health care cost trend rate.

d. Net OPEB Liability

The following table shows the components of City's annual OPEB liability at June 30, 2020 using measurement date as of June 30, 2020.

Total OPEB Liability	\$	115,591,786
Plan Fiduciary Net Position		782,386
Net OPEB Liability - June 30	\$	114,809,400
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		0.68%
Covered Payroll	\$	115,756,485
Net OPEB Liability as a Percent of Covered Payroll		99.18%

The table below shows the Net OPEB Liability measured as of June 30, 2020, which totals \$114,809,400. The total OPEB Liability of \$115,591,786 when combined with the Fiduciary Net Position of the OPEB Pooled Trust Assets of \$782,386 generates a \$114,809,400 Net OPEB Liability. While the plan has been a pay-as-you-go plan, in 2019 the City began to invest Assets in a Pooled Investment Trust for the purpose of accumulating Assets to pay OPEB expenses.

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances as of June 30, 2019	\$ 83,978,162	\$ 250,000	\$ 83,728,162
Changes for the Year			
Service Cost	4,434,106	-	4,434,106
Interest on Total OPEB Liability	2,553,264	-	2,553,264
Experience Losses (Gains)	24,431,269	-	24,431,269
Changes in Assumptions	6,508,726	-	6,508,726
Contributions - Employer	-	6,846,127	(6,846,127)
Contributions - Members	-	-	-
Net Investment Income	-	-	-
Benefits Paid	(6,313,741)	(6,313,741)	-
Administrative Expenses	-	-	-
Recognition of Prior Post-measurement Contribution*	-	-	-
Other Changes	-	-	-
Amortization of or Change in Beginning Balances	-	-	-
Net Changes	31,613,624	532,386	31,081,238
Balances as of June 30, 2020	<u>\$ 115,591,786</u>	<u>\$ 782,386</u>	<u>\$ 114,809,400</u>

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

The following table represents the net OPEB liability calculated using the stated discount rate of 2.66%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the assumed trend rate.

Sensitivity of NOL to Change in Discount Rate			
	1.00% Decrease	Current Discount Rate	1.00% Increase
	1.66%	2.66%	3.66%
Net OPEB Liability	\$ 123,381,655	\$ 114,809,400	\$ 105,861,384

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

The following table represents the net OPEB liability calculated using the stated health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the assumed trend rate.

Sensitivity of NOL to Change in Healthcare Cost Trend Rate			
	1.00% Decrease	Current Trend Rate	1.00% Increase
	6.50%	7.50%	8.50%
Net OPEB Liability	\$ 103,218,970	\$ 114,809,400	\$ 130,158,509

g. Summary of Deferred Inflows and Outflows of Resources for Richmond OPEB Plan

Summary of Deferred Outflows and Inflows of Resources - City of Richmond		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience Losses	\$ 20,359,391	\$ -
Change of Assumptions	5,423,938	-
Total	\$ 25,783,329	\$ -

The contributions made after the measurement date but before the end of the City's contributing reporting period will be recognized as a reduction of the Net OPEB Liability in the subsequent fiscal period rather than in the current fiscal period.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Amortization of Deferred Inflows & Deferred Outflows of Resources		
Year Ending June 30:		
2021	\$	5,156,666
2022	\$	5,156,666
2023	\$	5,156,666
2024	\$	5,156,666
2025	\$	5,156,665
Thereafter	\$	0
Total	\$	25,783,329

The City does not issue a separate OPEB financial statement for its OPEB plan. The deferred inflows of the VRS are amortized over a period of 4 years and are presented below to show the amount to be recognized in pension expense in future years.

For the year ended June 30, 2020, the City recognized OPEB expense of \$12,144,036. The components of this OPEB expense include the following:

OPEB EXPENSE		
Service Cost	\$	4,434,106
Interest Cost		2,553,264
Experience Loss/(Gain)		4,071,878
Contribution Employee		-
Change in Assumptions		1,084,788
Net Investment Income		-
Expected Return on Investments		-
Investment Gain or Loss Expensed		-
Administrative Expense		-
Amortization		-
Pension Expense	\$	<u>12,144,036</u>

B. Virginia Retirement System Group Life Insurance Other Post-Employment Benefits (VRS GLI OPEB)

a. VRS Plan Description

The Virginia Retirement System (VRS) Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan and provides coverage to state employees, teachers, and employees of participating political subdivisions. For the City of Richmond these eligible employees include Constitutional Officer Employees only.

The Group Life Insurance Program was established in July 1, 1960 pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Group Life Insurance program OPEB and the additions to/deductions from the VRS Group

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Eligible Employees

Basic group life insurance coverage is automatic upon employment for constitutional employees that elect the program. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

Benefit Amounts

The benefits payable under the Group Life Insurance Program have several components.

- Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit – The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
 - Accidental dismemberment benefit
 - Safety belt benefit
 - Repatriation benefit
 - Felonious assault benefit
 - Accelerated death benefit option

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25 percent on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25 percent on each subsequent January 1 until it reaches 25 percent of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,463 as of June 30, 2020.

b. Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31 percent of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split.

The employee component was 0.79 percent and the employer component was 0.52 percent. Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2019 was 0.52 percent of covered employee compensation. This rate was based on an actuarial determined rate from an actuarial valuation as of June 30, 2017. The actuarial 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 Group Life Insurance Program from the City were \$134,912 and \$133,065 for the years ended June 30, 2020, and June 30, 2019, respectively.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

c. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2017, 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, 2018.

Inflation	2.50 percent
Salary increases, including inflation –	
General state employees	3.50 percent to 5.35 percent
VaLORS employees	3.50 percent to 4.75 percent
Locality – General employees	3.50 percent to 5.35 percent
Locality – Hazardous Duty employees	3.50 percent to 4.75 percent
Investment rate of return	6.75 percent, net of investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06 percent of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75 percent. However, since the difference was minimal, and a more conservative 6.75 percent investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75 percent to simplify preparation of the OPEB liabilities.

Net Group Life Insurance (GLI) OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date June 30, 2019, NOL amounts for the Group Life Insurance Program are as follows:

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 4,425,617
Plan Fiduciary Net Position	<u>2,301,384</u>
Employers' Net GLI OPEB Liability (Asset)	<u>\$ 2,124,233</u>
Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability	52.00%

At June 30, 2020, the City of Richmond reported a liability of \$ 2,124,233 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net GLI OPEB Liability was based on the City's actuarial determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2018 relative to the total of the actuarial determined employer contributions for all participating employers. At June 30, 2020, the City of Richmond proportion was 0.13054 percent as compared to 0.13573 percent at June 30, 2019.

For the year ended June 30, 2020, the City recognized GLI OPEB expense of \$15,010. 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.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

d. Deferred Inflows and Outflows

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB program from the following sources:

Summary of Deferred Outflows and Inflows of Resources - VRS GLI		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 141,000	\$ 28,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	44,000
Change in assumptions	134,000	64,000
Change in proportion	-	149,000
Employer Contributions subsequent to the measurement date	339,715	-
Total	\$ 614,715	\$ 285,000

\$339,715 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2021. 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:

Amortization of Deferred Inflows & Deferred Outflows of Resources		
Year ended June 30,		
2021	\$	(26,563)
2022	\$	(26,561)
2023	\$	(8,081)
2024	\$	16,450
2025	\$	27,962
Thereafter	\$	7,881
Total	\$	(8,912)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75 percent.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

The following table represents the VRS net OPEB liability calculated using the stated discount rate, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the assumed trend rate.

Sensitivity of NOL to Changes in Discount Rate			
	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
VRS Net Group Life OPEB Liability	\$ 2,790,654	\$ 2,124,233	\$ 1,583,784

e. Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long Term Expected Rate of Return	Weighted Average Long Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.80%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
Multi-Asset Public Strategies	6.00%	3.52%	0.21%
Private Investment Partnership	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		<u>5.13%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.63%</u>

*The above allocation provides a one-year return of 7.63 percent. 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 VRS, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11 percent, including expected inflation of 2.50 percent. The VRS Boal elected a long-term rate of 6.75 percent which is roughly at the 40th percentile of expected long term results of the VRS fund asset allocation.

VRS issues a publicly available comprehensive annual report that includes financial statements and OPEB information for the VRS Plan. A copy of the report can be obtained from the VRS website at <http://www.varetire.org/publications/index.asp> or by writing to VRS Chief Financial Officer at P.O. Box 2500 Richmond, VA 23218-2500.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

13. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code (IRC) Section 457. The Plan is available to all City employees and permits deferral until future years of up to 100% of salary with a maximum deferral of \$19,500 for calendar year 2020 whichever is less. The compensation deferred is not available to employees until termination, retirement, death, an unforeseeable emergency, or a small balance account withdrawal. Employees are eligible to initiate a one-time disbursement of an account if the balance is greater than \$1,000 but less than \$5,000 and neither the employee nor the employer has contributed to the account for at least two years. If the balance is under \$1,000, the participant is automatically notified by ICMA-RC and provided a form to request the distribution. In accordance with the amended provisions of IRC Section 457, all assets and income of the plan were transferred to a trust and are held for the exclusive benefit of participants and their beneficiaries. The City is the Trustee for the plan and has contracted with a nongovernmental third party administrator to administer the plan. This plan is reported in accordance with GAAP as an Other Employee Benefits Trust Fund.

As of June 30, 2020, the contributions for the year ended and the fair value of the plan investments were \$8,133,608 and \$115,638,453 respectively.

14. LEASES

All lease transactions have been determined to be operating leases. As of June 30, 2020, the future operating lease commitments are as follows:

<u>Fiscal Year</u>	Governmental Activities
2021	\$ 2,178,078
2022	1,706,587
2023	781,397
2024	332,249
2025	240,587
Total minimum lease payments	<u>\$ 5,238,898</u>
Lease expenses for the year ended June 30, 2020	<u>\$ 2,354,917</u>

15. CONTINGENCIES, COMMITMENTS AND OTHER MATTERS

A. Combined Sewer Overflow (CSO)

The City operates an advanced wastewater treatment facility with a service area of 81.3 square miles that collects and treats a dry weather flow up to 45 million gallons per day (MGD) and a combination of dry weather flow and combined storm water at flows up to 75 MGD. Within about 35 percent of the City's service area, the main lines and interceptor lines are combined sewers. A system of retention facilities, storage tunnels, intercepting and trunk sewers links the separate and combined systems with the wastewater treatment plant. There is a mechanical or hydraulic regulator structure at each of the twenty-five (25) CSO outfalls and each has the capacity to divert dry weather flow and some storm water flow to the wastewater treatment plant for complete treatment. Phases I and II of the City's CSO control plan are complete. Phase III began in 2006 and will continue into the future.

The City has been cooperating with the Virginia State Water Control Board (Board) since the mid-1970's to address combined sewer overflow impacts and the discharge of partially treated sewage on the James River. The City developed a CSO control plan to meet CSO Policy (EPA's April 19, 1994 CSO Control Policy, published at 59 Fed Reg. 18688, and incorporated into the Clean Water Act pursuant to the Wet Weather Water Quality Act, Section 402(q) of the Clean Water Act, 33 U.S.C. sec. 1342) and most recently updated that control plan in 2007. The Board adopted the technical components of the CSO Plan, and continues to regulate and monitor the City's program through the

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

current Virginia Pollutant Discharge Elimination System (VPDES) permit and CSO Special Order issued by the Virginia Department of Environmental Quality (DEQ) with oversight from the Environmental Protection Agency (EPA).

The City CSO control plan was estimated at \$295 million in 1995 dollars and is now estimated at \$773 million in 2020 dollars (\$310 million spent to date). Funding for the CSO control plan implementation is a combination of ratepayer dollars, state revolving loan funds, bond proceeds and state and federal grants. By agreement with the Board, the City is required to raise revenue for implementation of its CSO Control Plan by raising and maintaining sewer rates such that the annual sewer bill for a typical residential customer will be at least 1.25 percent of the median household income (MHI) supplemented by the availability of federal and state grants. The City's sewer rates have exceeded the 1.25 percent of MHI requirement since July 2009 and are at 1.71 percent of MHI as of July 2020.

B. Grants

Federal grant programs in which the City participates are audited in accordance with the provisions of the Office of Management and Budget Circular A-133. Grant programs are subject to financial and compliance audits by the federal government, which may result in disallowed expenditures. Based on prior experience, City management believes such disallowances, if any, will be immaterial.

C. Gas Utility Enterprise Fund

To ensure the continuity of natural gas supplies and transmission facilities, the City's Gas Utility Enterprise Fund has entered into various long-term supply and transmission contracts through the year 2048. The aggregate commitments under these contracts amounted to approximately \$1.0 billion at June 30, 2020.

16. DISCONTINUED OPERATIONS

On January 1, 2019, the City closed the Coliseum operation due to loss from operations. The City transferred the Assets and Liabilities to the General Fund for the purpose of maintaining accountability on Assets and Liabilities prior to complete disposal. As a result of the transfer, the City recognized a gain of \$3.3 million on its Coliseum transfer of Net Assets. The Coliseum's 2019 Expense related to its operations totaled approximately \$1.6 million. 2019 Revenues associated with the Coliseum's operations, consisted of both Program and General Revenues, which totaled approximately \$1.2 million. Expenditures and Revenues of the Coliseum operations reported in the non-major proprietary fund were \$1.6 million and \$1.2 million, respectively.

17. SUBSEQUENT EVENTS

On August 3, 2020, the City Council voted for the removal of the remaining Confederate Monuments on City owned property and to provide for the disposition. The monuments are stored at a secure site until final disposition is determined.

On August 20, 2020, in response to the public health emergency with respect to the COVID-19 pandemic, City Council voted to accept the second disbursement from the Coronavirus Relief Fund of \$20.1 million from the Commonwealth of Virginia's allocation. The Council also approved the transfer of monies received from the first allocation of monies, in the amount of \$20.1 million in FY20 from the Department of Fire and Emergency Services' COVID-19 Relief Special Fund, to the FY21 General Fund Budget by appropriating \$40.2 million to a new program in the Department of Fire and Emergency Services.

On March 29, 2005, City Council adopted Ordinance No. 2005-45-31 to authorize the formation of Advantage Richmond Corporation to assist the City of Richmond, Virginia, when authorized by City Council, in acquiring, constructing, renovating, equipping, maintaining and operating public buildings and other public structures for or on behalf of the City through the issuance of lease revenue bonds. The purpose for which Advantage Richmond Corporation was formed is set to conclude on October 26, 2020, with the last payment of the bond, and therefore, Advantage Richmond Corporation is set to dissolve in accordance with its Articles of Incorporation. Article II ("Purposes"), Section 4 ("Dissolution") of the Articles of Incorporation provides that upon dissolution of Advantage Richmond Corporation, the board of directors shall dispose of all assets of the Corporation exclusively to the City. Advantage Richmond Corporation has generated excess funds in the amount of \$3.9 million that must be transferred to the City.

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REQUIRED SUPPLEMENTARY



INFORMATION

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CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2020

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
City Taxes				
Real Estate	\$ 291,843,452	\$ 295,317,129	\$ 300,312,274	\$ 4,995,145
Sales Tax	35,865,100	34,209,945	36,859,051	2,649,106
Personal Property	59,718,059	61,654,071	65,221,194	3,567,123
Machinery and Tools	13,426,000	13,828,602	14,769,176	940,574
Utility Sales Tax Gas	4,870,715	4,910,715	5,037,801	127,086
Utility Sales Tax Electric	13,595,806	14,679,907	14,520,162	(159,745)
Utility Sales Tax Telephone	181,776	181,776	8,723	(173,053)
State Communication Taxes	14,530,000	14,485,271	13,881,289	(603,982)
Bank Stock	8,418,200	8,418,200	8,951,709	533,509
Prepared Food	46,162,375	32,584,062	38,099,329	5,515,267
Cigarette Tax	3,050,000	3,505,704	3,856,544	350,840
Lodging Tax	9,045,680	6,118,563	6,389,571	271,008
Admission	2,646,800	2,308,841	2,503,594	194,753
Real Estate Taxes - Delinquent	13,489,000	12,389,862	9,300,420	(3,089,442)
Personal Property Taxes - Delinquent	9,699,533	7,891,555	8,715,611	824,056
Private Utility Poles and Conduits	170,689	170,689	99,758	(70,931)
Penalties and Interest	7,915,080	6,834,201	7,059,151	224,950
Titling Tax-Mobile Home	9,807	9,807	8,206	(1,601)
State Recordation	1,000,000	1,000,000	809,327	(190,673)
Property Rental 1%	119,055	83,025	71,218	(11,807)
Vehicle Rental Tax	875,000	899,929	1,320,598	420,669
Telephone Commissions	192,000	347,638	418,395	70,757
Total City Taxes	536,824,127	521,829,492	538,213,101	16,383,609
Licenses, Permits, and Privilege Fees				
Business and Professional	35,872,302	35,797,800	37,173,368	1,375,568
Vehicle	6,434,930	5,700,364	7,203,653	1,503,289
Transfers, Penalties, Interest & Delinquent Collections	9,515	13,536	29,312	15,776
Utilities Right of Way Fees	1,259,142	1,259,142	902,182	(356,960)
Other Licenses, Permits and Fees	1,262,740	1,369,327	2,049,466	680,139
Total Licenses, Permits and Privilege Fees	44,838,629	44,140,169	47,357,981	3,217,812
Intergovernmental				
State Shared Expense	21,529,492	21,206,307	21,255,486	49,179
Total State Block Grant	3,942,848	3,478,958	3,931,307	452,349
Department of Social Services	15,490,647	16,534,787	14,653,624	(1,881,163)
Federal Revenues	26,982,451	23,842,077	26,756,188	2,914,111
State Aid to Localities	15,542,002	15,542,002	15,456,165	(85,837)
Service Charges on Tax Exempt Property (State PILOT)	3,698,683	3,698,683	3,992,979	294,296
All Other Intergovernmental Revenues	658,166	824,265	1,086,455	262,190
Total Intergovernmental	\$ 87,844,289	\$ 85,127,079	\$ 87,132,204	\$ 2,005,125

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2020

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Charges				
Refuse Collection Fees	\$ 16,626,586	\$ 15,202,586	\$ 15,449,023	\$ 246,437
Safety Related Charges	318,000	225,386	254,619	29,233
Rental of Property	221,000	236,926	348,933	112,007
Building Service Charges	531,229	1,343,439	1,336,525	(6,914)
Inspection Fees	7,190,921	7,493,231	7,225,558	(267,673)
Recycling Proceeds	2,200,000	1,900,000	2,078,984	178,984
Health Related Charges	125,000	105,000	116,315	11,315
Other Sales - Income	363,164	344,339	39,588	(304,751)
Printing and Telecom Charges	21,782	9,800	9,316	(484)
Other Service Charges	1,935,288	1,959,967	990,043	(969,924)
Total Service Charges	<u>29,532,970</u>	<u>28,820,674</u>	<u>27,848,904</u>	<u>(971,770)</u>
Fines and Forfeitures				
Richmond Public Library	65,106	32,732	30,102	(2,630)
Circuit Court	42,000	42,000	69,618	27,618
General District Court	1,727	1,727	-	(1,727)
Juvenile and Domestic Relations District Court	6,499,091	6,356,256	7,420,609	1,064,353
Total Fines and Forfeitures	<u>6,607,924</u>	<u>6,432,715</u>	<u>7,520,329</u>	<u>1,087,614</u>
Utility Payments				
Utility Pilot Payment	20,750,123	20,750,123	20,980,499	230,376
Utility Payment - City Services	10,927,898	10,927,898	3,608,950	(7,318,948)
Utilities Payment for Collection Service	282,033	222,092	233,974	11,882
Total Utility Payments	<u>31,960,054</u>	<u>31,900,113</u>	<u>24,823,423</u>	<u>(7,076,690)</u>
Miscellaneous Revenues				
Reimbursement of Interest on Long-term Debt	1,446,510	1,446,510	1,548,091	101,581
Internal Service Fund Payments	248,845	248,845	-	(248,845)
Miscellaneous Revenues	4,397,672	5,783,821	4,575,727	(1,208,094)
Other Payments to General Fund	235,000	532,391	480,159	(52,232)
Total Miscellaneous Revenues	<u>6,328,027</u>	<u>8,011,567</u>	<u>6,603,977</u>	<u>(1,407,590)</u>
Total General Fund Revenues	<u>\$ 743,936,020</u>	<u>\$ 726,261,809</u>	<u>\$ 739,499,919</u>	<u>\$ 13,238,110</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2020

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Current				
General Government				
City Council	\$ 1,417,518	\$ 1,371,221	\$ 1,319,740	\$ 51,481
City Clerk	1,140,247	1,123,720	1,067,338	56,382
Planning and Development Review	11,522,863	10,872,995	10,218,031	654,964
Assessor of Real Estate	4,539,202	4,527,933	3,775,194	752,739
City Auditor	1,987,464	1,853,213	1,755,047	98,166
Department of Law	3,916,633	3,834,025	3,648,415	185,610
General Registrar	2,232,127	2,344,411	2,075,320	269,091
Inspector General	531,886	536,420	535,002	1,418
Chief Administrative Officer	775,316	757,894	469,159	288,735
Citizen Service and Response	2,044,232	1,403,481	1,282,265	121,216
Budget and Strategic Planning	1,319,769	1,294,493	1,232,124	62,369
Department of Human Resources	3,510,729	3,440,392	3,291,238	149,154
Department of Finance	11,517,973	10,656,244	8,972,334	1,683,910
Procurement Services	1,516,897	1,413,205	1,372,210	40,995
Office of Press Secretary to Mayor	512,644	495,508	628,317	(132,809)
City Treasurer	187,359	186,621	185,634	987
Economic/Community Development	2,523,385	2,942,536	2,799,027	143,509
Housing and Community Development	1,795,034	1,770,574	1,658,913	111,661
Council Chief of Staff	1,580,380	1,482,489	1,276,241	206,248
Minority Business Development	727,010	771,772	771,123	649
Office of Community Wealth Building	1,985,515	2,057,313	1,801,031	256,282
City Mayors Office	1,012,112	1,012,112	1,093,962	(81,850)
Total General Government	<u>58,296,295</u>	<u>56,148,572</u>	<u>51,227,665</u>	<u>4,920,907</u>
Public Safety and Judiciary				
Judiciary	11,737,585	11,306,513	11,234,388	72,125
Juvenile and Domestic Relations District Court	464,525	465,824	447,600	18,224
City Sheriff	40,709,137	41,634,984	41,120,123	514,861
Department of Police	96,930,549	97,501,209	100,381,349	(2,880,140)
Department of Emergency Communications	5,197,591	5,450,733	5,104,887	345,846
Department of Fire and Emergency Services	53,798,275	53,882,367	54,972,291	(1,089,924)
Animal Control	1,969,600	1,993,222	1,983,321	9,901
Total Public Safety and Judiciary	<u>210,807,262</u>	<u>212,234,852</u>	<u>215,243,959</u>	<u>(3,009,107)</u>
Highways, Streets, Sanitation and Refuse				
Department of Public Works	<u>33,504,514</u>	<u>35,311,915</u>	<u>33,149,596</u>	<u>2,162,319</u>
Human Services				
Office of DCAO for Human Services	1,261,659	1,249,344	1,252,655	(3,311)
Department of Social Services	48,325,372	45,713,487	43,184,087	2,529,400
Justice Services	9,765,212	9,431,433	9,027,807	403,626
Department of Public Health	4,863,490	4,863,490	4,863,490	-
Total Human Services	<u>64,215,733</u>	<u>61,257,754</u>	<u>58,328,039</u>	<u>2,929,715</u>
Culture and Recreation				
Richmond Public Library	6,304,636	5,895,083	5,796,249	98,834
Department of Parks, Recreation and Community Facilities	17,745,399	17,738,611	17,823,545	(84,934)
Total Culture and Recreation	<u>24,050,035</u>	<u>23,633,694</u>	<u>23,619,794</u>	<u>13,900</u>
Education				
Richmond Public Schools	175,193,143	175,193,143	175,193,143	-
Richmond Public Schools-Capital Spending	9,370,962	6,614,565	839,718	5,774,847
Total Education	<u>\$ 184,564,105</u>	<u>\$ 181,807,708</u>	<u>\$ 176,032,861</u>	<u>\$ 5,774,847</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2020

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Non-Departmental				
Payments to Other Government Agencies	\$ 20,313,195	\$ 17,472,446	\$ 18,476,470	\$ (1,004,024)
Tax Relief	4,588,000	3,950,000	2,785,733	1,164,267
GRTC	16,259,860	16,259,860	16,259,860	-
RRS Contributions/Retiree's Health Care Program	3,600,000	2,800,000	3,115,779	(315,779)
Contributions	38,474,269	44,811,850	48,051,283	(3,239,433)
Total Non-Departmental	<u>83,235,324</u>	<u>85,294,156</u>	<u>88,689,125</u>	<u>(3,394,969)</u>
Total General Fund Expenditures	<u>658,673,268</u>	<u>655,688,651</u>	<u>646,291,039</u>	<u>9,397,612</u>
Excess of Revenues Over Expenditures	<u>85,262,752</u>	<u>70,573,158</u>	<u>93,208,880</u>	<u>22,635,722</u>
Other Financing Sources (Uses)				
Transfers In - Other Funds	2,225,585	17,555,143	7,678,744	(9,876,399)
Transfers Out - Other Funds	<u>(87,488,337)</u>	<u>(91,588,407)</u>	<u>(86,272,388)</u>	<u>5,316,019</u>
Total Other Financing Uses, Net	<u>(85,262,752)</u>	<u>(74,033,264)</u>	<u>(78,593,644)</u>	<u>(4,560,380)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>(3,460,106)</u>	<u>14,615,236</u>	<u>18,075,342</u>
Fund Balance - Beginning of Year	<u>151,937,258</u>	<u>151,937,258</u>	<u>151,937,258</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 151,937,258</u>	<u>\$ 148,477,152</u>	<u>\$ 166,552,494</u>	<u>\$ 18,075,342</u>

This schedule is prepared on the basis of Generally Accepted Accounting Principles.

CITY OF RICHMOND, VIRGINIA
NOTE TO BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2020

The City follows these procedures, which comply with legal requirements, in establishing the annual budget.

- The General, Special Revenue, and Debt Service Funds have legally adopted annual budgets. The Capital Projects Fund has a five-year spending plan which is legally adopted on an annual basis. On a day to be fixed by the City Council, but in no case earlier than the second Monday of February or later than the seventh day of April each year, the Mayor shall submit to the Council separate current expense budgets for the general operation of the City government, for the public schools, for each utility and a capital budget for the fiscal year commencing to the following July 1. The operating budget includes proposed expenditures and the means for financing those expenditures. The Capital Projects and Special Revenue Funds consist of multiple funds; however, the funds are budgeted for in total rather than by individual funds. Public hearings are conducted to obtain taxpayer comments.
- Prior to May 31, the budget is legally enacted through passage of an ordinance
- The level of budgetary control is the department level for the City. City Council approval is not needed to transfer budget amounts within departments in the City budget; however, any revisions that alter total expenditures of any department or agency must be approved by the City Council.
- Formal budgetary integration is employed as management control during the year for all funds.
- Budgets for the General Fund, Debt Service Funds, Special Revenue Funds, and Capital Projects Fund are principally prepared on the modified accrual basis of accounting.
- Project budgets are utilized in the Capital Projects Fund. Except for the Capital Projects Fund and the Special Revenue Funds that extend beyond all appropriations not encumbered nor obligated lapse at year-end. Appropriations for the Capital Projects Fund are continued until completion of applicable projects, even when projects extend for more than one fiscal year, or until repealed.
- Budgeted amounts are as originally adopted or as amended by the City Council.
- The following departments' expenditures exceeded appropriations for the year June 30, 2020:

Office of Press Secretary to Mayor	(132,809)
City Mayor's Office	(81,850)
Department of Police	(2,880,140)
Department of Fire and Emergency Services	(1,089,924)
Office of DCAO for Human Services	(3,311)
Department of Parks, Recreation and Community Facilities	(84,934)
Non-Departmental	(3,394,969)

Richmond Retirement System

Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

For The Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020
Total pension liability						
Service cost	\$ 10,368,390	\$ 9,243,126	\$ 10,158,640	\$ 9,996,926	\$ 10,079,515	\$ 10,463,956
Interest	60,753,726	60,070,179	59,552,622	60,018,265	60,860,936	61,669,092
Changes of benefit terms	8,476,904	-	-	-	-	-
Differences between expected and actual experience	1,608,297	(5,985,740)	1,248,504	6,436,861	7,857,057	(1,093,201)
Changes of assumptions	(26,079,951)	-	-	-	-	60,156,926
Benefit Payments, including refunds of member contributions	(65,549,787)	(66,618,770)	(67,107,482)	(67,563,176)	(68,238,675)	(69,249,672)
Net change in total pension liability	(10,422,421)	(3,291,205)	3,852,284	8,888,876	10,558,833	61,947,101
Total pension liability - beginning	842,232,056	831,809,634	828,518,429	833,414,411	842,303,287	852,862,120
Total pension liability - ending (a)	\$ 831,809,635	\$ 828,518,429	\$ 832,370,713	\$ 842,303,287	\$ 852,862,120	\$ 914,809,221
Plan fiduciary net position						
Contributions - employer	\$ 41,228,673	\$ 45,556,509	\$ 43,662,633	\$ 41,833,836	\$ 45,524,623	\$ 47,511,140
Contributions - member	2,062,759	2,290,451	1,920,452	2,096,642	1,919,758	1,894,851
Net investment income	74,451,688	15,263,407	(1,456,427)	61,263,751	37,988,323	24,568,402
Benefit payments, including refunds of member contributions	(65,549,788)	(66,618,770)	(67,107,482)	(67,563,176)	(68,238,657)	(69,249,672)
Administrative expense	(1,283,342)	(1,218,004)	(1,128,623)	(1,112,650)	(1,181,564)	(1,250,142)
Other	-	(663,929)	-	-	-	(1,214,119)
Net change in plan fiduciary net position	50,909,990	(5,390,336)	(24,109,447)	36,518,403	16,012,483	2,260,460
Plan fiduciary net position - beginning	479,658,967	530,568,957	526,409,589	502,318,862	538,837,265	554,849,748
Plan fiduciary net position - ending (b)	\$ 530,568,957	\$ 525,178,621	\$ 502,300,142	\$ 538,837,265	\$ 554,849,748	\$ 557,110,208
City's net pension liability - ending (a) - (b)	\$ 301,240,678	\$ 303,339,808	\$ 330,070,571	\$ 303,466,022	\$ 298,012,372	\$ 357,699,013
Plan fiduciary net position as a percentage of the total pension liability	63.78%	63.39%	60.35%	63.97%	65.06%	60.90%
Covered payroll	\$ 107,834,516	\$ 109,038,530	\$ 104,977,759	\$ 104,668,019	\$ 105,442,140	\$ 105,603,023
City's net pension liability as a percentage of covered payroll	279.35%	278.20%	314.42%	289.93%	282.63%	338.72%

Financial information is reported as of the measurement date which is one year prior to the statement date as required by GASB statement number 68.

* Note - The above schedules are presented to illustrate the requirement for information covering the last Ten Fiscal years, however, until a full ten years is compiled, information is only presented for those years for which information is available.

**Richmond Retirement System Pension Plan
Schedule of Contributions**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined employer contribution	41,228,673	45,556,509	43,662,633	41,833,836	48,432,034	45,553,518
Employer contributions in relation to the actuary determined contribution	41,228,673	45,556,509	43,662,633	41,833,836	45,524,623	48,394,653
Excess (Deficiency)	-	-	-	-	(2,907,411)	2,841,135
Covered payroll	109,038,530	104,977,759	104,668,019	105,442,140	105,603,023	106,031,020
Contributions as a percentage of covered payroll	37.8%	43.4%	41.7%	39.7%	45.9%	43.0%

**Richmond Retirement System
Schedule of Investment Returns**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return net of investment expense	15.5%	2.4%	(3.0)%	12.2%	7.1%	5.1%

Notes to the Required Supplementary Pension Information

Richmond Retirement System Pension Plan

For the Year Ended June 30, 2020

Methods and Assumptions Used to Determine Contribution Rates:

The following changes were made to assumptions:

Remaining Amortization Period - Re-amortize unfunded liability over 12 years as of July 1, 2019.

Inflation - 2.50%

Salary Increases - General Employees - 2.50% to 4.00%

Salary Increases - Police and Fire Employees - 4.50% to 6.50% for FY 2019, 2.50% to 4.50% in future years.

Investment Rate of Return - 7.00%

Retirement Age - General Employees - 20.00% in 1st year of unreduced retirement eligibility; 10.00% at age 55 increasing to 100.00% at age 75

Retirement Age - Police and Fire Employees - 25.00% in 1st year of unreduced retirement eligibility; 10.00% at age 50 increasing to 100.00% at age 65

Mortality-General Employees - Pub-2010 Below Median Income Table for General Employees

Mortality-Police and Fire Employees - Pub-2010 Below Median Income Table for Safety Employees

VRS Pension Plan
Schedule of Changes in the Employers' Net Pension Liability and Related Ratios
For The Last Ten Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total pension liability						
Service cost	\$ 3,295,894	\$ 3,421,683	\$ 3,583,801	\$ 3,589,830	\$ 3,421,014	\$ 3,595,008
Interest	7,369,694	7,689,675	8,037,966	8,348,430	8,446,921	8,750,975
Differences between expected and actual expenses	(479,419)	110,367	(196,070)	(2,719,281)	(388,284)	540,139
Changes in assumptions	-	-	-	(1,083,113)	-	3,837,631
Deferred Inflow Expected vs Actual Experience	-	-	(496,058)	-	-	-
Benefit Payments, including refunds of member contributions	(5,623,313)	(6,085,126)	(6,407,155)	(6,581,717)	(6,875,986)	(7,396,048)
Changes in assumptions	-	-	-	-	-	-
Net change in total pension liability	<u>4,562,856</u>	<u>5,136,599</u>	<u>4,522,484</u>	<u>1,554,149</u>	<u>4,603,665</u>	<u>9,327,705</u>
Total pension liability - beginning	<u>108,332,204</u>	<u>112,895,060</u>	<u>118,031,659</u>	<u>122,554,143</u>	<u>124,108,292</u>	<u>128,711,957</u>
Total pension liability - ending (a)	<u>\$ 112,895,060</u>	<u>\$ 118,031,659</u>	<u>\$ 122,554,143</u>	<u>\$ 124,108,292</u>	<u>\$ 128,711,957</u>	<u>\$ 138,039,662</u>
Plan fiduciary net position						
Contributions - employer	\$ 3,497,052	\$ 3,471,373	\$ 3,621,503	\$ 3,219,694	\$ 3,176,521	\$ 2,948,781
Contributions - member	1,276,061	1,258,265	1,393,001	1,401,096	1,346,018	1,301,296
Net investment income	13,713,152	4,552,450	1,793,841	12,562,007	8,403,155	7,924,514
Benefit payments, including refunds of member contributions	(6,101,732)	(6,085,126)	(6,407,155)	(6,581,717)	(6,875,986)	(7,396,048)
Administrative expense	(74,396)	(62,657)	(64,054)	(72,905)	(72,921)	(79,792)
Other	723	(962)	(759)	(11,180)	(7,471)	(4,992)
Net change in plan fiduciary net position	<u>12,310,860</u>	<u>3,133,343</u>	<u>336,377</u>	<u>10,516,995</u>	<u>5,969,316</u>	<u>4,693,759</u>
Plan fiduciary net position - beginning	<u>88,099,002</u>	<u>100,409,862</u>	<u>103,543,205</u>	<u>103,879,582</u>	<u>114,396,577</u>	<u>120,365,893</u>
Plan fiduciary net position - ending (b)	<u>\$ 100,409,862</u>	<u>\$ 103,543,205</u>	<u>\$ 103,879,582</u>	<u>\$ 114,396,577</u>	<u>\$ 120,365,893</u>	<u>\$ 125,059,652</u>
City's net pension liability - ending (a) minus (b)	\$ 12,485,198	\$ 14,488,454	\$ 18,674,561	\$ 9,711,715	\$ 8,346,064	\$ 12,980,010
Plan fiduciary net position as a percentage of the total pension liability	88.9%	87.7%	84.8%	92.2%	93.5%	90.6%
Covered payroll	\$ 23,115,189	\$ 25,093,420	\$ 25,652,406	\$ 25,351,280	\$ 26,179,060	\$ 26,924,568
City's net pension liability as a percentage of covered payroll	54.0%	57.7%	72.8%	38.3%	31.9%	48.2%

* Note - The above schedules are presented to illustrate the requirement for information covering the last Ten Fiscal years, however, until a full ten years is compiled, information is only presented for those years for which information is available.

VRS Pension Plan
Schedule of Contributions
For the Last Ten Fiscal Years

VRS	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually Required Contribution	3,341,990	3,523,772	3,470,877	3,291,603	3,077,272	3,497,052	3,471,373	4,547,035	4,807,272	4,702,343	2,997,678
Actuarially Determined Contribution	3,341,990	3,523,772	3,470,877	3,291,603	3,077,272	3,497,052	3,471,373	3,621,503	3,219,694	3,176,521	4,211,618
Excess (Deficiency)	-	-	-	-	-	-	-	925,532	1,587,578	1,525,822	(1,213,940)
Covered Payroll	24,712,544	24,996,188	24,218,366	24,068,589	23,115,189	25,093,420	25,652,406	25,351,280	26,179,060	26,924,568	27,187,437
Contributions as a percentage of covered payroll	13.5%	14.1%	14.3%	13.7%	13.3%	13.9%	13.5%	17.9%	12.3%	11.8%	15.5%

Notes to Required Supplementary Tables VRS Pension Plan

Changes in benefit terms - Since the prior actuarial valuation, there have not been any actuarially significant changes to the VRS benefit provisions or actuarial assumptions.

REQUIRED SUPPLEMENTARY INFORMATION

NET OPEB LIABILITY

**CITY OF RICHMOND OPEB PLAN SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
For The Last Ten Fiscal Years***

Total OPEB Liability	<u>2018</u>	<u>2019</u>	<u>2020</u>
Service cost	\$ 4,021,865	\$ 4,222,958	\$ 4,434,106
Interest	2,425,532	2,532,946	2,553,264
Change of Benefit Terms			24,431,269
Difference between expected and actual experience			6,508,726
Benefit Payments/Refunds	<u>(2,958,026)</u>	<u>(3,194,668)</u>	<u>(6,313,741)</u>
Net Change in Total OPEB Liability	3,489,371	3,561,236	31,613,624
Total OPEB Liability - beginning	<u>76,927,555</u>	<u>80,416,926</u>	<u>83,978,162</u>
Total OPEB Liability - ending (a)	<u>\$ 80,416,926</u>	<u>\$ 83,978,162</u>	<u>\$ 115,591,786</u>
 Plan Fiduciary Net Position			
Contributions - employer	\$ 2,958,026	\$ 3,194,668	\$ 6,313,741
Benefit Payments/Refunds	<u>(2,958,026)</u>	<u>(3,194,668)</u>	<u>(6,313,741)</u>
Net Changes in Plan Fiduciary Net Position	\$ -	\$ -	-
 Plan Fiduciary Net Position - beginning	-	-	250,000
Plan Fiduciary Net Position - ending (b)	<u>-</u>	<u>250,000</u>	<u>782,386</u>
Net OPEB Liability - ending (a) - (b)	\$ 80,416,926	\$ 83,728,162	\$ 114,809,400
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered payroll	\$ 96,487,710	\$ 100,320,588	\$ 115,756,485
City's new OPEB liability as a percentage of covered payroll	83.34%	83.46%	99.18%

*Note - The above schedules are presented to illustrate the requirement for information covering the last Ten Fiscal Years. However, 2018 was the first year OPEB had to be reported so only three years are presented until a full ten years trend is compiled,

**CITY OF RICHMOND OPEB PLAN SCHEDULE OF CONTRIBUTIONS
For The Last Ten Fiscal Years**

Fiscal Year Ending June 30:

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 9,228,017	\$ 8,371,014	\$ 13,670,345
Contributions in relation to the actuarially determined contribution	<u>2,958,026</u>	<u>3,397,610</u>	<u>6,313,741</u>
Contribution deficiency (excess)	<u>\$ 6,269,991</u>	<u>\$ 4,973,404</u>	<u>\$ 7,356,604</u>
 Covered payroll	 \$ 100,320,588	 \$ 99,822,621	 \$ 115,756,485

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF RICHMOND OPEB PLAN SCHEDULE OF INVESTMENT RETURNS
For The Last Ten Fiscal Years**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%	0.00%

*Note - The above schedules are presented to illustrate the requirement for information covering the last Ten Fiscal Years, however, until a full ten year trend is compiled, information is only presented for the years in which information is available.

Notes to Required Supplementary Information - City of Richmond OPEB Plan

Changes in plan actuarial assumptions and actuarial methods:

The discount rate was changed from the prior discount rate of 3.11% to 2.66% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020.

The medical claims aging table was updated to be based on the Yamamoto factors released in a study of the Society of Actuaries in June 2013.

The eligibility provisions were revised to include those employees hired between 1997 to 2006.

VRS Group Life OPEB Plan

SCHEDULE OF CITY OF RICHMOND SHARE OF NET OPEB LIABILITY

	<u>2018</u>	<u>2019</u>	<u>2020</u>
City of Richmond's Proportion % of the Net GLI OPEB Liability	13.84%	13.57%	13.05%
City of Richmond's Proportionate Share of the NET GLI OPEB Liability	2,083,000	2,061,000	2,124,000
Covered Payroll	25,215,525	25,531,280	25,589,505
Employer's Proportionate Share of the NET GLI OPEB Liability as a Percentage of Covered Payroll	8.26%	8.07%	8.30%
Plan Fiduciary Net Position as a Percentage of the total GLI OPEB Liability	48.86%	51.22%	51.22%

*Note - The above schedule is presented to illustrate the requirement for information covering the last Ten Fiscal Years, however, until a full ten year trend is compiled, information is only presented for the years in which information is available.

REQUIRED SUPPLEMENTARY INFORMATION

**VRS OPEB GROUP LIFE PROGRAM
SCHEDULE OF EMPLOYER CONTRIBUTIONS-
For the Last Ten Fiscal Years***

Date	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency/(Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2020	134,912	134,912	-	25,944,554	0.52%
2019	133,065	133,065	-	25,589,505	0.52%
2018	133,566	132,787	779	25,351,280	0.52%
2017	131,119	130,880	239	25,215,255	0.52%
2016	120,448	121,276	(828)	25,093,420	0.48%
2015	123,132	121,395	1,737	25,652,406	0.47%
2014	118,809	118,003	806	24,751,869	0.48%
2013	112,071	111,506	565	23,348,043	0.48%

*The City was not required to report this data until 2018.
Information is not available for years prior to 2013

**Notes to Required Supplemental Information - VRS Group Life OPEB Plan
For the Year Ended June 30, 2020**

Changes in benefit terms - There have not been any significantly material actuarial changes to the VRS benefit provisions since the prior actuarial valuation

Changes in assumptions - There have been no significant changes in actuarial assumptions made since June 30, 2016 the date of the most recent experience study of the VRS.

SUPPLEMENTARY INFORMATION SCHEDULES



&

COMBINING FINANCIAL STATEMENTS

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Non-Major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. Each fund is established on a functional basis and may include one or more grants or other funding sources.

Grant Revenue Funds

These funds are used to account for federal and state grants, private donations and other program revenue.

Consolidated HUD Funds

These funds account for activities for the Community Development Block Grant (CDBG), Emergency Shelter (ESG), Home Investment Partnerships Programs (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Section 108 Loan Program administered by the Department of Community Development.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City programs.

Memorial

These bequests provide specific reservation of the principal and use of the income by the City for specific memorial purposes.

Recreation

A gift to be used to maintain cemeteries. The principal of the gift is carried as a nonexpendable trust and the accumulated net revenue is the expendable trust.

Richmond Public Library

Certain bequests compose the nonexpendable trust, and the net revenue accumulated is classified as the expendable trust.

Major Governmental Funds

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets approved by City Council. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. Its principal source of funding is the sale of General Obligation Bonds.

Debt Service Fund

The Debt Service Fund accounts for and reports the accumulation of resources for and the payment of principal and interest and fiscal charges not being financed by proprietary funds or financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The Debt Service Fund reports resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also are reported in the Debt Service Fund.

**CITY OF RICHMOND, VIRGINIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2020**

EXHIBIT I-1

	Special Revenue		Permanent Funds			Total
	Grants Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	
Assets						
Cash and Cash Equivalents	\$ 38,012,803	\$ -	\$ -	\$ -	\$ -	\$ 38,012,803
Accounts Receivable, Net	2,790,600	10,826,941	-	-	-	13,617,541
Due From Other Governments	2,282,126	530,999	-	-	-	2,813,125
Restricted Assets	-	-	6,479	28,144	33,976	68,599
Total Assets	43,085,529	11,357,940	6,479	28,144	33,976	54,512,068
Liabilities:						
Accounts Payable	1,753,062	1,549,656	-	-	-	3,302,718
Accrued Wages	681,000	34,745	-	-	-	715,745
Accrued Liabilities	813,672	91,604	-	-	-	905,276
Unearned Revenue	-	8,010,000	-	-	-	8,010,000
Due To Other Funds	1,430,095	3,169,909	-	-	-	4,600,004
Total Liabilities	4,677,829	12,855,914	-	-	-	17,533,743
Deferred Inflows of Resources						
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balances:						
Restricted	38,407,700	(1,497,974)	6,479	28,144	33,976	36,978,325
Total Fund Balances	38,407,700	(1,497,974)	6,479	28,144	33,976	36,978,325
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 43,085,529	\$ 11,357,940	\$ 6,479	\$ 28,144	\$ 33,976	\$ 54,512,068

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

EXHIBIT I-2

	Special Revenue		Permanent Funds			Total
	Grant Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	
Revenues						
Intergovernmental	\$ 47,061,732	\$ 6,739,998	\$ -	\$ -	\$ -	\$ 53,801,730
Service Charges	3,204,194	-	-	-	-	3,204,194
Fines and Forfeitures	(870,246)	-	-	-	-	(870,246)
Investment Income	5,598	-	-	13	356	5,967
Miscellaneous	10,861,670	448,719	-	-	-	11,310,389
Total Revenues	60,262,948	7,188,717	-	13	356	67,452,034
Expenditures						
Current:						
General Government	7,542,254	7,828,300	-	-	-	15,370,554
Public Safety and Judiciary	9,323,090	-	-	-	-	9,323,090
Highways, Streets, Sanitation and Refuse	31,561,732	-	-	-	-	31,561,732
Human Services	13,882,253	73,446	-	-	-	13,955,699
Culture and Recreation	1,663,075	-	-	-	60	1,663,135
Total Expenditures	63,972,404	7,901,746	-	-	60	71,874,210
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,709,456)	(713,029)	-	13	296	(4,422,176)
Other Financing Sources (Uses)						
Transfers In - Other Funds	11,527,021	50,000	-	-	-	11,577,021
Transfers Out - Other Funds	(746,033)	(852,575)	-	-	-	(1,598,608)
Total Other Financing Sources (Uses), Net	10,780,988	(802,575)	-	-	-	9,978,413
Net Change in Fund Balances	7,071,532	(1,515,604)	-	13	296	5,556,237
Fund Balance - Beginning of Year	31,336,168	17,630	6,479	28,131	33,680	31,422,088
Fund Balance - End of Year	\$ 38,407,700	\$ (1,497,974)	\$ 6,479	\$ 28,144	\$ 33,976	\$ 36,978,325

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2020**

EXHIBIT I-3

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental Revenues	\$ 128,957,233	\$ 151,663,492	\$ 53,801,730	\$ 97,861,762
Investment Earnings and Contributions	-	-	5,598	(5,598)
Miscellaneous Revenue	9,205,828	9,684,172	13,644,337	(3,960,165)
Total Revenues	<u>138,163,061</u>	<u>161,347,664</u>	<u>67,451,665</u>	<u>93,895,999</u>
Expenditures				
General Government	63,365,317	64,904,743	15,370,554	49,534,189
Public Safety and Judiciary	12,106,034	33,229,101	9,323,090	23,906,011
Highways, Streets, Sanitation and Refuse	34,571,972	34,934,972	31,561,732	3,373,240
Human Services	24,987,471	25,121,381	13,955,699	11,165,682
Culture and Recreation	3,132,267	3,157,467	1,663,075	1,494,392
Total Expenditures	<u>138,163,061</u>	<u>161,347,664</u>	<u>71,874,150</u>	<u>66,288,911</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(4,422,485)</u>	<u>27,607,088</u>
Other Financing Sources (Uses)				
Transfers In - Other Funds	-	-	11,577,021	11,577,021
Transfers Out - Other Funds	-	-	-	-
Total Other Financing Sources, Net	<u>-</u>	<u>-</u>	<u>11,577,021</u>	<u>11,577,021</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>7,154,536</u>	<u>7,154,536</u>
Fund Balance - Beginning of Year	<u>31,353,798</u>	<u>31,353,798</u>	<u>31,353,798</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 31,353,798</u>	<u>\$ 31,353,798</u>	<u>\$ 38,508,334</u>	<u>\$ 7,154,536</u>

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2020**

EXHIBIT I-4

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental Revenues and Service Charges	\$ 31,893,769	\$ 32,826,970	\$ 16,188,494	\$ (16,638,476)
Total Intergovernmental Revenues	<u>31,893,769</u>	<u>32,826,970</u>	<u>16,188,494</u>	<u>(16,638,476)</u>
Investment Earnings and Contributions				
Interest Earned on Restricted Funds	-	-	717,415	717,415
Total Investment Earnings	<u>-</u>	<u>-</u>	<u>717,415</u>	<u>717,415</u>
Miscellaneous Revenues				
Reapportion of Existing Projects	3,595,358	3,595,358	-	(3,595,358)
Miscellaneous	250,000	250,000	74,129	(175,871)
Total Miscellaneous Revenues	<u>3,845,358</u>	<u>3,845,358</u>	<u>74,129</u>	<u>(3,771,229)</u>
 Total Revenues	 <u>35,739,127</u>	 <u>36,672,328</u>	 <u>16,980,038</u>	 <u>(19,692,290)</u>
Expenditures				
Capital Outlay:				
City Facility Maintenance & Improvements	3,200,000	3,200,000	4,763,320	(1,563,320)
Culture & Recreation	4,108,650	4,788,650	4,873,521	(84,871)
Economic & Community Development	600,909	883,467	3,376,569	(2,493,102)
Education	19,000,000	19,000,000	109,464,284	(90,464,284)
Public Safety	3,470,000	3,860,000	2,061,923	1,798,077
Transportation	52,965,865	53,899,066	30,410,155	23,488,911
City Equipment & Other Infrastructure Investment	8,291,067	8,291,067	551,522	7,739,545
Debt Issuance Cost	-	-	486,475	(486,475)
Total Expenditures	<u>91,636,491</u>	<u>93,922,250</u>	<u>155,987,769</u>	<u>(62,065,519)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(55,897,364)</u>	<u>(57,249,922)</u>	<u>(139,007,731)</u>	<u>42,373,229</u>
Other Financing Sources (Uses)				
Proceeds from Issuance of General Obligation Bonds	45,365,559	45,365,559	107,486,475	62,120,916
Proceeds From Issuance of General Obligation Notes	8,291,067	8,291,067	-	(8,291,067)
Transfers In - Other Funds	2,240,738	3,593,296	3,593,296	-
Transfers Out - Other Funds	-	-	-	-
Total Other Financing Sources, Net	<u>55,897,364</u>	<u>57,249,922</u>	<u>111,079,771</u>	<u>53,829,849</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(27,927,960)</u>	<u>96,203,078</u>
Fund Balance - Beginning of Year	<u>(55,599,724)</u>	<u>(55,599,724)</u>	<u>(55,599,724)</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ (55,599,724)</u>	<u>\$ (55,599,724)</u>	<u>\$ (83,527,684)</u>	<u>\$ (27,927,960)</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2020

EXHIBIT I-5
Variance with Final
Budget Positive
(Negative)

	Original Budget	Final Budget	Actual	
Revenues				
Transfer in From General Fund - Debt Service	\$ 72,081,747	\$ 71,819,006	\$ 70,814,523	\$ (1,004,483)
Transfer in From General Fund - Non-Departmental	9,370,962	9,370,962	839,718	(8,531,244)
Reimbursement from Federal Government	1,023,647	1,023,647	663,810	(359,837)
Payments from EDA (Stone Brewing Project)	1,438,363	1,438,363	1,433,945	(4,418)
Transfer from CDBG to pay HUD Notes	1,142,252	1,142,252	852,575	(289,677)
Other Revenue	-	-	101,517	101,517
Total Revenue	\$ 85,056,971	\$ 84,794,230	\$ 74,706,088	\$ (10,088,142)
Expenditures				
Principal Payments				
General Government Projects	\$ 20,531,014	\$ 20,531,014	\$ 20,531,014	\$ -
Justice Center Project	2,914,174	2,914,174	2,914,174	-
Carpenter Center Project	1,197,823	1,197,823	1,197,823	-
Transportation Projects	5,719,346	5,719,346	5,719,346	-
School Capital Improvement Projects	17,282,278	17,282,278	10,011,316	7,270,962
730 Theater Row Building Project	1,049,527	1,049,527	1,049,527	-
Stone Brewing Project	660,000	660,000	660,000	-
HUD Section 108 Notes	695,000	695,000	670,000	25,000
Coliseum	469,878	469,878	469,878	-
Cemeteries	31,057	31,057	-	31,057
Total Principal Payments	50,550,097	50,550,097	43,223,078	7,327,019
Interest Payments				
General Government Projects	11,017,853	11,017,853	11,137,886	(120,033)
Justice Center Project	4,031,997	4,031,997	4,031,997	-
Carpenter Center Project	719,951	719,951	719,951	-
Transportation Projects	3,608,554	3,608,554	3,695,262	(86,708)
Schools Capital Improvement Projects	7,908,416	7,908,416	8,616,963	(708,547)
730 Theater Row Bldg Project	60,351	60,351	60,351	-
Stone Brewing Project	778,363	778,363	778,363	-
HUD Section 108 Notes	447,252	447,252	312,574	134,678
Coliseum	88,140	88,140	88,140	-
Cemeteries	6,492	6,492	-	6,492
New General Obligation Bond Issue	1,400,000	1,400,000	-	1,400,000
Total Interest Payments on Bonds	30,067,369	30,067,369	29,441,487	625,882
Interest - Short Term Debt				
GO Bond Anticipation Notes -City	1,196,084	933,343	260,856	672,487
GO Bond Anticipation Notes- New School Const	2,100,000	2,100,000	106,241	1,993,759
Total Interest Payments on Short Term Debt	3,296,084	3,033,343	367,097	2,666,246
Total Interest Payments	33,363,453	33,100,712	29,808,584	3,292,128
Cost of Issuance	-	-	398,547	(398,547)
Total Expenditures	\$ 83,913,550	\$ 83,650,809	\$ 73,430,209	\$ 10,220,600
Excess of Revenues Over Expenditures	1,143,421	1,143,421	1,275,879	132,458
Proceeds of Bonds and Notes	-	-	59,444,516	59,444,516
Payments to Refunding Escrow	-	-	(14,118,982)	(14,118,982)
Repayment of Notes Payable	-	-	(45,000,000)	(45,000,000)
Total Other Financing Sources (Uses)	-	-	325,534	325,534
Net Change in Fund Balance	1,143,421	1,143,421	1,601,413	457,992
Beginning Fund Balance	11,759,419	11,759,419	11,759,419	-
Ending Fund Balance	\$ 12,902,840	\$ 12,902,840	\$ 13,360,832	\$ 457,992

Non-Major Proprietary Funds

Non-Major Proprietary Funds are used for operations (a) that are financed and operated in a manner similar to private business enterprise – when the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Cemeteries

Maintains and operates cemeteries.

Parking Enterprise

Maintains parking related revenue streams, operations and maintenance, and existing debt service.

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
June 30, 2020

EXHIBIT J-1

	Coliseum	Cemeteries	Parking Enterprise	Total
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ -	\$ 9,485,022	\$ 9,485,022
Accounts Receivable, Net	-	-	1,465,559	1,465,559
Total Current Assets	-	-	10,950,581	10,950,581
Noncurrent Assets:				
Capital Assets:				
Land	-	8,188,700	14,268,255	22,456,955
Buildings and Structures	-	601,429	35,519,958	36,121,387
Equipment	-	157,317	3,737,062	3,894,379
Less Accumulated Depreciation	-	(641,933)	(13,245,391)	(13,887,324)
Total Noncurrent Assets	-	8,305,513	40,279,884	48,585,397
Total Assets	-	8,305,513	51,230,465	59,535,978
Deferred Outflow of Resources				
Employer Contributions to Pension				
Outflows-Pension and OPEB Related	-	523,513	270,526	794,039
Total Deferred Outflows of Resources	-	523,513	270,526	794,039
Liabilities				
Current Liabilities:				
Accounts Payable	\$ -	\$ 91,302	\$ 895,823	\$ 987,125
Accrued Liabilities	-	15,821	142	15,963
Accrued Wages	-	26,436	32,103	58,539
Due To Other Funds	-	1,554,110	-	1,554,110
Accrued Interest on Bonds	-	2,693	678,261	680,954
General Obligation Bonds	-	31,195	3,803,128	3,834,323
Compensated Absences	-	7,186	8,846	16,032
Total Current Liabilities	-	1,728,743	5,418,303	7,147,046
Noncurrent Liabilities:				
General Obligation Bonds	-	93,765	45,450,492	45,544,257
Compensated Absences	-	38,303	81,659	119,962
Net Pension and OPEB Liability	-	1,880,095	597,059	2,477,154
Total Noncurrent Liabilities	-	2,012,163	46,129,210	48,141,373
Total Liabilities	-	3,740,906	51,547,513	55,288,419
Deferred Inflow of Resources				
Inflows-Pension and OPEB Related	-	(2,451)	(31,481)	(33,932)
Total Deferred Inflows of Resources	-	(2,451)	(31,481)	(33,932)
Net Position				
Net Investment in Capital Assets	-	8,180,553	(8,973,736)	(793,183)
Unrestricted	-	(3,089,982)	8,958,695	5,868,713
Total Net Position	\$ -	\$ 5,090,571	\$ (15,041)	\$ 5,075,530

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

EXHIBIT J-2

	Coliseum	Cemeteries	Parking Enterprise	Total
Operating Revenues				
Charges for Goods and Services	\$ -	\$ 1,579,458	\$ 16,948,365	\$ 18,527,823
Operating Expenses				
Salaries and Wages and Benefits	-	886,526	955,251	1,841,777
Materials and Supplies	-	22,833	20,140	42,973
Rents and Utilities	-	30,973	468,213	499,186
Maintenance and Repairs	-	117,036	4,811,355	4,928,391
Depreciation and Amortization	-	9,546	1,609,628	1,619,174
Claims and Settlements	-	10,305	15,142	25,447
Miscellaneous Operating Expenses	-	647,513	5,189,097	5,836,610
Total Operating Expenses	-	1,724,732	13,068,826	14,793,558
Operating Income (Loss)	-	(145,274)	3,879,539	3,734,265
Non-Operating Revenues (Expenses)				
Interest and Fiscal Charges	-	(5,928)	(1,270,193)	(1,276,121)
Total Non-Operating Revenues (Expenses), Net	-	(5,928)	(1,270,193)	(1,276,121)
Other Financing Sources (Uses)				
Transfers In - Other Funds	-	37,549	-	37,549
Transfers Out - Other Funds	(3,347,133)	-	-	(3,347,133)
Total Other Financing Uses, Net	(3,347,133)	37,549	-	(3,309,584)
Change In Net Position	(3,347,133)	(113,653)	2,609,346	(851,440)
Net Position - Beginning of Year, as restated	3,347,133	5,204,224	(2,624,387)	5,926,970
Net Position - End of Year	\$ -	\$ 5,090,571	\$ (15,041)	\$ 5,075,530

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

EXHIBIT J-3

	Coliseum	Cemeteries	Parking Enterprise	Total
Cash Flows from Operating Activities				
Receipts from Customers	\$ -	\$ 1,649,405	\$ 17,266,827	\$ 18,916,232
Payments to Suppliers		(798,441)	(10,427,474)	(11,225,915)
Payments to Employees	-	(842,758)	(845,959)	(1,688,717)
Net Cash Provided by (Used In)				
Operating Activities	-	8,206	5,993,394	6,001,600
Cash Flows from Noncapital Financing Activities				
Government Subsidies and Contributions		37,549	-	37,549
Due to Other Funds	-	(8,206)	-	(8,206)
Net Cash Provided By				
Noncapital Financing Activities	-	29,343	-	29,343
Cash Flows from Capital and Related Financing Activities				
Repayments of GO Bonds		(31,056)	(5,906,263)	(5,937,319)
Interest Paid on Long-Term Debt		(6,493)	(1,329,853)	(1,336,346)
Net Cash Used In				
Capital and Related Financing Activities	-	(37,549)	(7,236,116)	(7,273,665)
Net Increase in Cash and Cash Equivalents		-	(1,242,722)	(1,242,722)
Cash and Cash Equivalents at July 1, 2019		-	10,727,744	10,727,744
Cash and Cash Equivalents at June 30, 2020	\$ -	\$ -	\$ 9,485,022	\$ 9,485,022
Reconciliation of Operating Income (Loss) to Net Cash				
Provided by (Used In) Operating Activities				
Operating Income (Loss)	\$ -	\$ (145,274)	\$ 3,879,539	\$ 3,734,265
Adjustments to Reconcile Operating Income (Loss) to Net Cash				
Provided by (Used In) Operating Activities:				
Depreciation		9,546	1,609,628	1,619,174
Pension Expense	-	49,119	50,417	99,536
(Increase) Decrease in Assets and Increase				
(Decrease) in Liabilities:				
Accounts Receivable		69,948	318,462	388,410
Accounts Payable		30,236	76,474	106,710
Accrued Payables	-	3,399	13,701	17,100
Compensated Absences	-	(8,768)	45,173	36,405
Total Adjustments	-	153,480	2,113,855	2,267,335
Net Cash Provided by (Used In) Operating Activities	\$ -	\$ 8,206	\$ 5,993,394	\$ 6,001,600

Depreciation Expense Includes Repairs and Maintenance Expense for Fleet Charges incurred by Non-Major Enterprise and Internal Service Funds

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City Reporting Entity on a cost-reimbursement basis.

Fleet Management

Provides for repairs and maintenance to City-owned vehicles and related equipment, as well as monthly and daily leasing services.

Radio Maintenance

Provides for installation, repairs and maintenance of radio and other emergency communication equipment in City-owned vehicles.

Health Self-Insurance

A joint healthcare plan between the City and Richmond Public Schools, which is a self-insured healthcare plan. The healthcare plan is available to all full-time and part-time employees in permanent positions, working 20 hours or more per week. The plan is a self-insured agreement, which includes individual stop loss and aggregate stop loss.

Advantage Richmond Corporation

Provides leased office space for the City's Social Service Department.

Information Technology

Provides the computing, communications, IT infrastructure, and application development for the City of Richmond departments to support their business operations and service delivery to the public.

Risk Management

Responsible for the preservation and protection of the human, physical, and financial assets of the City, including administration of the safety & loss prevention and worker's compensation claims against the City, and processing certificate of insurance requests.

Electric Utility

Provides street lighting and other electric service to part of the City.

Stores and Transportation Division

Provides supplies and vehicle related services exclusively to utility departments.

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2020

EXHIBIT K-1

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Assets									
Current Assets:									
Cash and Cash Equivalents	\$ -	\$ -	\$ 20,091,305	\$ 4,523,844	\$ 9,266,913	\$ 4,371,600	\$ 11,226,057	\$ -	\$ 49,479,719
Accounts Receivables, Net	-	-	1,132,425	-	-	620,000	3,361,977	-	5,114,402
Inventory	-	287,769	-	-	-	-	-	4,616,005	4,903,774
Prepaid Expenses	-	-	-	-	-	669,551	-	99,026	768,577
Total Current Assets	-	287,769	21,223,730	4,523,844	9,266,913	5,661,151	14,588,034	4,715,031	60,266,472
Noncurrent Assets:									
Capital Assets:									
Land	98,000	-	-	3,000,000	-	-	265,389	1,686,532	5,049,921
Buildings and Structures	1,211,217	13,218	-	9,000,000	-	-	48,261,384	3,478,431	61,964,250
Equipment	70,204,673	410,950	-	-	3,040,903	-	13,150,947	31,623,915	118,431,388
Construction in Progress	-	-	-	-	-	-	1,108,038	-	1,108,038
Less Accumulated Depreciation	(60,471,040)	(385,548)	-	(3,332,426)	(2,164,759)	-	(46,106,412)	(34,378,303)	(146,838,488)
Total Capital Assets	11,042,850	38,620	-	8,667,574	876,144	-	16,679,346	2,410,575	39,715,109
Total Noncurrent Assets	11,042,850	38,620	-	8,667,574	876,144	-	16,679,346	2,410,575	39,715,109
Total Assets	11,042,850	326,389	21,223,730	13,191,418	10,143,057	5,661,151	31,267,380	7,125,606	99,981,581
Deferred Outflows of Resources									
Losses on Refunding of Debt	-	-	-	-	-	-	1,810	-	1,810
Outflows-Pension and OPEB Related	1,141,338	48,040	-	-	812,110	16,730	903,694	173,103	3,095,015
Total Deferred Outflows of Resources	1,141,338	48,040	-	-	812,110	16,730	905,504	173,103	3,096,825
Liabilities									
Current Liabilities:									
Combined RPS City Withholding	-	-	1,510,248	-	-	-	-	-	1,510,248
Accounts Payable	612,540	8,717	-	124,887	1,131,567	527,513	1,853,061	324,812	4,583,097
Accrued Liabilities	13,102	7,845	3,258,000	750	249,578	5,525	206,931	1,464	3,743,195
Accrued Wages	104,552	11,905	-	-	243,742	13,349	65,779	10,780	450,107
Due To Other Funds	13,052,670	5,383,198	-	-	-	-	-	204,857	18,640,725
Accrued Interest on Bonds and Notes Payable	2,022	-	-	14,904	-	-	5,045	-	21,971
General Obligation Bonds	959,000	-	-	-	-	-	138,703	-	1,097,703
Revenue Bond Payable	-	-	-	1,135,571	-	-	-	-	1,135,571
Compensated Absences	32,744	2,679	-	-	-	-	27,529	6,883	69,835
Other Liabilities & Claims Payable	-	-	-	-	-	3,312,053	-	-	3,312,053
Total Current Liabilities	14,776,630	5,414,344	4,768,248	1,276,112	1,624,887	3,858,440	2,297,048	548,796	34,564,505
Noncurrent Liabilities									
General Obligation Bonds Payable	4,503,000	-	-	-	-	-	153,009	-	4,656,009
Compensated Absences	115,348	12,217	-	-	476,865	41,758	92,186	23,047	761,421
Net Pension and OPEB Liability	3,559,695	159,052	-	-	1,957,653	36,708	2,796,550	548,740	9,058,398
NC Other Liabilities & Claims Payable	-	-	-	-	-	34,916,102	-	-	34,916,102
Total Noncurrent Liabilities	8,178,043	171,269	-	-	2,434,518	34,994,568	3,041,745	571,787	49,391,930
Total Liabilities	22,954,673	5,585,613	4,768,248	1,276,112	4,059,405	38,853,008	5,338,793	1,120,583	83,956,435
Deferred Inflows of Resources									
Inflows-Pension and OPEB Related	(23,450)	57	-	-	(572,612)	(11,674)	(34,580)	9,926	(632,333)
Total Deferred Inflows of Resources	(23,450)	57	-	-	(572,612)	(11,674)	(34,580)	9,926	(632,333)
Net Position									
Net Investment in Capital Assets	5,580,851	38,620	-	7,532,003	876,145	-	16,389,444	2,410,575	32,827,638
Unrestricted	(16,327,886)	(5,249,861)	16,455,482	4,383,303	6,592,229	(33,163,453)	10,479,227	3,757,625	(13,073,334)
Total Net Position	\$ (10,747,035)	\$ (5,211,241)	\$ 16,455,482	\$ 11,915,306	\$ 7,468,374	\$ (33,163,453)	\$ 26,868,671	\$ 6,168,200	\$ 19,754,304

Internal Service Funds' negative Net Position will be alleviated by increases in user fees.

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2020

EXHIBIT K-2

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Operating Revenues									
Charges for Goods and Services	\$ 16,263,747	\$ 1,174,352	\$ 51,282,468	\$ 2,400,000	\$ 24,863,766	\$ 16,876,781	\$ 5,013,880	\$ 745,482	\$ 118,620,476
Operating Expenses									
Cost of Goods and Services Sold	9,562,654	316,767	-	-	-	-	-	-	9,879,421
Salaries and Wages and Benefits	902,021	335,787	-	-	8,207,321	381,857	2,091,814	329,196	12,247,996
Data Processing	10,032	-	-	-	8,146,299	4,981	-	-	8,161,312
Materials and Supplies	45,469	9,563	-	-	976,600	1,041	634,281	6,690	1,673,644
Rents and Utilities	39,801	131,165	-	154,050	-	-	2,725,749	19,952	3,070,717
Maintenance and Repairs	99,137	16,304	-	540,635	593,832	561	944,050	-	2,194,519
Depreciation and Amortization	3,244,160	3,223	-	225,000	249,735	-	1,357,567	111,223	5,190,908
Claims and Settlements	843,129	-	45,646,262	-	83,465	16,248,157	-	-	62,821,013
Uncollectible Expense	-	-	-	-	-	-	(780)	-	(780)
Miscellaneous Operating Expenses	821,521	60,261	2,860,252	425,079	6,410,516	240,184	250,535	158,022	11,226,370
Total Operating Expenses	15,567,924	873,070	48,506,514	1,344,764	24,667,768	16,876,781	8,003,216	625,083	116,465,120
Operating Income (Loss)	695,823	301,282	2,775,954	1,055,236	195,998	-	(2,989,336)	120,399	2,155,356
Non-Operating Revenues (Expenses)									
Interest and Fiscal Charges	(2,023)	-	-	(92,678)	-	-	(8,407)	-	(103,108)
Interest Income	-	-	4,827	-	-	-	-	-	4,827
Miscellaneous Revenue (Expenses)	-	-	-	-	-	-	(96,758)	12,897	(83,861)
Gain/(Loss) on Disposal of Capital Assets	(73,360)	-	-	-	-	-	-	-	(73,360)
Total Non-Operating Revenues (Expenses), Net	(75,383)	-	4,827	(92,678)	-	-	(105,165)	12,897	(255,502)
Other Financing Sources (Uses)									
Capital Contributions	-	-	-	-	-	-	91,569	-	91,569
Transfers In - Other Funds	746,033	-	-	-	-	-	-	-	746,033
Total Other Financing Uses, Net	746,033	-	-	-	-	-	91,569	-	837,602
Change In Net Position	1,366,473	301,282	2,780,781	962,558	195,998	-	(3,002,932)	133,296	2,737,456
Net Position - Beginning of Year	(12,113,508)	(5,512,523)	13,674,701	10,952,748	7,272,376	(33,163,453)	29,871,603	6,034,904	17,016,848
Net Position - End of Year	\$ (10,747,035)	\$ (5,211,241)	\$ 16,455,482	\$ 11,915,306	\$ 7,468,374	\$ (33,163,453)	\$ 26,868,671	\$ 6,168,200	\$ 19,754,304

**CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2020

EXHIBIT K-3

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Cash Flows from Operating Activities									
Receipts from Customers	\$ 16,263,748	\$ 1,174,352	\$ 52,618,596	\$ 2,400,000	\$ 24,863,767	\$ 16,880,564	\$ 4,845,803	\$ 745,482	\$ 119,792,312
Payments to Suppliers	(11,366,211)	(534,960)	(49,181,676)	(1,088,956)	(15,909,360)	(16,878,709)	(4,429,836)	(124,446)	(99,514,154)
Payments to Employees	(716,607)	(343,990)	-	-	(7,719,203)	(337,996)	(1,948,796)	(308,116)	(11,374,708)
Receipts From Other Funds	-	-	-	-	-	-	(28,893)	(201,777)	(230,670)
Other Receipts or (Payments)	-	-	-	-	-	-	(5,190)	12,896	7,706
Net Cash Provided by (Used In) Operating Activities	4,180,930	295,402	3,436,920	1,311,044	1,235,204	(336,141)	(1,566,912)	124,039	8,680,486
Cash Flows from Non-Capital Financing Activities									
Government Subsidies and Contributions	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-
Due to Other Funds	(8,606,231)	(278,902)	-	-	-	2,419,834	-	(124,039)	(6,589,338)
Net Cash Provided By (Used In) Noncapital Financing Activities	(8,606,231)	(278,902)	-	-	-	2,419,834	-	(124,039)	(6,589,338)
Cash Flows from Capital and Related Financing Activities									
Acquisition/Acquisition of Capital Assets	(1,034,676)	(16,500)	-	-	(251,327)	-	(620,726)	-	(1,923,229)
Repayments of Revenue and GO Bonds	5,462,000	-	-	(1,077,478)	-	-	(139,753)	-	4,244,769
Repayments of Notes Payable	-	-	-	-	-	-	-	-	-
Interest Paid on Long-Term Debt	(2,023)	-	4,827	(106,820)	-	-	(10,832)	-	(114,848)
Net Cash Provided by (Used In) Capital and Related Financing Activities	4,425,301	(16,500)	4,827	(1,184,298)	(251,327)	-	(771,311)	-	2,206,692
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	3,441,747	126,746	983,877	2,083,693	(2,338,223)	-	4,297,840
Cash and Cash Equivalents at July 1, 2019	-	-	16,649,558	4,397,098	8,283,036	2,287,907	13,564,280	-	45,181,879
Cash and Cash Equivalents at June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,091,305</u>	<u>\$ 4,523,844</u>	<u>\$ 9,266,913</u>	<u>\$ 4,371,600</u>	<u>\$ 11,226,057</u>	<u>\$ -</u>	<u>\$ 49,479,719</u>
Reconciliation of Operating Income (Loss)									
To Net Cash Provided by (Used In) Operating Activities									
Operating Income (Loss)	\$ 695,823	\$ 301,282	\$ 2,775,954	\$ 1,055,236	\$ 195,998	\$ -	\$ (2,989,336)	\$ 120,399	\$ 2,155,356
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:									
Depreciation	3,244,160	3,223	-	225,000	249,735	-	1,357,567	111,223	5,190,908
Gain/(Loss) on Disposal of Capital Assets	73,360	-	-	-	-	-	-	-	73,360
Pension Expense	136,033	4,694	-	-	303,185	6,095	109,279	17,441	576,727
Miscellaneous Income/(Expense)	-	-	-	-	-	-	(5,190)	12,896	7,706
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:									
Accounts Receivable	-	-	1,336,128	-	-	3,784	(169,259)	-	1,170,653
Due From General Fund	-	-	-	-	-	-	-	-	-
Due From Component Unit	-	-	-	-	-	-	-	-	-
Inventories of Material and Supplies	-	-	-	-	-	-	-	15,594	15,594
Prepaid Expenses	-	-	-	-	-	(669,551)	28,893	3,725	(636,933)
Accounts Payable	(19,852)	(900)	(289,162)	30,808	301,355	285,766	86,566	(160,881)	233,700
Accrued Liabilities	2,022	2,451	(386,000)	-	70,719	5,448	-	-	(305,360)
Compensated Absences	49,384	(15,348)	-	-	114,212	32,317	14,568	3,642	198,775
Total Adjustments	3,485,107	(5,880)	660,966	255,808	1,039,206	(336,141)	1,422,424	3,640	6,525,130
Net Cash Provided by (Used In) Operating Activities	<u>\$ 4,180,930</u>	<u>\$ 295,402</u>	<u>\$ 3,436,920</u>	<u>\$ 1,311,044</u>	<u>\$ 1,235,204</u>	<u>\$ (336,141)</u>	<u>\$ (1,566,912)</u>	<u>\$ 124,039</u>	<u>\$ 8,680,486</u>

Depreciation Expense Includes Repairs and Maintenance Expense for Fleet Charges incurred by Non-Major Enterprise and Internal Service Funds

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The City maintains two Fiduciary Fund types: 1) Trust Funds and 2) Agency Funds. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs

Trust Funds.

The Richmond Retirement System

Provides retirement and disability benefits for all vested permanent full time employees.

Other Employee Benefits

A deferred compensation plan created in accordance with the Internal Revenue Code (IRC) Section 457. The plan is available to all City employees and permits deferral until future years of up to 25% of salary with a maximum deferral of \$18,500 per year.

Pooled OPEB Trust

Offers a streamlined and cost-effective investment vehicle specifically designed for OPEB. The Trust offers participants professional investment management on par with the services provided by major pension funds.

Agency Funds

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. The Agency Funds consist of the assets and liabilities of several organizations for which the City serves as fiscal agent, such as the Department of Welfare, the Department of Recreation and Parks, the Department of Public Works and the Law Department.

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020

EXHIBIT L-1

	Richmond Retirement System	Other Employee Benefits	Pooled OPEB Trust	Total
Assets:				
Cash and Short-term Investments	\$ 7,081,202	\$ -	\$ -	\$ 7,081,202
Pooled Funds			782,386	782,386
Receivables:				
Due from Brokers on Sale of Securities	135,314	-	-	135,314
Interest and Dividends	94,958	-	-	94,958
Contributions from Participating Employees	1,444,155	-	-	1,444,155
Other Accounts Receivable	4,052	2,897,706	-	2,901,758
Investments, at Fair Value:				
US-Equities	151,359,553	-	-	151,359,553
International Equities	97,784,185	-	-	97,784,185
Real Estate Investment Trusts	33,911,739	-	-	33,911,739
Fixed Income	176,918,106	-	-	176,918,106
Diversifying Assets	59,991,630	-	-	59,991,630
Private Debt	39,073,576	115,638,453	-	154,712,029
Private Equity	14,232,905	-	-	14,232,905
Total Investments, at Fair Value	<u>573,271,694</u>	<u>115,638,453</u>	<u>-</u>	<u>688,910,147</u>
Cash Collateral Received - Security Lending Program	689,549	-	-	689,549
Assets	<u>582,720,924</u>	<u>118,536,159</u>	<u>782,386</u>	<u>702,039,469</u>
Capital Assets:				
Furniture Fixtures and Equipment	127,215	-	-	127,215
Leasehold Improvements	173,193	-	-	173,193
Total Fixed Assets	<u>300,408</u>	<u>-</u>	<u>-</u>	<u>300,408</u>
Total Assets	<u>583,021,332</u>	<u>118,536,159</u>	<u>782,386</u>	<u>702,339,877</u>
Liabilities:				
Accounts Payable	16,870,449	-	-	16,870,449
Payable for Collateral Received - Security Lending Program	694,622	-	-	694,622
Total Liabilities	<u>17,565,071</u>	<u>-</u>	<u>-</u>	<u>17,565,071</u>
Net Position Restricted for Pensions and OPEB	<u>\$ 565,456,261</u>	<u>\$ 118,536,159</u>	<u>\$ 782,386</u>	<u>\$ 684,774,806</u>

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2020

EXHIBIT L-2

	Richmond Retirement System	Other Employee Benefits	Pooled OPEB Trust	Total
Additions:				
Contributions:				
City of Richmond	\$ 53,968,427	\$ -	\$ 500,000	\$ 54,468,427
Richmond Behavioral Health Authority	1,090,640	-	-	1,090,640
Richmond Public Schools	181,354	-	-	181,354
Plan Members	1,980,230	8,133,608	-	10,113,838
Total Contributions	<u>57,220,651</u>	<u>8,133,608</u>	<u>500,000</u>	<u>65,854,259</u>
Investment Income:				
Net Appreciation in Fair Value of Investments	9,011,943	4,371,645	32,386	13,415,974
Interest	541,717	-	-	541,717
Dividends	2,362,350	-	-	2,362,350
Net Income Earned On Securities Lending Transactions:				
Securities Lending Income	38,447	-	-	38,447
Securities Lending Expense	(26,824)	-	-	(26,824)
Total Net Income Earned on Securities Lending Transactions	<u>11,623</u>	<u>-</u>	<u>-</u>	<u>11,623</u>
Investment Income	<u>11,927,633</u>	<u>4,371,645</u>	<u>32,386</u>	<u>16,331,664</u>
Less Investment Expense	<u>(2,178,492)</u>	<u>-</u>	<u>-</u>	<u>(2,178,492)</u>
Net Investment (Loss) Gain	<u>9,749,141</u>	<u>4,371,645</u>	<u>32,386</u>	<u>14,153,172</u>
Total Additions, Net	<u>66,969,792</u>	<u>12,505,254</u>	<u>532,386</u>	<u>80,007,431</u>
Deductions:				
Benefits	72,760,724	11,093,089	-	83,853,813
Refunds of Member Contributions	52,402	-	-	52,402
Administrative Expenses	1,275,428	294,812	-	1,570,240
Depreciation Expense	60,082	-	-	60,082
Other	-	(76,608)	-	(76,608)
Total Deductions	<u>74,148,636</u>	<u>11,311,293</u>	<u>-</u>	<u>85,459,929</u>
Net Increase (Decrease)	(7,178,844)	1,193,961	532,386	(5,452,497)
Net Position Restricted for Pensions and OPEB - Beginning of Year	<u>572,635,105</u>	<u>117,342,198</u>	<u>250,000</u>	<u>690,227,303</u>
Net Position Restricted for Pensions and OPEB - End of Year	<u>\$ 565,456,261</u>	<u>\$ 118,536,159</u>	<u>\$ 782,386</u>	<u>\$ 684,774,806</u>

**CITY OF RICHMOND, VIRGINIA
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Fiscal Year Ended June 30, 2020**

EXHIBIT L-3

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Assets				
Cash and Cash Equivalents	\$ 3,580,458	\$ 1,200,394	\$ 1,053,765	\$ 3,727,087
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 3,580,458</u>	<u>\$ 1,200,394</u>	<u>\$ 1,053,765</u>	<u>\$ 3,727,087</u>
Liabilities				
Refundable Deposits	\$ 726,045	\$ -	\$ 88,000	\$ 638,045
Due to Other Funds	56,232	-	56,232	-
Due to Various Agents	2,798,181	2,308,623	2,017,762	3,089,042
Total Liabilities	<u>\$ 3,580,458</u>	<u>\$ 2,308,623</u>	<u>\$ 2,161,994</u>	<u>\$ 3,727,087</u>

STATISTICAL



SECTION

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Statistical Section

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.

**CITY OF RICHMOND, VIRGINIA
MISCELLANEOUS STATISTICAL DATA
June 30, 2020**

DATE OF INCORPORATION

Richmond was founded by William Byrd in 1737, established as a town in May 1742 and incorporated as a City on July 19, 1782.

AREA OF CITY

The area of the City consists of 62.46 square miles.

POPULATION

United States Census 2006 (1)	.....	198,624
United States Census 2007 (1)	.....	200,123
United States Census 2008 (1)	.....	202,002
United States Census 2009 (1)	.....	204,451
United States Census 2010 (1)	.....	204,214
United States Census 2011 (1)	.....	205,533
United States Census 2012 (1)	.....	210,309
United States Census 2013 (1)	.....	214,114
United States Census 2014 (1)	.....	217,853
United States Census 2015 (1)	.....	220,289
United States Census 2016 (1)	.....	223,170
United States Census 2017 (1)	.....	227,032
United States Census 2018 (1)	.....	228,783
United States Census 2019 (1)	.....	230,436
United States Census 2020 (1)	.....	N/A

⁽¹⁾Source: U.S. Department of Commerce. U.S. Census Bureau.

FORM OF GOVERNMENT

The City is organized under the Strong Mayoral-Council form of government. The mayoral form consists of a City Mayor, elected at-large, and a City Council which serves as the municipality's legislative body. The Council is composed of nine members elected on a single member district basis. The President of Council and Vice President are chosen by a majority vote of all members of Council from their own members. The Mayor appoints, with the consent of Council, a Chief Administrative Officer to act as the chief administrator of the City. The Chief Administrative Officer serves at the pleasure of the Mayor, carries out the City's administrative and policy-related duties, directs business procedures, and has the power of appointment and removal of the heads of all administrative departments as well as certain other officers and employees of the administration.

SEGREGATION OF TAXABLE SUBJECTS FOR LOCAL TAXATION ONLY

By an Act of the General Assembly of Virginia, approved March 31, 1926, all real estate, tangible personal property, and machinery used for manufacturing and mining purposes, were segregated to the City, and these subjects are not liable to any general tax except the City tax.

During the year 1926, the Commonwealth of Virginia turned over to the City the state tax rate of 25 cents per \$100 of valuation on real estate and tangible personal property then existing.

ASSESSMENTS

The City Assessor of Real Estate assesses real estate annually at “fair market value”. The assessment to sales ratio is estimated to be 95.0%. The real estate assessments for the semi-annual real estate billing were based on an effective valuation date of January 1, 2019. The due dates for the semi-annual billing were January 14 and June 14 in the 2020 tax year. The 2020 Land Book will be updated with fair market values as of July 1, 2020. New construction and renovations will be added to the land book through December 31, 2020.

Areas, vaults, marquees, gasoline tanks, electric wires and conduits on, above and under public property are assessed by the City Assessor of Real Estate as certified to the Assessor by the Department of Public Works, since taxes on these subjects are included in the real estate tax bill.

Special assessments for sidewalk and alley paving, boarding, demolition of unsafe structures, weed and refuse lot clearance, if not paid during the current year, charges are added to the real estate tax bill of the upcoming year and become a lien on the property.

The Director of Finance, as required by the State Code, assesses tangible personal property and machinery and tools in manufacturing and mining. Tangible personal property includes automobiles, mobile homes, business equipment and pleasure boats.

TAX RATES

Real Estate:

- \$1.20 per \$100 of Assessed Value: 2008-2020
- \$1.23 per \$100 of Assessed Value: 2007
- \$1.29 per \$100 of Assessed Value: 2006
- \$1.33 per \$100 of Assessed Value: 2005
- \$1.38 per \$100 of Assessed Value: 2003-2004
- \$1.39 per \$100 of Assessed Value: 2002

Tangible Personal Property:

- \$3.70 per \$100 of Assessed Value: 1992-2020

Machinery and Tools Used for Manufacturing and Mining:

- \$2.30 per \$100 of Assessed Value: 1992-2020

Other taxes and fees imposed include:

PILOT (Payment In Lieu of Taxes): companies that do not pay taxes but instead pay a fee for trash collections and disposal, police protection and fire protection. PILOT is billed twice a year in June and December. The PILOT rate is computed based on several different figures from the CAFR, Assessor’s Office and other financial reports. Certain companies (e.g. Commonwealth of Virginia) have rates set by the General Assembly.

PSC (Public Service Corporation): companies that deliver public services considered essential to the public interest. These companies are assessed based on the Virginia State Corporation Commission. PSC is billed twice a year June and December. The tax rate for all companies is the same as regular real state and personal property accounts.

Utility Consumers' Tax:

- Monthly Residential Billing:
 - Electricity - \$1.40 plus .015116 per kilowatt-hour and the amount of tax shall not exceed \$4.00 per month.
 - Gas - \$1.78 plus .010091 per 100 CCF delivered per month and the amount of tax shall not exceed \$4.00 per month
- Monthly Commercial and Industrial Billing:
 - Commercial Metered Electricity - \$2.75 plus .016462 per kilowatt-hour (kWh) first 8,945kWh and .002160 per kWh in excess of 8,945kWh
 - Industrial Metered Electricity - \$2.75 plus .0119521 per kilowatt-hour (kWh) first 1,242kWh .001837 per kWh in excess of 1,242kWh
 - Commercial Gas - \$2.88 plus \$.01739027 per CCF delivered (small volume)
 - Commercial Gas - \$24.00 plus \$.07163081 per CCF delivered (large volume)
 - Industrial Metered Gas - \$120.00 plus \$.0011835 per CCF delivered
 - Commercial Telephone – 5% Communication Tax*
- Electric Utility Consumption Tax:
 - Less than 2,500kWh per month .00038 per kWh.
 - Excess of 2,501kWh per month but not in excess of 50,000kWh per month .00024 per kWh.
 - All excess of 50,000kWh per month .00018 per kWh.

Business, Professional, and Occupational Licenses:**For Business with Gross Receipts Exceeding Threshold:**

- Wholesale Merchants - \$.22 per \$100 of gross purchases
- Retail Merchants - \$.20 per \$100 of gross receipts
- Professional Occupations - \$.58 per \$100 of gross receipts
- Contractors - \$.19 per \$100 gross contracts and/or 1.50% of fees from contracts on a fee basis
- Personal Service Contracts - \$.36 per \$100 gross receipts

Thresholds:

- Receipts less than \$5,000 - no tax, \$30 fee only
- Receipts greater than \$5,000 - less than \$100,000, \$30 fee only
- Receipts greater than \$100,000 - rate per merchant classification multiplied by amount of receipts

Motor Vehicle License:

- Private passenger vehicles - \$40.74 on 4,000lbs. or less; \$45.74 on 4,001lbs. or more
- Trucks – Rates graduated in accordance with gross weight; minimum rate \$17, maximum rate \$250

Admission Tax:

- A tax of 7% of any charge for admission of a place of amusement or entertainment where such a charge is \$.50 or more

Bank Franchise Tax:

- \$.80 on each \$100 of value of bank stock

Sales and Use Tax:

- 4.3% State and 1% Local: 2004-2020

Prepared Meals Tax:

- A tax of 7.5% on prepared meals sold in the City in addition to the Sales Tax, effective July 1, 2018

Lodging Tax:

- A tax of 8% of the charge made for each room rented by a transient in a hotel or motel
- 100% of the City's transient lodging tax revenue is allocated to the Greater Richmond Convention Center Authority

Cable TV Tax:

- 5% Communications Tax*

*Effective January 1, 2007, the local consumer tax on communications services, including the 5% Cable TV service tax was replaced with a 5% Communications Tax collected and administered by the Virginia Department of Taxation and distributed to the City on a pro-rata basis as determined by the Auditor of Public Accounts in October 2006.

Cigarette Tax:

- A tax of \$0.025 is placed on each cigarette sold, effective July 1, 2019.

TAXES DUE

Real estate properties are assessed by the City of Richmond Assessor's office and assessments are mailed to tax payers by mid-June of each year. As of tax year 2011 real estate taxes are billed on a semi-annual basis with the payments due on January 14 and June 14 of each tax year. Penalty and interest will be assessed after each of the payment due dates in if the taxes due on the respective due dates are paid thereafter.

Personal property taxes are assessed as of the first day of January of each year. Personal property taxes on motor vehicles are prorated on a monthly basis for vehicles acquiring taxable situs in the City after January 1. The full tax bill must be paid on or before June 5 to avoid penalty and interest.

DELINQUENT TAXES

As of January 1, 2019, real estate taxes are billed semi-annually with due dates of January 14 and June 14. Taxes will be reported as delinquent on January 15 and June 15, respectively of the tax year for which assessed. Personal property taxes are reported as delinquent on June 6th of the tax year for which assessed or 61 days after acquiring taxable situs. A penalty of 10% and a \$30 administrative fee is added to all delinquent taxes. In FY 2020, the interest rate for unpaid taxes was 10%. Business personal property taxes incur an additional 10% late payment penalty if not paid within 60 days of the due date.

OVERLAPPING AREAS AND DEBT

The City is autonomous and entirely independent of any county or any other political subdivision of the state, being a separate and distinct political unit. It is not coterminous with nor subject to any county or school district taxation and is not liable for any indebtedness other than its own. It has the power to levy taxes on all real estate and tangible personal property without limitation of rate or amount.

CITY INDEBTEDNESS

All of the City's General Obligation bonds and notes are a direct obligation, and the full faith and credit of the City is pledged for the payment of all these obligations.

Enterprise Funds and Internal Service Funds pay the principal and interest on certain debt (general obligation bonds, revenue and refunding bonds and serial equipment notes) issued for the program purposes of each fund from user fees. All other debt redemption and interest requirements are appropriated in the General Fund budget. Neither long-term bonds nor revenue anticipation notes are sold to finance current operations.

There are no special assessment or special revenue bonds issued or outstanding. Bonds of the City are legal investments for savings banks and trust funds in New York.

DEBT MANAGEMENT POLICIES

The City Council adopted a resolution in 1989 that was amended in 1991, 2012, and again in 2017 (Resolution No. 2017-R088), establishing guidelines for the planning, issuance and management of debt, for and on behalf of, the City of Richmond. The City will issue long-term debt for the purpose of planning, designing, purchasing, and constructing capital projects and for making major renovations to existing City infrastructure. The City may also incur debt for acquiring vehicles, machinery and equipment with the maturity of any debt offering not exceeding the expected useful life of the acquired asset. It will be the policy of the City to budget annual operating funds for expenditures that are primarily of an on-going maintenance type activity.

It is the policy of the City that tax supported debt shall include all general obligation, moral obligation, and subject to appropriation debt (i.e., capital leases), collectively referred to as total debt, which are paid from the general revenues of the City. The tax supported debt policies listed will not include any self-supporting general obligation or revenue bond debt issued on behalf of a City Enterprise Fund (e.g., Utilities and Parking). It will be the policy of the City that tax supported debt, including bonds and notes authorized but unissued, will be limited by any one of the following:

- Total debt shall not exceed 3.75% of the combined total assessed taxable valuation of taxable real estate, personal property, and machinery and tools.
- Debt service to be paid on total debt shall not exceed 10% of the sum of the General Fund budget, the Richmond Public Schools (RPS) budget, and the City funding from the State for Highway and Street Maintenance, less the transfer portion RPS receives from the City's General Fund to prevent double counting in the calculation.
- The City's ten-year payout ratio of the City's total debt (ie. the principal amount of debt retired within ten years) shall not be less than 60%
- The City will issue tax supported debt with an average life consistent with the useful life of the assets being financed, with a maximum maturity not to exceed 30 years.
- The City will issue general fund supported debt with an average life that is consistent with the useful life of the project.
- The City shall target to provide cash funding from the annual operating budget for a portion of the five-year Capital Improvement Plan (CIP) budget.

FUND BALANCE POLICIES

The City Council adopted a Fund Balance Policy on March 14, 1988, which established major policy goals. On October 26, 1992, the City Council amended the Fund Balance Policy, raising the required level of the unassigned fund balance from 3% to 5% and again November 26, 2001, from 5% to 7% of budgeted General Fund expenditures over a period of years. In 2012, City Council adopted RES. 2012-R042-72, which further increased the required level of unassigned fund balance to 10% of budgeted General Fund expenditures.

On December 11, 2017, the City Council adopted Ordinance No. 2017-215 amending the prior Fund Balance Policies. The Ordinance establishes goals for the Unassigned Fund Balance and the Budget and Revenue Stabilization Contingency Reserve.

Unassigned Fund Balance Policy

- It is the goal of the City that the General Fund's Unassigned Fund Balance be equal to at least 13.67% of budgeted General Fund operating expenses for the latest fiscal year for which City Council has adopted a General Fund Budget.
- It is the policy of the City that appropriations from the Unassigned Fund Balance will be made (i) only in the event of unusual, unanticipated, and seemingly insurmountable hardship, and (ii) only after all other reserves or contingency funds have been exhausted.
- To the extent that the Unassigned Fund Balance is ever drawn upon, the Mayor shall submit to City Council, within 90 days after the date on which such funds have been expended, a plan to restore the amount expended within three years. As of June 30, 2020, the Unassigned Fund Balance was \$112.8 million, which is 15.2% of annual adopted FY 2021 budgeted expenditures and transfers out.

Budget and Revenue Stabilization Contingency Reserve

- It is the goal of the City that the Budget and Revenue Stabilization Contingency Reserve be equal to at least 3.00% of budgeted General Fund operating expenses for the latest fiscal year in which City Council has adopted a General Fund Budget.
- To the extent that the Budget and Revenue Stabilization Contingency Reserve is ever drawn upon, the mayor shall submit to City Council, within 90 days after the date on which such funds were expended, a plan to restore the amount expended within three years. As of June 30, 2020, the Budget and Revenue Stabilization Contingency Reserve balance was \$20 million, which is 2.7% of annual adopted budgeted FY 2021 expenditures and transfers out.

CITY OF RICHMOND, VIRGINIA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 198,531,273	\$ 269,060,408	\$ 226,429,295	\$ 306,400,000	\$ 314,046,028	\$ 335,442,017	\$ 338,407,031	\$ 410,990,285	\$ 377,074,230	\$ 416,448,551
Restricted	12,590,642	16,458,462	31,900,000	21,269,101	4,292,533	19,843,817	29,302,519	32,520,120	97,217,724	66,034,135
Unrestricted	71,414,987	103,428,935	46,700,000	(219,000,000)	(272,324,391)	(270,779,486)	(205,662,515)	(296,817,160)	(253,111,485)	(231,367,452)
Total Governmental Activities' Net Position	<u>\$ 282,536,902</u>	<u>\$ 388,947,805</u>	<u>\$ 305,029,295</u>	<u>\$ 108,669,101</u>	<u>\$ 46,014,170</u>	<u>\$ 84,506,348</u>	<u>\$ 162,047,035</u>	<u>\$ 146,693,245</u>	<u>\$ 221,180,469</u>	<u>\$ 251,115,234</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 381,909,942	\$ 419,526,304	\$ 488,600,000	\$ 497,111,667	\$ 495,162,064	\$ 487,293,137	\$ 523,105,159	\$ 530,202,221	\$ 568,905,631	\$ 403,895,298
Restricted	-	-	-	-	-	-	25,602,020	28,962,996	27,326,143	-
Unrestricted	64,745,678	51,318,531	125,800,000	98,609,642	143,122,363	182,038,024	161,296,665	191,993,283	222,325,753	430,507,067
Total Business-type Activities' Net Position	<u>\$ 446,655,620</u>	<u>\$ 470,844,835</u>	<u>\$ 614,400,000</u>	<u>\$ 595,721,309</u>	<u>\$ 638,284,427</u>	<u>\$ 669,331,161</u>	<u>\$ 710,003,844</u>	<u>\$ 751,158,500</u>	<u>\$ 818,557,527</u>	<u>\$ 834,402,365</u>
Primary Government										
Net Investment in Capital Assets	\$ 580,441,215	\$ 688,586,712	\$ 715,029,295	\$ 803,511,667	\$ 809,208,092	\$ 822,735,154	\$ 861,512,190	\$ 941,192,506	\$ 945,979,861	\$ 820,343,849
Restricted	12,590,642	16,458,462	31,900,000	21,269,101	4,292,533	19,843,817	54,904,539	61,483,116	124,543,867	66,034,135
Unrestricted	136,160,665	154,747,466	172,500,000	(120,390,358)	(129,202,028)	(88,741,462)	(44,365,850)	(104,823,877)	(30,785,732)	199,139,615
Total Primary Government Activities' Net Position	<u>\$ 729,192,522</u>	<u>\$ 859,792,640</u>	<u>\$ 919,429,295</u>	<u>\$ 704,390,410</u>	<u>\$ 684,298,597</u>	<u>\$ 753,837,509</u>	<u>\$ 872,050,879</u>	<u>\$ 897,851,745</u>	<u>\$ 1,039,737,996</u>	<u>\$ 1,085,517,599</u>

CITY OF RICHMOND, VIRGINIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental Activities:										
General Government	\$ 135,582,802	\$ 126,274,797	\$ 145,700,000	\$ 109,455,944	\$ 150,935,993	\$ 134,946,876	\$ 125,878,780	\$ 137,501,073	\$ 146,968,353	\$ 101,875,696
Public Safety and Judiciary	178,142,702	182,724,471	187,800,000	184,192,095	233,336,534	190,970,196	186,133,476	199,718,107	216,008,150	279,586,631
Highways, Streets, Sanitation and Refuse	104,103,996	86,067,163	88,900,000	86,301,761	94,672,443	87,187,508	80,927,188	83,664,060	88,264,777	94,247,378
Human Services	95,333,003	84,629,401	79,000,000	78,249,654	96,529,866	81,057,222	81,512,645	80,387,107	76,067,291	86,812,754
Culture and Recreation	28,502,174	24,348,709	25,000,001	26,090,075	33,004,436	24,601,851	24,328,301	24,936,175	27,405,258	33,089,503
Education	173,214,073	155,173,806	158,800,000	158,065,296	166,128,726	175,157,363	180,714,967	160,582,780	154,040,146	181,367,280
Transportation	11,600,000	12,143,357	11,600,000	12,621,480	13,244,050	13,045,156	13,045,157	14,694,681	15,461,739	16,205,159
Interest and Fiscal Changes	21,418,947	18,648,049	19,800,000	26,100,820	22,885,035	26,591,694	27,522,522	28,919,030	22,979,915	24,298,185
Total Governmental Activities Expenses	<u>747,897,697</u>	<u>690,009,753</u>	<u>716,600,001</u>	<u>681,077,125</u>	<u>810,737,083</u>	<u>733,557,866</u>	<u>720,063,036</u>	<u>730,403,013</u>	<u>747,195,629</u>	<u>817,482,586</u>
Business-type Activities:										
Gas	154,527,763	120,738,025	133,137,550	153,143,869	144,436,371	119,137,386	127,316,121	136,490,923	143,171,010	137,916,117
Water	52,819,429	53,201,110	49,803,247	52,161,156	53,276,025	51,634,764	53,402,794	62,606,233	65,703,398	62,305,376
Wastewater	54,073,862	54,615,656	58,438,940	61,153,657	67,382,447	64,768,064	65,175,833	64,961,045	69,299,012	72,276,266
Stormwater	7,541,005	7,487,569	4,744,194	6,229,426	7,610,350	7,208,967	8,002,822	9,296,824	10,699,516	11,297,361
Coliseum	4,682,080	4,066,315	3,218,416	2,513,548	2,571,848	2,260,443	2,661,938	1,769,739	1,385,541	-
Cemeteries	1,419,756	1,410,964	1,343,807	1,459,300	1,913,533	1,588,932	1,751,891	1,785,430	1,729,131	1,730,660
Parking	-	-	-	-	12,178,193	11,329,861	10,734,673	14,435,223	11,907,060	14,339,019
Total Business-type Activities Expenses	<u>275,063,895</u>	<u>241,519,639</u>	<u>250,686,154</u>	<u>276,660,956</u>	<u>289,368,767</u>	<u>257,928,417</u>	<u>269,046,072</u>	<u>291,345,417</u>	<u>303,894,668</u>	<u>299,864,799</u>
Total Primary Government Expenses	<u>\$ 1,022,961,592</u>	<u>\$ 931,529,392</u>	<u>\$ 967,286,155</u>	<u>\$ 957,738,081</u>	<u>\$ 1,100,105,850</u>	<u>\$ 991,486,283</u>	<u>\$ 989,109,108</u>	<u>\$ 1,021,748,430</u>	<u>\$ 1,051,090,297</u>	<u>\$ 1,117,347,385</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 58,638,216	\$ 126,215,625	\$ 65,019,167	\$ 56,368,769	\$ 49,393,546	\$ 55,269,092	\$ 66,432,831	\$ 56,529,913	\$ 82,999,462	\$ 85,631,515
Culture and Recreation	406,036	377,643	428,613	216,679	248,813	1,024,289	365,656	1,712,264	981,298	1,074,941
Other Activities	26,567,540	26,053,492	27,544,471	25,115,281	22,248,389	24,626,836	121,526,052	125,957,970	108,651,189	107,972,495
Operating Grants and Contributions	154,172,480	149,546,405	141,500,000	144,367,918	136,101,577	137,190,859	32,906,250	38,494,867	33,541,166	39,154,918
Capital Grants and Contributions	7,312,467	8,364,411	26,780,248	35,250,158	44,185,991	41,047,136	34,862,903	11,315,940	15,341,009	16,852,304
Total Governmental Activities Program Revenues	<u>\$ 247,096,739</u>	<u>\$ 310,557,576</u>	<u>\$ 261,272,499</u>	<u>\$ 261,318,805</u>	<u>\$ 252,178,316</u>	<u>\$ 259,158,212</u>	<u>\$ 256,093,692</u>	<u>\$ 234,010,954</u>	<u>\$ 241,514,124</u>	<u>\$ 250,686,173</u>
Business-type Activities:										
Charges for Services:										
Gas	\$ 164,890,242	\$ 130,742,982	\$ 148,282,997	\$ 176,794,050	\$ 162,902,984	\$ 128,478,137	\$ 135,691,059	\$ 155,118,968	\$ 159,843,381	\$ 150,940,718
Water	59,596,957	61,814,881	67,827,452	67,512,427	63,912,519	65,836,889	68,181,546	70,249,766	74,872,623	77,341,658
Wastewater	61,356,769	65,709,241	68,533,168	73,393,727	82,343,230	79,101,386	83,251,997	86,934,435	85,644,746	86,822,228
Stormwater	9,778,441	9,505,006	9,845,346	11,330,268	11,137,971	10,997,422	11,208,637	11,559,933	11,744,339	12,192,869
Coliseum	1,255,551	1,423,979	1,686,346	1,384,868	1,585,548	1,379,423	2,034,341	2,744,389	611,442	-
Cemeteries	1,222,954	1,198,476	1,329,673	1,477,507	1,592,307	1,559,770	1,261,806	1,618,075	1,454,188	1,617,007
Parking	-	-	-	-	14,803,836	15,273,141	18,091,685	19,067,327	19,725,671	16,948,365
Operating Grants and Contributions	15,013,658	15,143,172	19,608,232	20,001,217	20,401,711	17,401,151	20,591,436	18,825,861	34,231,028	19,325,402
Total Business-type Activities Program Revenues	<u>313,114,572</u>	<u>285,537,737</u>	<u>317,113,214</u>	<u>351,894,064</u>	<u>358,680,106</u>	<u>320,027,319</u>	<u>340,312,507</u>	<u>366,118,754</u>	<u>388,127,418</u>	<u>365,188,247</u>
Total Primary Government Program Revenues	<u>\$ 560,211,311</u>	<u>\$ 596,095,313</u>	<u>\$ 578,385,713</u>	<u>\$ 613,212,869</u>	<u>\$ 610,858,422</u>	<u>\$ 579,185,531</u>	<u>\$ 596,406,199</u>	<u>\$ 600,129,708</u>	<u>\$ 629,641,542</u>	<u>\$ 615,874,420</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (500,800,958)	\$ (379,452,177)	\$ (455,327,502)	\$ (419,758,320)	\$ (558,558,767)	\$ (474,399,654)	\$ (463,969,344)	\$ (496,392,059)	\$ (505,681,505)	\$ (566,796,413)
Business-type Activities	38,050,675	44,018,098	66,427,060	75,233,109	69,311,339	62,098,902	71,266,435	74,773,337	84,232,750	65,323,448
Total Primary Government Net Expense	<u>\$ (462,750,283)</u>	<u>\$ (335,434,079)</u>	<u>\$ (388,900,442)</u>	<u>\$ (344,525,211)</u>	<u>\$ (489,247,428)</u>	<u>\$ (412,300,752)</u>	<u>\$ (392,702,909)</u>	<u>\$ (421,618,722)</u>	<u>\$ (421,448,755)</u>	<u>\$ (501,472,965)</u>

CITY OF RICHMOND, VIRGINIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Real Estate	\$ 217,159,681	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447	\$ 301,191,413
Sales Tax	26,315,613	30,595,853	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051
Sales Tax for Education	25,914,852	26,406,848	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-
Personal Property	38,461,849	44,579,120	48,005,747	46,100,586	49,740,946	48,222,257	59,223,115	62,393,129	65,657,356	67,470,336
Machinery and Tools	16,914,447	15,421,045	14,792,937	13,746,350	12,752,759	14,454,966	12,758,274	14,095,200	15,459,814	15,375,569
General Utility Sales	17,098,077	16,378,212	17,066,009	16,680,313	17,646,514	17,659,169	18,455,308	19,351,132	18,269,540	18,858,085
State Communication Taxes	17,439,622	17,085,208	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289
Bank Stock	13,933,727	12,480,183	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,901	8,812,735	8,951,709
Prepared Food	26,429,441	25,051,579	29,986,231	30,065,438	32,290,063	33,206,090	36,002,917	37,009,033	47,860,645	40,470,943
Cigarette Tax	-	-	-	-	-	-	-	-	-	3,856,544
Lodging Tax	4,789,957	5,200,817	6,392,330	6,326,387	5,433,289	7,504,354	8,025,516	8,888,653	9,141,366	6,537,135
Admissions	2,335,970	2,399,527	2,448,962	2,923,183	2,866,718	3,036,088	2,747,268	2,775,821	2,900,367	2,561,066
Real Estate Taxes - Delinquent	10,746,487	7,006,446	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420
Personal property Taxes - Delinquent	4,117,223	3,959,980	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,459	6,513,004	8,715,611
Private Utility Poles and Conduits	158,268	154,881	158,568	169,729	160,950	68,699	260,117	163,837	157,378	99,758
Penalties and Interest	4,948,641	3,660,357	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,569	4,509,826	4,839,234
Titling Tax-Mobile Home	4,704	8,051	5,817	6,132	9,083	8,266	9,474	14,583	9,267	8,206
State Recordation	681,049	656,449	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327
Property Rental 1%	109,871	131,021	139,796	133,774	82,388	79,202	154,115	122,066	171,168	71,218
Vehicle Rental Tax	579,654	1,149,088	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598
Telephone Commissions	390,739	338,499	337,349	522,578	538,474	628,014	196,579	198,990	210,793	418,395
Investment Earnings	165,111	125,526	80,854	36,020	38,344	53,281	114,158	221,163	829,719	824,899
Miscellaneous	1,143,368	1,963,714	2,823,922	1,607,458	15,739,412	19,083,117	20,034,985	18,452,974	27,257,144	23,481,934
Transfers	21,459,319	23,147,547	23,612,453	27,377,577	28,080,617	32,669,758	33,908,419	30,764,389	26,928,463	30,828,438
Special Item	-	-	485,000	-	1,500,000	-	2,215,826	2,720,280	2,220,055	-
Extraordinary Item	-	(1,320,829)	-	-	-	-	-	-	-	-
Total Governmental Activities	451,297,670	450,788,961	465,575,039	455,690,181	495,768,705	512,891,832	541,510,031	522,607,629	577,842,079	596,731,178
Business-type Activities:										
Investment Earnings	\$ 897,530	\$ 1,738,623	\$ 685,839	\$ 811,070	\$ 675,983	\$ 695,117	\$ 1,937,972	\$ 4,297,491	\$ 7,214,006	\$ 5,965,690
Miscellaneous	1,163,441	1,580,041	1,271,707	(4,802,222)	643,748	922,473	1,019,326	102,671	5,207,384	3,073,871
Transfers	(21,459,319)	(23,147,547)	(23,612,453)	(27,377,577)	(28,080,617)	(32,669,758)	(33,551,050)	(30,764,389)	(26,928,463)	(30,828,438)
Total Business-type Activities	(19,398,348)	(19,828,883)	(21,654,907)	(31,368,729)	(26,760,886)	(31,052,168)	(30,593,752)	(26,364,227)	(14,507,073)	(21,788,877)
Total Primary Government	\$ 431,899,322	\$ 430,960,078	\$ 443,920,132	\$ 424,321,452	\$ 469,007,819	\$ 481,839,664	\$ 510,916,279	\$ 496,243,402	\$ 563,335,006	\$ 574,942,301
Change in Net Position										
Governmental Activities	\$ 71,336,784	\$ 71,845,493	\$ (4,538,541)	\$ (275,657,761)	\$ (62,790,062)	\$ 38,492,178	\$ 77,540,687	\$ 26,215,570	\$ 72,160,574	\$ 29,934,765
Business-type Activities	18,652,327	24,189,215	46,598,177	(644,771,577)	42,550,453	31,046,734	40,672,683	48,409,110	69,725,677	43,534,571
Total Primary Government	\$ 89,989,111	\$ 96,034,708	\$ 42,059,636	\$ (920,429,338)	\$ (20,239,609)	\$ 69,538,912	\$ 118,213,370	\$ 74,624,680	\$ 141,886,251	\$ 73,469,336

Special Item:

Fiscal Year 2013 - Gain on Sale of Land

Fiscal Year 2015 - Bargain Purchase of Property-Diamond

Note: The changes in net position for both Governmental and Business -type activities are explained in the Management's Discussion and Analysis Section

CITY OF RICHMOND, VIRGINIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City Taxes										
Real Estate	\$ 217,159,681	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447	\$ 301,191,413
Sales-1% Local	26,315,613	30,595,853	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051
Sales Tax for Education	25,914,852	26,406,848	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-
Personal Property	38,461,849	44,579,120	48,005,747	46,100,586	49,740,946	48,222,257	59,223,115	62,393,129	65,657,356	67,470,336
Machinery and Tools	16,914,447	15,421,045	14,792,937	13,746,350	12,752,759	14,454,966	12,758,274	14,095,200	15,459,814	15,375,569
General Utility Sales	17,098,077	16,378,212	17,066,009	16,680,313	17,646,514	17,659,169	18,455,308	19,351,132	18,269,540	18,858,085
State Communication Taxes	17,439,622	17,085,208	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289
Bank Stock	13,933,727	12,480,183	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,901	8,812,735	8,951,709
Prepared Food	26,429,441	25,051,579	29,986,231	30,065,438	32,290,063	33,206,090	36,002,917	37,009,033	47,860,645	40,470,943
Transient Lodging	4,789,957	5,200,817	6,392,330	6,326,387	5,433,289	7,504,354	8,025,516	8,888,653	9,141,366	6,537,135
Admissions	2,335,970	2,399,527	2,448,962	2,923,183	2,866,718	3,036,088	2,747,268	2,775,821	2,900,367	2,561,066
Cigarette Tax	-	-	-	-	-	-	-	-	-	3,856,544
Real Estate Taxes - Delinquent	10,746,487	7,006,446	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420
Personal Property Taxes -Delinquent	4,117,223	3,959,980	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,459	6,513,004	8,715,611
Private Utility Poles and Conduits	158,268	154,881	158,568	169,729	160,950	68,699	260,117	163,837	157,378	99,758
Penalties and Interest	4,948,641	3,660,357	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,569	4,509,826	4,839,234
Titling Tax-Mobile Home	4,704	8,051	5,817	6,132	9,083	8,266	9,474	14,583	9,267	8,206
State Recordation	681,049	656,449	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327
Property Rental 1%	109,871	131,021	139,796	133,774	82,388	79,202	154,115	122,066	171,168	71,218
Vehicle Rental Tax	579,654	1,149,088	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598
Telephone Commissions	390,739	338,499	337,349	522,578	538,474	628,014	196,579	198,990	210,793	418,395
Total Primary Government	<u>\$ 428,529,872</u>	<u>\$ 426,873,003</u>	<u>\$ 438,572,810</u>	<u>\$ 426,669,126</u>	<u>\$ 450,410,332</u>	<u>\$ 461,085,676</u>	<u>\$ 485,236,643</u>	<u>\$ 470,448,823</u>	<u>\$ 520,606,698</u>	<u>\$ 541,595,907</u>

CITY OF RICHMOND, VIRGINIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:										
Nonspendable	\$ 1,029,600	\$ 1,029,600	\$ 1,029,600	\$ -	\$ 382,200	\$ 383,338	\$ 399,742	\$ 9,953		\$ 8,822
Restricted	1,391,917	-	-	-	-	-	-	-	-	-
Committed	14,672,765	53,073,041	39,427,954	10,793,000	13,000,000	10,000,000	12,019,176	14,047,172	14,068,892	20,090,612
Assigned	15,460,647	35,002,000	11,573,916	35,163,526	7,788,553	5,850,728	15,219,451	13,597,476	26,278,802	33,685,155
Unassigned	64,062,309	72,908,854	75,000,000	80,393,997	84,995,561	98,210,321	107,729,940	108,511,921	111,580,122	112,767,905
Total General Fund	\$ 96,617,238	\$ 162,013,495	\$ 127,031,470	\$ 126,350,523	\$ 106,166,314	\$ 114,444,387	\$ 135,368,309	\$ 136,166,522	\$ 151,927,816	\$ 166,552,494
All Other Governmental Funds:										
Nonspendable	\$ 212,141	\$ 193,729	\$ 74,327	\$ 74,372	\$ 38,930	\$ -	\$ -	\$ 38,925	\$ -	\$ -
Restricted	16,262,282	16,264,733	15,294,132	19,024,423	4,253,603	19,857,793	29,302,519	32,471,242	56,860,588	66,025,313
Committed	9,426,306	9,756,967	5,587,993	745,000	-	745,000	-	-	-	-
Assigned	295,105	(138,320)	866,410	3,468,218	14,800,003	3,312,542	-	-	-	-
Unassigned	(37,000,000)	(3,508,434)	(168,475,248)	(49,720,104)	(101,563,859)	(83,439,150)	(57,853,866)	(103,646,117)	(69,278,805)	(99,213,840)
Total All Other Governmental Funds	\$ (10,804,166)	\$ 22,568,675	\$ (146,652,386)	\$ (26,408,091)	\$ (82,471,323)	\$ (59,523,815)	\$ (28,551,347)	\$ (71,135,950)	\$ (12,418,217)	\$ (33,188,527)

Note: The changes in fund balances are explained in Management's Discussion and Analysis.

Note: The change in classification of fund balance amounts in 2011 is the result of the implementation of GASB Statement 54. Further discussion and detail can be viewed in Notes to Financial Statements.

Note: Exhibit C provides a detail breakout for each of the governmental funds.

CITY OF RICHMOND, VIRGINIA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:										
Taxes	\$ 433,782,081	\$ 431,705,312	\$ 433,518,092	\$ 430,868,542	\$ 450,712,602	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869	\$ 538,213,101
Licenses, Permits and Privilege Fees	34,326,099	39,403,213	42,404,133	38,093,334	39,403,545	39,552,169	37,131,444	43,521,211	44,298,799	47,357,981
Intergovernmental	152,816,149	152,837,949	133,166,823	150,232,431	144,718,110	215,446,474	179,177,023	156,446,068	153,924,075	157,786,238
Service Charges	25,559,661	26,390,218	28,093,614	23,205,623	23,437,359	24,702,348	33,085,235	28,041,105	29,982,993	31,127,227
Fines and Forfeitures	9,583,749	9,744,457	10,200,629	10,221,786	5,822,882	7,543,881	6,586,811	5,972,902	6,857,701	6,650,083
Utility Payments	22,577,356	24,141,572	25,266,237	27,175,174	28,848,885	32,000,694	31,162,094	30,470,118	26,245,139	24,823,423
Investment Income	165,111	125,526	80,854	36,019	38,344	53,281	114,158	221,141	829,723	824,899
Miscellaneous	20,903,222	79,323,182	18,100,667	10,564,344	15,345,228	19,302,223	18,080,483	14,097,621	21,074,188	17,914,366
Total Revenues	<u>699,713,428</u>	<u>763,671,429</u>	<u>690,831,049</u>	<u>690,397,253</u>	<u>708,326,955</u>	<u>811,934,510</u>	<u>786,625,669</u>	<u>757,513,934</u>	<u>800,764,487</u>	<u>824,697,318</u>
Expenditures:										
General Government	86,018,066	90,060,892	99,140,475	77,804,633	91,170,260	88,378,032	84,393,859	65,355,730	73,844,016	66,598,219
Public Safety and Judiciary	168,930,921	177,042,195	179,438,014	178,712,513	190,291,231	191,072,187	192,552,805	209,315,536	215,041,275	224,567,049
Highways, Streets, Sanitation and Refuse	58,398,783	61,164,440	60,345,016	67,017,239	61,720,615	61,691,779	61,226,383	65,685,371	65,147,686	64,711,328
Human Services	89,251,029	80,913,299	74,156,376	76,378,833	81,890,683	81,456,560	83,890,504	83,549,468	76,303,161	72,283,738
Culture and Recreation	23,274,978	22,988,592	22,746,588	24,326,572	26,212,041	23,153,407	23,606,485	24,410,469	24,589,800	25,282,929
Education	150,585,819	150,651,924	153,205,535	154,267,395	162,170,840	170,833,592	176,983,321	155,175,684	156,721,265	176,032,861
Non-Departmental	43,629,933	46,835,962	72,870,264	44,145,152	52,352,720	54,638,951	46,901,510	75,498,843	84,171,652	88,689,125
Capital Outlay	125,099,224	96,796,091	179,946,671	153,252,930	106,538,511	115,975,232	97,879,286	64,920,024	62,975,872	155,501,294
Debt Service:										
Principal Retirement	29,839,337	30,683,823	36,604,656	37,129,045	31,040,730	64,113,008	35,149,119	37,079,297	40,892,796	43,223,078
Interest Payments	19,710,167	22,026,533	19,517,107	24,157,031	24,077,465	27,633,704	28,505,952	25,138,282	29,385,791	29,808,584
Issuance Costs	647,705	-	-	738,870	1,324,747	827,439	556,713	2,583,813	1,054,023	885,022
Total Expenditures	<u>795,385,962</u>	<u>779,163,751</u>	<u>897,970,702</u>	<u>837,930,213</u>	<u>828,789,843</u>	<u>879,773,891</u>	<u>831,645,937</u>	<u>808,712,517</u>	<u>830,127,337</u>	<u>947,583,227</u>
Other Financing Sources (Uses):										
Transfers In	66,240,273	66,995,617	67,750,346	73,001,130	69,642,441	109,294,954	79,998,362	86,243,332	92,114,489	95,355,877
Transfers Out	(63,243,383)	(63,886,685)	(65,335,266)	(69,123,692)	(66,809,741)	(104,614,669)	(75,297,532)	(82,551,009)	(87,543,943)	(87,870,996)
Proceeds from Refunding Bonds	-	-	-	193,218,870	-	21,865,202	-	294,315,000	-	-
Payment to Escrow Agent	-	-	-	(150,000,000)	-	-	-	(251,080,703)	(8,300,000)	(14,118,982)
Payoff Line of Credit BAN	-	-	-	-	-	-	-	-	-	(45,000,000)
Proceeds from Section 108	-	-	-	-	-	-	786,418	786,818	-	-
Proceeds from EDA	-	-	-	-	-	-	1,429,408	1,933,462	1,833,891	1,433,945
Payments for Refunding Bonds	-	-	-	-	(141,723,901)	(21,721,208)	-	(95,000,000)	-	-
Proceeds from Issuance of Bonds	80,341,209	113,379,713	36,487	124,144,030	183,106,648	94,240,683	90,000,000	-	103,585,134	166,930,991
Premium on Issuance of Bonds	4,441,245	-	-	-	-	-	-	54,765,293	85,098	-
Total Other Financing Sources, Net	<u>87,779,344</u>	<u>116,488,645</u>	<u>2,451,567</u>	<u>171,240,338</u>	<u>44,215,447</u>	<u>99,064,962</u>	<u>96,916,656</u>	<u>9,412,193</u>	<u>101,774,669</u>	<u>116,730,835</u>
Special Items:										
Gain on Sale of Land	-	-	485,000	-	-	-	-	-	-	-
Total Special Items	<u>-</u>	<u>-</u>	<u>485,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Extraordinary Item:										
Disaster Costs	-	1,320,829	-	-	-	-	-	-	-	-
Total Extraordinary Item	<u>-</u>	<u>1,320,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (7,893,190)</u>	<u>\$ 99,675,494</u>	<u>\$ (204,203,086)</u>	<u>\$ 23,707,378</u>	<u>\$ (17,407,792)</u>	<u>\$ 31,225,581</u>	<u>\$ 51,896,388</u>	<u>\$ (41,786,390)</u>	<u>\$ 72,161,819</u>	<u>\$ (6,155,074)</u>
Debt Service as a Percentage of Non-Capital Expenditures ¹	7.4%	7.7%	7.8%	9.0%	7.6%	12.0%	8.7%	8.4%	9.2%	9.2%

Note: The changes in fund balances are explained in Management's Discussion and Analysis.

Note: In FY 2011, the City modified the classification and grouping of General Fund Revenue compared to prior years.

(1) In FY 2011, the Debt Service as a Percentage of Noncapital Expenditures calculation has changed. Current and prior year percentages have been revised to reflect this change.

CITY OF RICHMOND, VIRGINIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Real Estate	\$ 221,948,834	\$ 216,991,101	\$ 213,234,953	\$ 216,006,348	\$ 223,491,278	\$ 234,445,036	\$ 234,294,879	\$ 247,700,125	\$ 273,627,368	\$ 300,312,274
Sales-1% Local	26,315,613	30,595,853	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051
Sales Tax for Education	25,914,852	26,406,848	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-
Personal Property	44,343,976	43,780,792	47,234,956	44,753,528	49,260,306	48,531,320	57,603,912	60,801,789	63,646,292	65,221,194
Machinery and Tools	16,857,051	15,519,223	15,001,324	13,607,934	12,838,347	14,060,308	13,828,602	13,996,708	14,917,609	14,769,176
Utility Sales Tax Gas	4,617,822	4,256,292	4,761,197	4,833,897	4,872,622	4,467,916	4,711,342	4,600,765	5,039,881	5,037,801
Utility Sales Tax Electric	12,480,255	12,121,920	12,303,832	11,463,513	12,479,100	12,707,360	13,494,359	14,517,989	13,630,830	14,520,162
Utility Sales Tax Tele	-	-	-	382,903	294,792	483,893	249,607	232,377	222,609	8,723
State Communication Taxes	17,439,622	17,085,208	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289
Bank Stock	13,933,727	12,480,183	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,900	8,812,736	8,951,709
Prepared Food	21,726,664	26,991,476	28,320,613	30,444,280	31,686,926	35,455,141	35,605,363	36,948,484	45,740,073	38,099,329
Lodging Tax	4,623,900	5,685,427	6,018,453	5,974,584	5,456,014	8,079,083	8,042,016	8,823,693	9,009,423	6,389,571
Admission	1,843,129	2,726,217	2,372,848	2,964,390	2,357,256	2,885,747	3,287,979	3,074,924	2,848,979	2,503,594
Cigarette Tax	-	-	-	-	-	-	-	-	-	3,856,544
Real Estate Taxes - Delinquent	10,746,487	7,006,446	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420
Personal Property Taxes - Delinquent	4,117,223	3,959,980	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,460	6,513,005	8,715,611
Private Utility Poles and Conduits	158,268	154,881	158,568	169,729	160,950	68,699	260,117	163,837	157,378	99,758
Penalties and Interest	4,948,641	3,660,357	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,280	6,474,466	7,059,151
Titling Tax-Mobile Home	4,704	8,051	5,817	6,132	9,083	8,266	9,474	14,583	9,267	8,206
State Recordation	681,049	656,449	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327
Property Rental 1%	109,871	131,021	139,796	133,774	82,388	79,202	154,115	122,066	171,168	71,218
Vehicle Rental Tax	579,654	1,149,088	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598
Telephone Commissions	390,739	338,499	337,349	522,578	538,474	628,014	196,579	198,990	210,793	418,395
Total General Governmental Tax Revenues	\$ 433,782,081	\$ 431,705,312	\$ 433,517,112	\$ 430,868,542	\$ 450,712,602	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869	\$ 538,213,101

CITY OF RICHMOND, VIRGINIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Modified Accrual)

Calendar Year	Real Property				Less: Tax Exempt Real Property	Total Taxable Assessed Value	Tax Rate per \$100 of Assessed Value			Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Personal Property	Machinery & Tools			Real Property	Personal Property	Machinery & Tools		
2011	\$ 12,019,466,000	\$ 13,786,267,222	\$ 1,484,823,134	\$ 762,284,948	\$ 5,918,281,100	\$ 22,134,560,204	\$ 1.20	\$ 3.70	\$ 2.30	\$ 22,134,560,204	100.00%
2012	\$ 11,908,691,000	\$ 13,751,070,000	\$ 1,475,484,028	\$ 682,677,850	\$ 5,943,230,000	\$ 21,874,692,878	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,874,692,878	100.00%
2013	\$ 11,527,422,000	\$ 13,981,508,000	\$ 1,458,546,482	\$ 636,293,988	\$ 6,024,864,000	\$ 21,578,906,470	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,578,906,470	100.00%
2014	\$ 13,873,758,000	\$ 11,897,960,000	\$ 1,385,403,241	\$ 594,339,539	\$ 6,183,459,000	\$ 21,568,001,780	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,568,001,780	100.00%
2015	\$ 14,322,697,000	\$ 11,976,725,000	\$ 1,629,774,285	\$ 588,032,927	\$ 6,268,127,000	\$ 22,249,102,212	\$ 1.20	\$ 3.70	\$ 2.30	\$ 22,249,102,212	100.00%
2016	\$ 14,986,306,000	\$ 12,803,864,000	\$ 1,955,517,305	\$ 577,169,740	\$ 6,908,330,000	\$ 23,414,527,045	\$ 1.20	\$ 3.70	\$ 2.30	\$ 23,414,527,045	100.00%
2017	\$ 15,650,193,000	\$ 13,250,426,000	\$ 2,391,005,104	\$ 599,972,231	\$ 7,304,849,000	\$ 24,586,747,335	\$ 1.20	\$ 3.70	\$ 2.30	\$ 24,586,747,335	100.00%
2018	\$ 16,632,993,000	\$ 13,536,643,000	\$ 1,628,651,058	\$ 613,217,909	\$ 7,458,753,000	\$ 24,952,751,967	\$ 1.20	\$ 3.70	\$ 2.30	\$ 24,952,751,967	100.00%
2019	\$ 18,219,437,000	\$ 14,252,708,000	\$ 1,663,501,784	\$ 730,399,166	\$ 7,749,103,000	\$ 27,116,942,950	\$ 1.20	\$ 3.70	\$ 2.30	\$ 27,116,942,950	100.00%
2020	\$ 20,122,594,000	\$ 15,118,810,000	\$ 1,690,546,253	\$ 647,154,332	\$ 8,178,760,000	\$ 29,400,344,585	\$ 1.20	\$ 3.70	\$ 2.30	\$ 29,400,344,585	100.00%

Source: Assessor's Office (Real Property)
Department of Finance (Personal Property and Machinery & Tools)

CITY OF RICHMOND, VIRGINIA
REAL ESTATE ASSESSED VALUES OF LARGEST TAXPAYERS
As of June 30, 2020

Taxpayer	2020			Taxpayer	2011		
	Taxable Assessed Value	Rank	Total Taxable Assessed Value		Taxable Assessed Value	Rank	Total Taxable Assessed Value
PHILIP MORRIS INC	\$ 359,847,000	1	1.33%	PHILIP MORRIS INC	\$ 321,784,000	1	1.58%
PHILIP MORRIS USA INC	316,680,000	2	1.17%	PHILIP MORRIS USA INC	314,977,000	2	1.54%
DOMINION RESOURCES SERVICES INC	307,141,000	3	1.13%	HINES RIVERFRONT PLAZA LP	242,000,000	3	1.18%
RICHMOND RIVERFRONT PLAZA LP	163,634,000	4	0.60%	JAMES CENTER PROPERTY LLC	183,956,000	4	0.90%
RP JAMES CENTER LLC	142,853,000	5	0.53%	CHIPPENHAM HOSPITAL INC	106,455,000	5	0.52%
SIR PROPERTIES TRUST	119,681,000	6	0.44%	FEDERAL RESERVE BANK OF	103,142,000	6	0.50%
CHIPPENHAM HOSPITAL INC	110,534,000	7	0.41%	DOMINION RESOURCES INC	91,933,000	7	0.45%
FEDERAL RESERVE BANK OF	109,172,000	8	0.40%	FOUNDRY PARK I LLC	89,060,000	8	0.44%
LEX RICHMOND TENANT LP	98,052,000	9	0.36%	PARMENTER 919 MAIN STREET LP	83,574,000	9	0.41%
DOMINION RESOURCES INC	89,778,000	10	0.33%	RIVERSIDE OWNER LLC	78,151,000	10	0.38%
SOUTHWOOD APARTMENTS LLC	80,395,000	11	0.30%	AMERICAN RETIREMENT CORP	70,000,000	11	0.34%
KIRELAND SOUTH 10TH STREET LLC	76,267,000	12	0.28%	PHILIP MORRIS INCORPORATED	68,120,000	12	0.33%
SUNTRUST BANK	72,598,000	13	0.27%	FIRST STATES INVEST 3500 LLC	63,563,000	13	0.31%
LS BIOTECH EIGHT LLC	71,914,000	14	0.27%	CRESTAR BANK	61,222,000	14	0.30%
RICHMOND INDUSTRIAL OWNER LLC	69,994,000	15	0.26%	AH RICHMOND TOWER I LLC	54,572,000	15	0.27%
SCOTTS VIEW LLC	67,965,000	16	0.25%	STONY POINT FASHION PK ASSOC LLC	54,132,000	16	0.27%
AREP RIVERSIDE I LLC	66,779,000	17	0.25%	DOMINION RESOURCES SERV INC	52,478,000	17	0.26%
PARMA RICHMOND LLC	64,481,000	18	0.24%	ROBINS A H CO INC	48,212,000	18	0.24%
DANIEL U S PROPERTIES LP	59,403,000	19	0.22%	MILLER & RHOADS BUILDING LLC	42,010,000	19	0.21%
SJW II LLC	58,425,000	20	0.22%	GAMBLES HILL LAB LLC	40,830,000	20	0.20%
DOMINION RESOURCES SERV INC	56,997,000	21	0.21%	APPLE SEVEN SPE RICHMOND INC	39,575,000	21	0.19%
TM STONY POINT PARK LP	56,446,000	22	0.21%	ECK ENTERPRISES INC	38,300,000	22	0.19%
NOB HILL STONY POINT LLC	56,134,000	23	0.21%	ALLEGHANY WAREHOUSE CO INC	35,370,000	23	0.17%
ECK ENTERPRISES INC	48,224,000	24	0.18%	S J W LIMITED PARTNERSHIP	35,000,000	24	0.17%
ALACER CORP	47,441,000	25	0.18%	HISTORIC HOTELS LLC	34,448,000	25	0.17%
Total of 25 Taxpayers	2,770,835,000		10.24%	Total of 25 Taxpayers	2,352,864,000		11.52%
All Other Properties	24,291,809,000		89.76%	All Other Properties	18,073,087,000		88.48%
Total	<u>\$ 27,062,644,000</u>		<u>100.00%</u>	Total	<u>\$ 20,425,951,000</u>		<u>100.00%</u>

Source: City's Real Estate Assessor

**CITY OF RICHMOND, VIRGINIA AND METROPOLITAN STATISTICAL AREA
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago**

2020				2011		
Rank	Employer ¹	Business Category	Approximate Number of Employees	Employer ¹	Business Category	Approximate Number of Employees
1	MCV Hospital	Hospitals	1,000+	MCV Hospital	Hospitals	1,000+
2	HCA Virginia Health System	Hospitals	1,000+	Philip Morris U.S.A., Inc.	Beverage and Tobacco Product Manufacturing	1,000+
3	BB & T Corp	Credit Intermediation and Related Activities	1,000+	HCA Virginia Health System	Hospitals	1,000+
4	University of Richmond	Educational Services	1,000+	University of Richmond	Educational Services	1,000+
5	Federal Reserve Bank, Richmond	Monetary Authorities-Central Bank	1,000+	Crestar Mortgage Corporation	Credit Intermediation and Related Activities	1,000+
6	MCV Physicians	Ambulatory Health Care Services	1,000+	Federal Reserve Bank, Richmond	Monetary Authorities-Central Bank	1,000+
7	Dominion Resources	Management of Companies and Enterprises	1,000+	Dominion Resources	Management of Companies and Enterprises	1,000+
8	Philip Morris U.S.A., Inc.	Beverage and Tobacco Product Manufacturing	1,000+	Abacus Corporation	Administrative and Support Services	1,000+
9	Insight Global	Administrative and Support Services	1,000+	MCV Physicians	Ambulatory Health Care Services	1,000+
10	Estes Express Lines	Truck Transportation	1,000+	HSS Systems VA LLC	Administrative and Support Services	1,000+
11	Virginia Premier Health P	Insurance Carriers and Related Activities	500 to 999	SunTrust Bank	Credit Intermediation and Related Activities	1,000+
12	ALCS Llc	Management of Companies and Enterprises	500 to 999	Overnite Transport Company	Truck Transportation	1,000+
13	Overnite Transport Company	Management of Companies and Enterprises	500 to 999	Dominion Virginia Power	Utilities	500 to 999
14	Onsite Engineering & Mana Inc	Administrative and Support Services	500 to 999	Estes Express Lines	Truck Transportation	500 to 999
15	Dominion Virginia Power	Utilities	500 to 999	Altria Corporate Services Inc	Management of Companies and Enterprises	500 to 999
16	Westminster Canterbury House	Nursing and Residential Care Facilities	500 to 999	Westminster Canterbury House	Nursing and Residential Care Facilities	500 to 999
17	Bon Secours Health System Inc	Management of Companies and Enterprises	500 to 999	Martin's Food Market	Food and Beverage Stores	500 to 999
18	McGuire, Woods, Battle, and Boothe LLP	Professional, Scientific, and Technical Services	500 to 999	Mead Westvaco	Management of Companies and Enterprises	500 to 999
19	Aramark Campus LLC	Food Services and Drinking Places	500 to 999	The Martin Agency	Professional, Scientific, and Technical Services	500 to 999
20	Old Dominion Transit	Transit and Ground Passenger Transportation	250 to 499	Old Dominion Transit	Transit and Ground Passenger Transportation	500 to 999
21	Ethyl Petroleum Additives Inc	Management of Companies and Enterprises	250 to 499	Hunton and Williams, Lawyers	Professional, Scientific, and Technical Services	250 to 499
22	SMG of Richmond Inc	Performing Arts, Spectator Sports, and Related Industries	250 to 499	McGuire, Woods, Battle, and Boothe LLP	Professional, Scientific, and Technical Services	250 to 499
23	The Country Club of Virginia, Inc.	Amusement, Gambling, and Recreation Industries	250 to 499	Brown Greer PLC	Professional, Scientific, and Technical Services	250 to 499
24	Richmond Goodwill Industries	Miscellaneous Store Retailers	250 to 499	Global Spectrum	Administrative and Support Services	250 to 499
25	United Network For Organ Sharing	Religious, Grantmaking, Civic, Professional, etc.	250 to 499	Cavalier Telephone	Telecommunications	250 to 499
Total Private Employment²:			114,506	Total Private Employment²:		107,746

Source: Virginia Employment Commission

CITY OF RICHMOND, VIRGINIA
REAL ESTATE TAX LEVIES AND COLLECTIONS
(Modified Accrual Basis of Accounting, Beginning FY2017)
Last Ten Years

Tax Year	Tax Rate	Total Tax Levy ²	Current Tax Collections ¹			Total Tax Collections		
			Amount	Percentage of Levy	Delinquent Tax Collections ³	Amount	Percentage of Levy	
2011	1.20	\$ 234,035,458	\$ 222,720,502	95.2%	\$ 10,742,828	\$ 233,463,330	99.8%	
2012	1.20	\$ 227,351,927	\$ 213,930,311	94.1%	\$ 8,196,450	\$ 222,126,761	97.7%	
2013	1.20	\$ 224,663,796	\$ 207,677,432	92.4%	\$ 9,296,883	\$ 216,974,315	96.6%	
2014	1.20	\$ 217,520,214	\$ 202,460,782	93.1%	\$ 6,568,610	\$ 209,029,392	96.1%	
2015	1.20	\$ 225,916,636	\$ 210,327,124	93.1%	\$ 9,155,708	\$ 219,482,832	97.2%	
2016	1.20	\$ 233,675,912	\$ 220,474,082	94.4%	\$ 9,702,731	\$ 230,176,813	98.5%	
2017	1.20	\$ 246,301,342	\$ 234,294,879	95.1%	\$ 8,937,806	\$ 243,232,685	98.8%	
2018	1.20	\$ 255,951,747	\$ 245,246,847	95.8%	\$ 14,295,349	\$ 259,542,196	101.4%	
2019	1.20	\$ 276,074,812	\$ 268,901,538	97.4%	\$ 12,889,862	\$ 281,791,400	102.1%	
2020	1.20	\$ 324,751,725	\$ 312,800,688	96.3%	\$ 9,300,420	\$ 322,101,108	99.2%	

Source: City of Richmond Department of Finance

1 - These columns represent the amount and percentage on the tax levy within the respective tax year reporting period.

2 - This column includes only the original levy; adjustments to this levy are not reflected.

3 - This column represents delinquent taxes collected within the respective levy year reporting period.

**CITY OF RICHMOND, VIRGINIA
PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS
(Modified Accrual Basis of Accounting, Beginning FY2017)
Last Ten Years**

Tax Year	Tax Rate	Total Tax Levy ²	Current Tax Collections ¹		Delinquent Tax Collections ³	Total Tax Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	3.70	\$ 49,636,035	\$ 43,078,673	86.8%	\$ 4,740,164	\$ 47,818,837	96.3%
2012	3.70	\$ 49,995,079	\$ 44,016,434	88.0%	\$ 4,779,895	\$ 48,796,329	97.6%
2013	3.70	\$ 56,335,465	\$ 45,804,689	81.3%	\$ 10,115,195	\$ 55,919,884	99.3%
2014	3.70	\$ 60,309,698	\$ 50,764,046	84.2%	\$ 5,614,439	\$ 56,378,485	93.5%
2015	3.70	\$ 61,537,220	\$ 54,479,640	88.5%	\$ 8,867,316	\$ 63,346,956	102.9%
2016	3.70	\$ 66,205,914	\$ 57,262,094	86.5%	\$ 6,378,170	\$ 63,640,264	96.1%
2017	3.70	\$ 67,884,998	\$ 57,603,912	84.9%	\$ 9,836,983	\$ 67,440,895	99.3%
2018	3.70	\$ 70,750,402	\$ 59,861,884	84.6%	\$ 9,542,459	\$ 69,404,343	98.1%
2019	3.70	\$ 72,238,643	\$ 61,366,394	84.9%	\$ 6,513,005	\$ 67,879,399	94.0%
2020	3.70	\$ 73,823,208	\$ 65,221,194	88.3%	\$ 8,715,610	\$ 73,936,804	100.2%

Source: City of Richmond Department of Finance

- 1 - These columns represent the amount and percentage on the tax levy within the respective tax year reporting period. These amounts are adjusted to reflect the state's personal property relief payments in the proper period.
- 2 - This column includes only the original levy; adjustments to this levy are not reflected. Includes personal property and vehicle licenses.
- 3 - This column represents delinquent taxes collected within the respective levy year reporting period.

CITY OF RICHMOND, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year							Business-Type Activities		Total Primary Government		
	General Obligation Bonds	Virginia Public School Authority Bonds	General Obligation Notes	HUD Section 108 Notes	Lease Revenue Bond	Certificates of Participation Series 2001A	General Obligation Bonds	Utility Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2011	604,863,844	1,684,543	74,780,000	2,245,000	9,068,116	13,170,000	171,845,174	554,658,872	1,280,665,469	13.46%	6,231
2012	647,464,912	1,450,834	14,034,000	1,690,000	8,360,231	12,325,000	159,595,376	556,645,429	1,278,399,452	12.24%	6,079
2013	495,710,389	1,215,155	101,155,970	11,255,000	7,614,180	-	141,816,089	736,458,840	1,495,225,623	14.93%	6,983
2014	607,682,714	977,282	107,460,000	10,695,000	6,827,905	-	123,660,034	723,448,460	1,580,751,395	15.20%	7,256
2015	600,310,584	736,976	35,035,000	10,125,000	5,999,238	-	176,398,440	711,370,939	1,539,976,177	14.37%	6,991
2016	652,885,412	494,107	6,875,000	10,125,000	5,125,893	-	154,174,876	694,547,789	1,524,228,077	13.35%	6,830
2017	617,751,633	248,508	96,250,000	9,605,000	4,205,462	-	129,829,955	755,518,747	1,613,409,306	13.26%	7,107
2018	653,984,975	-	625,000	9,080,000	3,235,406	-	107,283,878	738,777,749	1,512,987,008	11.75%	6,613
2019	659,768,748	-	42,200,000	11,157,000	2,213,049	-	90,607,029	714,818,325	1,520,764,151	N/A	6,600
2020	738,474,526	-	19,662,000	10,487,000	1,135,571	-	74,807,449	846,577,564	1,691,144,110	N/A	N/A

Note(s): Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Does not include Premiums on Bonds Issued.

See Demographic and Economic Statistics chart for personal income and population data. These ratios are calculated using personal income and population for the most current year available.

The Certificate of Participation was paid off during 2013.

N/A: Information is not available from the U.S. Department of Commerce Bureau of Economic Analysis

CITY OF RICHMOND, VIRGINIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Virginia Public School Authority Bonds	General Obligation Notes	HUD Section 108 Notes	Lease Revenue Bond	Certificates of Participation Series 2001A	Total	Percentage of	Debt Per Capita
								Estimated Actual Taxable Value of Property	
2011	625,058,938	1,684,543	74,780,000	2,245,000	9,068,116	13,170,000	726,006,597	3.65%	3,532
2012	683,893,958	1,450,834	14,034,000	1,690,000	8,360,231	12,325,000	721,754,023	3.66%	3,432
2013	637,526,478	1,215,155	101,155,970	11,255,000	7,614,180	-	758,766,783	3.89%	3,544
2014	731,342,748	977,282	107,460,000	10,695,000	6,827,905	-	857,302,935	4.38%	3,935
2015	776,709,024	736,976	35,035,000	10,125,000	5,999,238	-	828,605,238	4.14%	3,761
2016	807,060,288	494,107	6,875,000	10,125,000	5,125,893	-	829,680,288	3.97%	3,718
2017	747,581,589	248,508	96,250,000	9,605,000	4,205,462	-	857,890,559	3.97%	3,779
2018	761,268,853	-	625,000	9,080,000	3,235,406	-	774,209,259	3.41%	3,384
2019	750,375,777	-	42,200,000	11,157,000	2,213,049	-	805,945,826	3.26%	3,497
2020	809,957,974	-	22,986,000	10,487,000	1,135,571	-	844,566,545	3.12%	N/A

Source: City of Richmond Department of Finance

N/A: Divisor value is not available from the U.S. Census Bureau.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Does not include Premiums on Bonds Issued.

**CITY OF RICHMOND, VIRGINIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 1,988,745,212	\$ 1,971,653,100	\$ 1,948,406,600	\$ 1,958,825,900	\$ 2,003,129,500	\$ 2,088,184,000	\$ 2,159,577,000	\$ 2,271,088,300	\$ 2,472,304,200	\$ 2,706,264,400
Total Net Debt Applicable to Limit	<u>703,768,481</u>	<u>701,068,792</u>	<u>751,152,603</u>	<u>850,475,030</u>	<u>822,605,994</u>	<u>824,554,395</u>	<u>853,685,097</u>	<u>770,973,853</u>	<u>803,732,777</u>	<u>844,566,545</u>
Legal Debt Margin	<u>\$ 1,284,976,731</u>	<u>\$ 1,270,584,308</u>	<u>\$ 1,197,253,997</u>	<u>\$ 1,108,350,870</u>	<u>\$ 1,180,523,506</u>	<u>\$ 1,263,629,605</u>	<u>\$ 1,305,891,903</u>	<u>\$ 1,500,114,447</u>	<u>\$ 1,668,571,423</u>	<u>\$ 1,861,697,855</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	35.39%	35.56%	38.55%	43.42%	41.07%	39.49%	39.53%	33.95%	32.51%	31.21%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value (Taxable)	\$ 27,062,644,000
Debt Limit (10% of Total Assessed Value)	2,706,264,400
Debt Applicable to Limit:	
General Obligation Bonds	<u>844,566,545</u>
Legal Debt Margin	<u>\$ 1,861,697,855</u>

Source: City of Richmond - Department of Finance

Note(s): Article VII, Section 10 of the Constitution of Virginia provides that the legal debt limit for municipalities is ten (10) percent of the preceding assessment for real estate taxes. The Total Debt Applicable to Limit shown on 6/30/2020 does not include \$846,577,565 of self-supporting Public Utility Revenue Bonds which by State Law are not required to be included in calculations for legal margin for the creation of additional debt.

**CITY OF RICHMOND, VIRGINIA
PLEGGED - REVENUE COVERAGE
Last Ten Years**

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Less: Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2011	\$ 292,376,014	\$ 214,249,704	\$ 78,126,310	\$ 23,548,199	\$ 31,501,282	\$ 55,049,481	1.42
2012	\$ 264,583,790	\$ 185,232,686	\$ 79,351,104	\$ 27,860,480	\$ 30,343,026	\$ 58,203,506	1.36
2013	\$ 291,885,805	\$ 208,615,753	\$ 83,270,052	\$ 29,836,350	\$ 30,284,845	\$ 60,121,195	1.39
2014	\$ 322,906,697	\$ 212,520,886	\$ 110,385,811	\$ 34,088,248	\$ 36,736,199	\$ 70,824,447	1.56
2015	\$ 320,307,318	\$ 208,875,736	\$ 111,431,582	\$ 31,269,119	\$ 35,701,455	\$ 66,970,574	1.66
2016	\$ 296,741,775	\$ 181,337,736	\$ 115,404,039	\$ 34,934,079	\$ 33,895,709	\$ 68,829,788	1.68
2017	\$ 313,083,986	\$ 189,142,582	\$ 123,941,404	\$ 31,768,170	\$ 26,875,875	\$ 58,644,045	2.11
2018	\$ 341,231,639	\$ 208,431,669	\$ 132,799,970	\$ 38,174,843	\$ 34,657,826	\$ 72,832,669	1.82
2019	\$ 353,286,518	\$ 216,255,116	\$ 137,031,402	\$ 34,669,965	\$ 33,655,518	\$ 68,325,483	2.01
2020	\$ 348,640,466	\$ 213,191,963	\$ 135,448,503	\$ 33,288,486	\$ 33,263,956	\$ 66,552,442	2.04

Debt Service Coverage Covenant

Net Revenues and Balances Available for the Payment of Debt Service will be at least 1.15 times the Debt Service Requirement in each Fiscal Year.

Source: City of Richmond - Department of Public Utilities

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF RICHMOND, VIRGINIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years**

Fiscal Year	Population¹	Personal Income (Amounts Expressed in Thousands)²	Per Capita Personal Income	Median Age	School Enrollment³	City Unemployment Rate⁴	State Unemployment Rate⁴
2011	205,533	\$ 9,505,530	\$ 46,052	32.4	23,454	9.5%	6.6%
2012	210,309	\$ 10,446,407	\$ 49,546	32.2	23,336	8.5%	6.1%
2013	214,114	\$ 10,035,865	\$ 46,894	32.6	23,649	7.5%	5.7%
2014	217,853	\$ 10,576,682	\$ 48,699	32.6	23,775	6.2%	5.2%
2015	220,289	\$ 11,330,718	\$ 51,283	32.9	23,957	5.2%	4.5%
2016	223,170	\$ 11,581,450	\$ 51,407	33.2	23,987	4.7%	4.1%
2017	227,032	\$ 12,164,523	\$ 53,581	33.5	24,868	4.3%	3.7%
2018	228,783	\$ 12,881,773	\$ 56,306	34.0	25,015	3.6%	3.0%
2019	230,436	N/A	N/A	34.2	24,763	3.3%	2.8%
2020	N/A	N/A	N/A	N/A	25,212	N/A	N/A

1 Source: U.S. Census Bureau, Annual Estimates of the Resident Population

2 Source: U.S. Department of Commerce, Economic and Statistics Administration, Bureau of Economic Analysis

3 Source: Virginia Department of Education, Fall Membership Reports

4 Source: Virginia Employment Commission Richmond Community Profile, Annual Unemployment Rate

Note - The FY2020 City and State Unemployment Rates reflect the calendar 2019 value and as such do not accurately represent unemployment in the wake of COVID-19

N/A: Data currently not available

CITY OF RICHMOND, VIRGINIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
General Government	696	620	764	739	739	684	566	763	781	776
Public Safety and Judiciary										
Police	942	923	915	918	918	849	845	847	839	848
Firefighters and Officers	434	425	411	439	439	432	409	411	425	415
Others	573	557	528	542	542	521	526	563	554	559
Highways, Streets, Sanitation and Refuse										
Engineering & Maintenance	454	497	389	391	391	327	318	340	346	357
Human Services										
Human Services Advocacy	43	34	13	15	15	14	12	10	16	9
Social Services	443	441	426	353	353	392	368	349	340	310
Culture and Recreation	261	158	161	146	146	235	232	163	158	152
Transportation	-	-	-	-	-	-	-	-	-	-
Business-Type Activities:										
Stormwater Utility	-	-	55	52	52	52	47	54	50	96
Gas Utility	359	367	284	291	291	281	282	275	274	242
Water Utility	110	117	106	101	101	112	116	132	118	106
Wastewater Utility	131	168	176	166	166	169	150	147	144	121
Electric Utility	24	39	26	24	24	21	15	15	14	13
Stores and Transportation Division	6	6	6	8	8	7	6	6	4	5
Coliseum	17	14	14	14	14	-	-	-	-	-
Cemeteries NCO	21	19	19	17	17	18	18	18	12	9
Parking	-	-	-	-	-	6	6	6	8	10
Total	4,514	4,385	4,293	4,216	4,216	4,120	3,916	4,099	4,083	4,028

Source: City of Richmond Department of Human Resources

**CITY OF RICHMOND, VIRGINIA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Police:										
Physical Arrests	13,595	13,179	11,184	10,668	11,453	14,156	14,482	13,646	12,703	10,345
Parking Violations	128,038	125,171	125,905	115,961	131,783	118,263	87,503	131,571	144,112	116,105
Traffic Violations	30,454	25,026	18,168	17,233	17,434	10,440	22,068	15,540	16,042	9,424
Fire:										
Number of Calls Answered	32,450	32,287	33,774	34,236	34,616	36,079	38,516	38,267	38,550	35,673
Inspections	4,093	5,675	6,392	2,921	3,254	2,657	2,367	1,449	1,247	1,092
Highways and Streets:										
Street Resurfacing (Miles)	115	118	108	130	127	138	82	94	93	203
Potholes Repaired	9,158	15,135	13,126	20,957	20,161	19,476	20,232	23,547	25,623	36,007
Sanitation and Refuse:										
Refuse Collected (Tons/Day)	300	290	295	295	300	356	350	303	276	364
Recyclables Collected (Tons/Day)	42	25	37	37	37	49	50	50	41	51
Culture and Recreation:										
Parks Permits Issued	546	546	546	546	644	448	606	666	645	901
Business-Type Activities:										
Gas:										
Maximum Daily Send Out (MCF)	153,078	137,485	150,761	169,141	183,745	163,678	171,337	190,134	165,557	155,768
Annual Send Out (MCF)	17,662,077	14,673,455	17,522,110	19,014,696	19,997,009	18,230,067	17,588,052	19,394,749	17,649,213	23,810,540
Water:										
Average Daily Consumption (MGD)	59	53	57	55	61	60	60	62	57	60
Maximum Daily Consumption (MCD)	99	89	88	83	83	81	87	87	80	98
Water in Storage (Gallons)	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000
Wastewater:										
Average Daily Sewage Treatment (MGD)	46	52	51	53	46	54	54	54	68	55
Maximum Daily Sewage Treatment (MGD)	84	80	82	79	54	83	83	83	80	80
Coliseum:										
Average Daily Attendance per Activity ¹	4,957	4,161	3,889	1,038	994	4,133	4,857	4,403	4,020	-
Cemeteries:										
Number of Interments	777	790	860	826	875	804	790	695	683	678
Number of Lot Sales	20	6	13	7	12	7	14	14	33	26
Number of Single Grave Sales	473	468	607	555	584	547	526	456	424	561
Number of Foundations	522	493	519	512	544	572	593	514	482	571

Source: Various City departments

¹ The Coliseum was closed January 2019. The 2019 value represents the average for the 21 events which were held prior to the Coliseum's closing that year.

**CITY OF RICHMOND, VIRGINIA
CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Stations	7	7	7	7	9	4	4	4	4	4
Patrol Units	164	213	223	223	220	194	222	275	279	265
Fire:										
Stations	20	20	20	20	20	20	20	20	20	20
Fire Trucks	54	61	51	41	39	67	51	42	49	55
Highways and Streets:										
Streets (Miles)	822	822	822	1,860	1,860	1,835	1,832	1,836	1,835	1,835
Streetlights	36,027	35,834	36,230	31,247	31,247	31,247	31,247	34,000	34,062	34,123
Traffic Signals ¹	469	474	471	521	475	475	475	475	479	479
Sanitation and Refuse:										
Collection Trucks	33	33	33	33	33	33	33	46	35	35
Culture and Recreation:										
Parks Acreage	2,810	2,808	2,808	2,808	2,844	2,844	2,844	2,844	2,844	2,844
Parks	71	72	72	73	73	73	73	73	73	73
Baseball/Softball Diamonds	48	48	48	48	48	48	48	48	45	45
Athletic Fields	31	31	31	31	30	30	30	30	27	27
Golf Courses (Driving Range/Par 3 Course)	1	1	1	1	1	1	1	1	1	1
Swimming Pools	9	9	9	9	9	9	9	9	9	9
Tennis Courts	140	140	140	140	136	136	136	136	136	136
Community Centers	20	20	20	20	20	20	20	20	21	21
Theatres	2	2	2	2	2	2	2	2	2	1
Coliseums	1	1	1	1	1	1	1	1	-	-
Gas:										
Miles of Service Lines	1,057	1,069	1,138	1,149	1,130	1,139	1,146	1,157	1,167	1,181
Number of Gate Stations	8	8	8	8	8	8	8	8	8	8
Water:										
Miles of Water Lines	976	976	976	976	976	976	976	976	976	976
Water Pumping Stations	12	12	12	12	12	12	12	12	12	12
Wastewater:										
Miles of Sewer Lines	960	960	960	960	960	960	960	960	960	960
Miles of Interceptors	41	41	41	41	41	41	41	41	41	41
Sewer Pumping Stations	5	5	5	5	5	5	5	5	5	5

Source: Various City departments

¹ The total number of traffic signals does not include pedestrian signals, schools flashers, or beacons.



DEPARTMENT OF FINANCE

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