



# FY2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

*For the Fiscal Year Ended June 30, 2022*

**CITY OF RICHMOND, VIRGINIA**

MAYOR LEVAR M. STONEY



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**CITY OF RICHMOND, VIRGINIA**  
**ANNUAL COMPREHENSIVE REPORT**  
**For Fiscal Year Ended June 30, 2022**

**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, 2022**

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# INTRODUCTORY



# SECTION

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# City of Richmond



**LEVAR M. STONEY**  
**MAYOR**

January 30, 2023

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

We are pleased to present the City of Richmond, Virginia's (City) Annual Comprehensive Financial Report (ACFR) for the fiscal year (FY) ending June 30, 2022. 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](http://www.rva.gov/finance).

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 ending June 30, 2022, 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 62.5 square miles and serves a population of 226,610 as of the U.S. Census Bureau 2020 census. 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.

# City of Richmond



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 twelve 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 Market.

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 Faberge 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.

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 reorganized 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, Moody's Investor Services, Standard & Poor's and Fitch Ratings reaffirmed the City's Aa1 and AA+ ratings respectively during FY2022. The City's ratings from all three of the major rating agencies fall only one notch below the highest possible rating. As this ACFR outlines, the City continues to make progress and is well on its way to achieving the primary goals of managing balanced budgets, 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 City 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.

# City of Richmond



The City Council establishes local laws, provides government policy and oversight, and approves the City budget. The City Council is comprised of nine members elected from single-member districts to serve four-year terms. The President of City Council and the Vice-President are selected by a majority vote of its members every two years. City Council appoints the City Assessor, City Auditor, City Clerk, Inspector General, City Council Chief of Staff and City Attorney. The City Attorney serves as the legal advisor to the City 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 school system, though the schools are operated by a legally distinct entity and a separately elected school board.

The City's ACFR 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 2022 budget was presented to City Council in March 2021. 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 2022 budget, a public hearing was held in April with budget adoption in May 2020.

Legal budgetary restrictions for Fiscal Year 2022 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.

## **Revenue and Expenditures**

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.

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

# City of Richmond



## *Economic Overview*

The impact of the COVID-19 pandemic on labor force statistics tempered in the national, state, and city economies throughout FY2022. The national unemployment rate showed improvement as the year closed out at 3.6 percent as of June 2022 compared to 5.9 percent in the prior year. Virginia saw its statewide unemployment rate drop to 3.0 percent in June 2022 from 4.5 percent in June 2021. At the local level, Richmond's unemployment rate continued to trend downward toward pre-pandemic levels, closing the year at 3.8 percent in June 2022 down from 6.1 percent in June 2021.

Total nonfarm employment in Richmond increased approximately 2.4 percent from June 2021 to June 2022. Employment in the construction, transportation and utilities, retail, and financial industries saw decreases, while employment grew in information, professional and business services, education and health services, and leisure and hospitality. Leisure and hospitality saw the largest increase of 15.5 percent due to re-opening and increased travel following the pandemic.

Similar to other urban areas throughout the country, Richmond has seen population growth as people moved into the City. Generally, the City's population has grown since 2004 with a slight dip in 2020 due to the pandemic, reaching 226,604 in 2021 according to the U.S. Census Bureau's American Community Survey annual estimates.

In response to demand in growth, several priority initiatives were announced by the City in FY 2022 that focus on community development and business attraction, retention, and expansion efforts:

- **Strategic Plan for Equitable Economic Development (SPEED):** The Mayor's SPEED initiative was announced with a focus on community, innovation, and industry. The plan established five aggressive economic development goals through FY 2026.
- **Diamond District:** The City approved plans to develop 67.57 acres of under-developed, publicly-owned property along the I-95 east coast corridor into a mixed-use, mixed-income entertainment destination known as the Diamond District. The approved Phase I plan for redevelopment of the baseball stadium, park space, streets and infrastructure, parking, office, and hotel space totals a \$627.6 million in investment.
- **City Center:** The City will redevelop the Coliseum into a mixed-use, hotel-anchored development. The initial phase of the project will develop City Center into an innovation district to attract established and startup companies, add mixed-income housing, create greenspace, expand tourism, and create more opportunities Richmond residents.

# City of Richmond



## **Major Initiatives and Accomplishments: Well-Managed Government**

The City Administration put its vision for “One Richmond” into practice in FY 2022 and continued its effort with the implementation of the FY 2023 Adopted Budget. The Administration began a comprehensive review of job classification and compensation. The Mayor announced a \$17.4 million investment in a first responder step pay plan affecting over 1,000 sworn personnel. Under this plan, 95 percent of police officers and firefighters received at least a 10 percent pay increase, and 83 percent of them received increases of 15 percent or more. Starting pay for police officers went from \$44,000 a year to over \$51,000 per year. Investments also included a five percent salary increase for all general employees and a minimum threshold of \$17 per hour, totaling \$11.1 million in investment impacting 2,700 employees.

Several proactive financial reporting actions continued through FY2022 to maintain core services, including a five-year revenue and expenditure forecast, monthly financial reports and quarterly budget projections, and introduction and adoption of a structurally balanced budget. Protecting fiscal integrity ensures the City is poised for future growth and is able to meet its service demands. Moving forward to FY2023, the Administration will continue to expand on these accomplishments, making strides toward achieving the goal of streamlining processes and focusing on a foundation to attain an AAA credit 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](http://www.rva.gov).

### **Fund Balance Guidelines**

As of June 30, 2022, the General Fund Unassigned Fund Balance was \$107.8 million, which equals 13.1 percent of the adopted FY2023 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.

# City of Richmond



## 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 a 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).

### 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, 2022 the City had a legal debt limit of \$3,175,800,800 and the statutory capacity to issue approximately \$2,312,214,252 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, 2022 <sup>1</sup>	\$3,175,800,800
Less: bonds and notes payable <sup>2</sup>	<u>(863,586,548)</u>
Legal margin for creating additional debt	<u>\$2,312,214,252</u>

<sup>1</sup> Source: City Assessor of Real Estate

<sup>2</sup> Does not include \$794,084,478 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.



# City of Richmond



## C. Short-Term Debt

As of June 30, 2022, the City had a Bond Anticipation Note Line of Credit Facility (BAN) in place in the amount of \$60.0 million to finance city and 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 City 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, 2022, the City had a total of \$417,559,978 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, \$276,911,649 is earmarked for self-supporting Public Utility revenue bond-funded projects, \$42,124,330 for Stormwater Utility Projects, \$87,500,000 for various General Fund supported capital projects and \$11,023,999 for funding of equipment purchases.

# City of Richmond



## **Acknowledgments**

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Department of Finance, supporting departments, and component units. We would like to express our particular appreciation to all members of the General Accounting team 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 horizontal stroke extending to the right.

Levar M. Stoney  
Mayor

A handwritten signature in black ink, appearing to read "Lincoln Saunders", written in a cursive style.

J.E. Lincoln Saunders  
Chief Administrative Officer

# City of Richmond



**LEVAR M. STONEY**  
**MAYOR**

## **MANAGEMENT REPORT ON RESPONSIBILITY FOR FINANCIAL REPORTING**

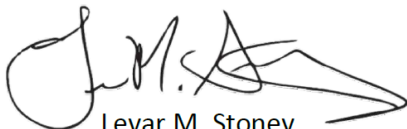
The management of the City of Richmond, Virginia has the responsibility for preparing the accompanying financial statements with integrity and objectivity. The School Board of the City of Richmond, Economic Development Authority of the City of Richmond, Virginia, Richmond Ambulance Authority, Richmond 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

  
J.E. Lincoln Saunders  
Chief Administrative Officer

**CITY OF RICHMOND, VIRGINIA**  
**STRONG MAYOR – COUNCIL FORM OF GOVERNMENT**  
**Fiscal Year Ended June 30, 2022**

**CITY MAYOR**  
Levar M. Stoney

**CHIEF ADMINISTRATIVE OFFICER**  
J.E. Lincoln Saunders

**CITY COUNCIL**

Cynthia I. Newbille - President (7th District)  
Ellen F. Robertson - Vice President (6th District)  
Andreas D. Addison (1st District)  
Katherine Jordan (2nd District)  
Ann-Frances Lambert (3rd District)  
Kristen N. Larson (4th District)

Stephanie A. Lynch (5th District)  
Reva M. Trammell (8th District)  
Michael J. Jones (9th District)

**CITY  
AUDITOR**  
Louis Lassiter, CPA

**ATTORNEY**  
Haskell C. Brown, III

**SUPERINTENDENT  
OF SCHOOLS**  
Jason Kamras

Prepared by  
**DEPARTMENT OF FINANCE**  
Audited by  
**INDEPENDENT AUDITORS**  
**CliftonLarsonAllen, LLP**



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

# FY2022 ORG CHART



**FINANCIAL**



**SECTION**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, Virginia (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports 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, 2022, 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.

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 represents 64 percent, 384 percent, and 83 percent, respectively of the assets and deferred outflows of resources, fund balance/net position, and revenues for the aggregate discretely presented component units. We also did not audit the financial statements of the Richmond Retirement System, which represents 72 percent, 89 percent and 4 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 reports has been furnished to us, and our opinion, insofar as it relates to the amounts 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Richmond Retirement System were not audited in accordance with *Government Auditing Standards*.



***Emphasis of Matter***

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying combining and individual fund statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023, on our consideration of the City'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  
January 30, 2023

**CITY OF RICHMOND, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

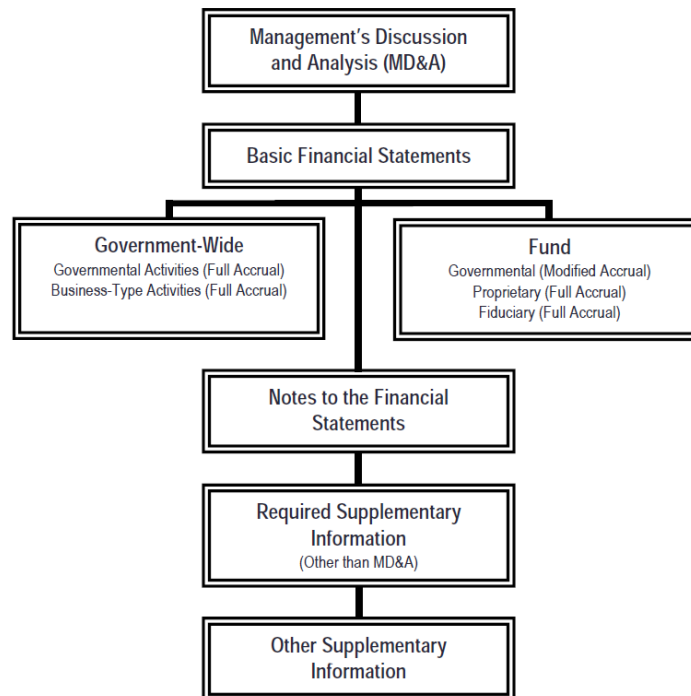
The following discussion and analysis provided by the City's management presents a narrative overview and analysis of the financial activities of the City through the presentation of its Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022. City management encourages readers 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 2022**

- The City's General Fund reported an ending Fund Balance of \$206.2 million, an increase of \$44.1 million or 27.2 percent compared to the prior year. Of the total General Fund balance: \$11.5 thousand is Nonspendable, \$25.2 million is Committed to Revenue Stabilization, \$158.2 thousand committed to School Board Operations, \$15.3 million is Assigned to subsequent years' Expenditures, \$17.6 million to Capital Reserve, \$0.3 million for the Arts, \$16.8 million for School Facilities, \$2.7 million for Unspent Building Code Fees, \$547.6 thousand for COVID-19 Contingencies, \$1.8 million for Special Purpose, \$18.0 million for Tax Rebate, and \$107.9 million is Unassigned. The Unassigned Fund Balance represents 13.9 percent of actual Expenditures and Transfers out of \$776.4 million.
- The City's total taxable assessed value for Real and Personal Property including Machinery and Tools increased by \$5.4 billion or 18.5 percent.
- The City's General Obligation Bond ratings were reaffirmed at Aa1 by Moody's and AA+ by both Fitch Ratings and Standard and Poor's, 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 \$1,361.1 million. Net Position was comprised mainly of \$1,073.3 million attributable to the City's Net Investment in Capital Assets, \$108.6 million in Restricted and \$179.2 million in Unrestricted.
- Net Position for Governmental Activities increased \$150.6 million or 52.8 percent compared to the prior year.
- For this Fiscal Year, General Fund Revenues and Financing Sources were \$820.4 million. General Fund Expenditures and Other Financing Uses were \$776.4 million. City Taxes accounted for 74.3 percent of Revenue.
- The City's Business-Type Activities Net Position increased by \$47.0 million or 5.4 percent.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The City's Annual Comprehensive Financial Report 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. Annual Comprehensive Financial Report 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 three 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.
  - **Private Purpose Funds** -- Reports trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.
  - **Custodial Funds** – Reports fiduciary activity resources that are not held in a trust agreement or equivalent arrangement that meets specific criteria. Many activities that are now reported in agency funds will be reported in custodial funds.

## 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

FY2022, Total Assets for the Primary Government were \$3,867.9 million, an increase from prior year total Assets by \$151.3 million. Total Assets for only Governmental Activities were \$1,912.8 million, up by \$124.1 million or 6.9 percent. Total Assets from Business-Type Activities decreased by \$27.3 million and were still predominant in FY2022, accounting for 50.5 percent of total Primary Government Assets compared to 51.9 percent in FY2021.

Total Liabilities were \$2,499.2 million up \$(229.3) million from \$2,728.5 million in FY2021. Total Liabilities associated with Governmental Activities increased by \$(181.7) million up (11.1) percent while total Liabilities associated with Business-Type Activities decreased \$(47.6) million or (4.4) percent.

Total Net Position was \$1,361.1 million up \$197.5 million over the prior year's balance. Table 1 summarizes the City's Government-Wide Net Position at June 30, 2022 and 2021.

**Table 1**  
**City of Richmond's Schedule of Net Position**  
**As of the Fiscal Years Ended June 30, 2022 and 2021**  
(In Millions, rounded)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 596.8	\$ 479.8	\$ 516.0	\$ 537.6	\$ 1,112.8	\$ 1,017.5
Capital Assets, Net	1,316.0	1,308.9	1,439.1	1,390.2	2,755.1	2,699.1
Total Assets	<u>1,912.8</u>	<u>1,788.7</u>	<u>1,955.1</u>	<u>1,927.8</u>	<u>3,867.9</u>	<u>3,716.6</u>
Deferred Outflow of Resources	<u>97.2</u>	<u>150.0</u>	<u>28.3</u>	<u>39.3</u>	<u>125.5</u>	<u>189.3</u>
Current and Other Liabilities	419.5	303.3	107.6	96.8	527.1	400.1
Long-Term Obligations Outstanding	1,038.6	1,336.5	933.5	991.9	1,972.1	2,328.4
Total Liabilities	<u>1,458.1</u>	<u>1,639.8</u>	<u>1,041.1</u>	<u>1,088.7</u>	<u>2,499.2</u>	<u>2,728.5</u>
Deferred Inflows of Resources	<u>116.3</u>	<u>14.0</u>	<u>16.7</u>	<u>-</u>	<u>133.0</u>	<u>14.0</u>
Net Position:						
Net Investment in Capital Assets	456.8	418.0	616.6	590.0	1,073.3	1,008.0
Restricted	77.1	73.7	31.5	31.7	108.6	105.4
Unrestricted	(98.3)	(206.7)	277.4	256.9	179.2	50.2
Total Net Position	<u>\$ 435.6</u>	<u>\$ 285.0</u>	<u>\$ 925.5</u>	<u>\$ 878.5</u>	<u>\$ 1,361.1</u>	<u>\$ 1,163.6</u>

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

**Activities**

In FY2022, total Primary Government Revenues were \$1,333.6 million, which reflects an increase over prior year. Program Revenues (Charges for Service, Grants, and Contributions) of \$714.8 million accounted for 53.6 percent of all Primary Government Revenues, while property and other local taxes attributable to Governmental Activities accounted for \$597.0 million, most of the remainder. Total Revenues for all Governmental Activities were \$891.5 million. Governmental Activities' Program Revenues of \$275.1 million accounted for 30.9 percent.

Total Expenses for Primary Government were \$1,136.0 million. Four activities: General Government, Public Safety and Judiciary, Education, and Business-Type Activities accounted for the following amounts and percentages: \$104.8 million (9.2 percent), \$225.5 million (19.9 percent), \$188.5 million (16.6 percent), and \$362.2 million (31.9 percent), respectively. Table 2 summarizes the City's Government-Wide Activities for the years ended June 30, 2022 and 2021.

**Table 2**  
**City of Richmond's Schedule of Activities**  
**As of the Fiscal Years Ended June 30, 2022 and 2021**  
(In Millions, rounded)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 228.2	\$ 236.8	\$ 418.8	\$ 351.7	\$ 646.9	\$ 588.6
Operating Grants and Contributions	34.2	44.1	0.1	0.3	34.3	44.4
Capital Grants and Contributions	12.7	14.6	21.0	13.7	33.6	28.4
General Revenues:						
Property Taxes	453.7	410.7	-	-	453.7	410.7
Other Taxes	143.3	124.4	-	-	143.3	124.4
Investment Income	0.1	0.3	1.0	1.0	1.1	1.2
Miscellaneous	19.4	44.5	1.4	2.0	20.7	46.5
Total Revenues	<u>891.5</u>	<u>875.4</u>	<u>442.2</u>	<u>368.9</u>	<u>1,333.6</u>	<u>1,244.2</u>
<b>Expenses:</b>						
Primary Government						
General Government	104.8	106.7	-	-	104.8	106.7
Public Safety and Judiciary	225.5	287.5	-	-	225.5	287.5
Highway, Street, Sanitation and Refuse	110.1	84.5	-	-	110.1	84.5
Human Services	73.6	116.3	-	-	73.6	116.3
Culture and Recreation	32.2	51.3	-	-	32.2	51.3
Education	188.5	186.6	-	-	188.5	186.6
Transportation	8.3	7.3	-	-	8.3	7.3
Interest and Fiscal Charges	30.7	30.1	-	-	30.7	30.1
Business-Type Activities	-	-	362.2	311.5	362.2	311.5
Total Expenses	<u>\$ 773.9</u>	<u>\$ 870.2</u>	<u>\$ 362.2</u>	<u>\$ 311.5</u>	<u>\$ 1,136.0</u>	<u>\$ 1,181.8</u>
Income Before Transfers	117.7	5.2	80.0	57.3	197.7	62.3
Transfers	33.0	37.9	(33.0)	(37.9)	-	-
Changes in Net Position	150.6	43.1	47.1	19.4	197.7	62.3
Net Position, Beginning of Year	285.0	241.9	878.5	859.1	1,163.5	1,101.0
Net Position, End of Year	<u>\$ 435.6</u>	<u>\$ 285.0</u>	<u>\$ 925.6</u>	<u>\$ 878.5</u>	<u>\$ 1,361.1</u>	<u>\$ 1,163.3</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 the City's largest governmental Fund and, therefore, deserves special attention. Total Revenues and Other Financing Sources totaled \$820.4 million in FY2022, an increase of \$34.1 million from the prior year. Property and other local taxes accounted for \$602.1 million or 74.3 percent of total Revenues

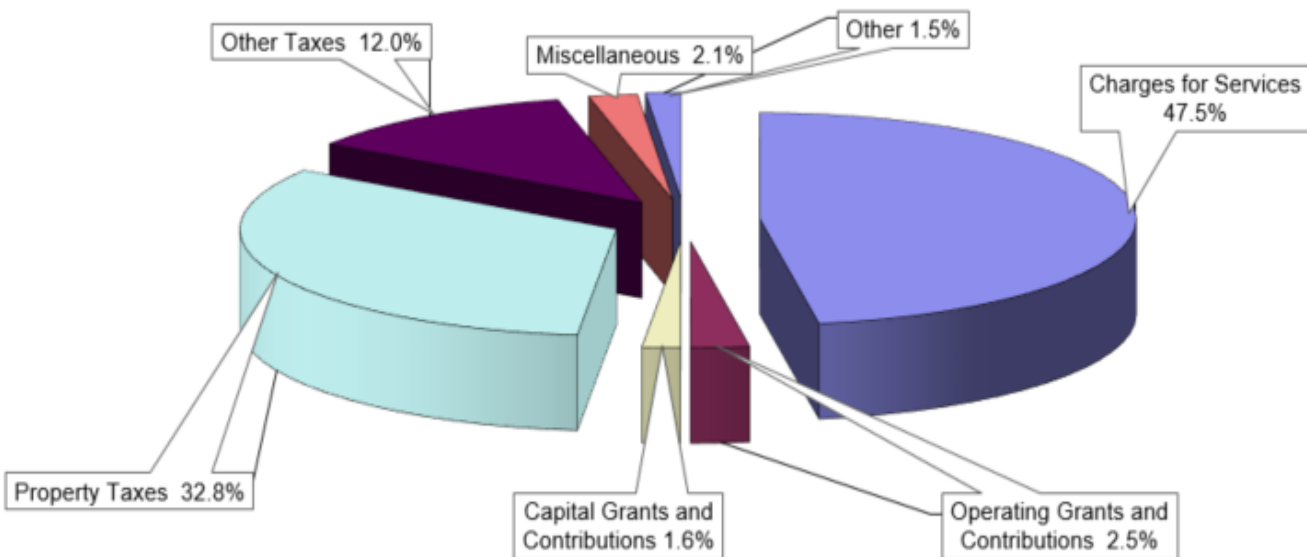
On the other side of the ledger, Expenditures and Transfers Out totaled \$776.4 million, a decrease of \$(2.5) million or (0.3) percent, from the prior year. Public Safety & Judiciary and Education, the two largest program areas, totaled \$394.3 million, or 58.6 percent of total General Fund Expenses.

**Table 3**  
**City of Richmond's Budgetary Comparison**  
**General Fund**  
**For the Fiscal Years Ended June 30, 2022 and 2021**  
**(In Millions, rounded)**

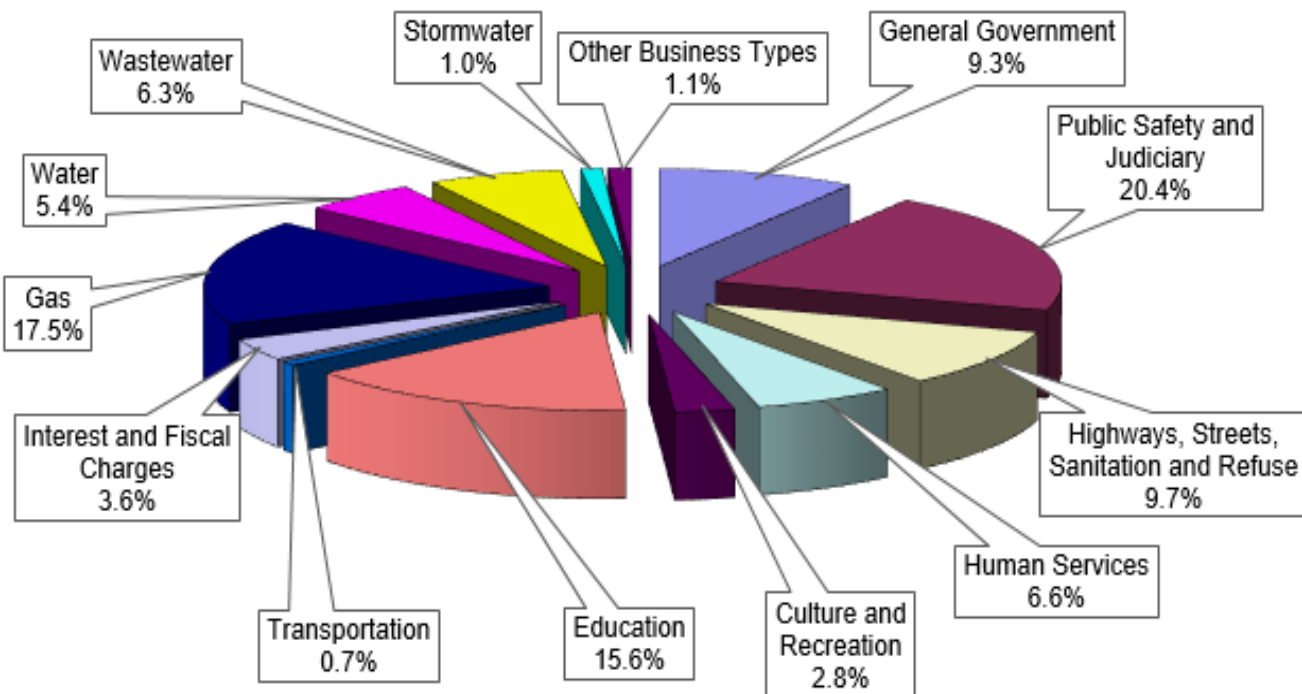
	<u>Original Budget</u>		<u>Amended Budget</u>		<u>Actual</u>		<u>Positive (Negative) Variance</u>	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>								
Property Taxes	\$ 414.8	\$ 385.5	\$ 426.3	\$ 387.4	\$ 456.6	\$ 415.2	\$ 30.2	\$ 27.7
Other Taxes	148.5	156.7	148.5	138.1	145.5	130.5	(3.0)	(7.6)
Intergovernmental	86.1	85.2	123.0	125.7	83.1	118.1	(39.9)	(7.4)
Miscellaneous	104.0	104.5	105.6	111.4	125.5	110.5	20.0	(0.9)
Other Financing Sources	19.4	12.1	20.6	0.2	9.8	12.1	(10.8)	11.9
Total Revenues and Other Financing Sources	<u>\$ 772.7</u>	<u>\$ 744.1</u>	<u>\$ 823.9</u>	<u>\$ 762.8</u>	<u>\$ 820.4</u>	<u>\$ 786.3</u>	<u>\$ (3.4)</u>	<u>\$ 23.6</u>
<b>Expenses:</b>								
General Government	\$ 60.7	\$ 59.1	\$ 94.2	\$ 60.5	\$ 62.7	\$ 53.5	\$ 31.5	\$ 6.9
Public Safety and Judiciary	213.0	209.4	217.9	250.3	207.2	246.2	10.7	4.1
Highway, Street, Sanitation and Refuse	36.0	35.6	43.0	43.9	39.2	44.2	3.8	(0.3)
Human Services	62.9	62.1	68.0	63.5	59.2	57.6	8.9	5.9
Culture and Recreation	24.1	23.6	26.3	23.6	27.7	23.3	(1.3)	0.3
Education	187.1	190.2	187.1	187.2	187.1	187.5	-	(0.3)
Non-Departmental	79.9	75.9	93.9	70.6	88.2	75.4	5.7	(4.6)
Other Financing Uses	109.1	88.2	109.2	92.8	105.0	91.4	4.2	1.2
Total Expenses and Other Financing Uses	<u>\$ 772.8</u>	<u>\$ 744.1</u>	<u>\$ 839.7</u>	<u>\$ 792.3</u>	<u>\$ 776.4</u>	<u>\$ 778.9</u>	<u>\$ 63.5</u>	<u>\$ 13.2</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, 2022**



**Primary Government Functional Expenses  
Year Ended June 30, 2022**



## CAPITAL ASSETS

The Department of Public Utilities' spent \$103.6 million during the fiscal year to expand, upgrade, and renew its Infrastructure. The Gas Utility invested approximately \$5.3 million to support our expanding market base and \$21.1 million in upgrades to existing Infrastructure. The Water Utility invested approximately \$28.7 million in upgrades to existing infrastructure including \$7.2 million of investments in major plant, pumping and transmission improvements. The Wastewater Utility invested approximately \$41.8 million in upgrades to existing infrastructure, of which \$3.8 million was spent on major plant improvements. The Storm water Utility invested \$6.7 million to upgrade the existing Infrastructure.

**Table 4**  
**City of Richmond's Capital Assets**  
**As of the Fiscal Years Ended June 30, 2022 and 2021**  
**(In Millions, rounded)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 105.5	\$ 105.5	\$ 26.3	\$ 26.3	\$ 131.8	\$ 131.8
Construction In Progress	136.2	245.6	48.8	36.1	185.0	281.7
Works of Art/Historical Treasures	8.3	8.7	-	-	8.3	8.7
Total Assets Not Being Depreciated	<u>250.0</u>	<u>359.8</u>	<u>75.1</u>	<u>62.4</u>	<u>325.1</u>	<u>422.2</u>
Capital Assets Being Depreciated:						
Infrastructure	1,043.9	1,026.6	-	-	1,043.9	1,026.6
Buildings and Structures	1,140.2	994.3	2,066.8	2,250.2	3,207.0	3,244.5
Right of Use Land & Land Rights			14.5		14.5	
Right of Use Equipment and Other Assets	8.4		-		-	
Equipment and Other Assets	146.7	142.1	384.4	35.5	531.1	177.6
Improvements Other Than Buildings	33.9	33.8	-	-	33.9	33.8
Total Other Assets	<u>2,373.1</u>	<u>2,196.9</u>	<u>2,465.7</u>	<u>2,285.7</u>	<u>4,830.4</u>	<u>4,482.5</u>
Less Accumulated Depreciation For:						
Infrastructure	681.1	659.2	-	-	681.1	659.2
Buildings and Structures	492.3	465.3	830.5	969.5	1,322.8	1,434.8
Equipment and Other Assets	114.3	107.6	271.0	2.5	385.3	110.1
Right of Use Land & Land Rights			0.2		0.2	
Right of Use Equipment and Others	2.3		-		-	
Improvements Other Than Buildings	16.9	15.8	-	-	16.9	15.8
Total Accumulated Depreciation	<u>1,307.0</u>	<u>1,247.9</u>	<u>1,101.7</u>	<u>972.0</u>	<u>2,406.3</u>	<u>2,219.9</u>
Total Capital Assets Being Depreciated, Net	<u>1,066.1</u>	<u>948.9</u>	<u>1,364.0</u>	<u>1,313.7</u>	<u>2,424.1</u>	<u>2,262.6</u>
Total Capital Assets, Net	<u>\$ 1,316.0</u>	<u>\$ 1,308.7</u>	<u>\$ 1,439.1</u>	<u>\$ 1,376.1</u>	<u>\$ 2,749.1</u>	<u>\$ 2,684.8</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, 2022, the City had a total of \$1.78 billion of outstanding Bonds, Notes and Bond Premiums, a decrease of \$78.9 million compared to the previous year. Outstanding debt of the City's Governmental Activities at year end was \$871.6 million, while the Business-Type Activities outstanding debt (primarily Utilities and Parking operations) was \$908.2 million.

During FY2022, the City did not issue any new bonds or notes, but did make draws and advances on existing available credit facilities. The City drew an additional \$32.3 million on the Series 2021A Line of Credit Bond Anticipation Note bringing the outstanding balance at fiscal year end to \$60.0 million. Proceeds were used to provide interim financing for ongoing City and Stormwater Utility capital projects. In the subsequent fiscal year, the outstanding \$60.0 million was refinanced into long-term general obligation bonds.

The City's Wastewater Utility also made \$3.9 million of draws on its Series 2021A Utility Revenue Bond issue, bringing the outstanding principal balance on this bond issue to \$4.7 million at June 30, 2022. This bond issue financing is being provided by the Commonwealth's Virginia Resources Authority at a zero percent interest rate. 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, 2022**  
**(In Thousands, rounded)**

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Not Due Within One Year	Due Within One Year
<b>Primary Government - Governmental Activities</b>						
General Obligation Bonds	\$ 777,077.3	\$ -	\$ 49,469.6	\$ 727,607.8	\$ 671,169.4	\$ 56,438.3
General Obligation Bond - Direct Borrowing	12,593.7	-	6,069.4	6,524.3	6,524.3	-
Total General Obligation Bonds	<u>789,671.0</u>	<u>-</u>	<u>55,538.9</u>	<u>734,132.1</u>	<u>677,693.7</u>	<u>56,438.4</u>
Line of Credit - Bond Anticipation Note -	23,948.2	28,651.8	-	52,600.0	-	52,600.00
General Obligation Serial Equipment Notes	11,233.0	-	2,058.0	9,175.0	7,097.0	2,078.0
Total General Obligation Notes	<u>35,181.2</u>	<u>28,651.8</u>	<u>2,058.0</u>	<u>61,775.0</u>	<u>7,097.0</u>	<u>54,678.0</u>
HUD Section 108 Notes	9,811.0	-	685.0	9,126.0	8,426.0	700.0
Premium on Debt Issued	78,787.7	-	12,183.3	66,604.4	55,882.4	10,722.0
Total Obligations	<u>\$ 913,450.9</u>	<u>\$ 28,651.8</u>	<u>\$ 70,465.2</u>	<u>\$ 871,637.5</u>	<u>\$ 749,099.1</u>	<u>\$ 122,538.5</u>
Compensated Absences	\$ 21,394.1	\$ 21,091.0	\$ 19,780.6	\$ 22,704.5	\$ 15,461.9	\$ 7,242.6
Net Other Post Employment Benefit Obligations	\$ 103,697.9	\$ 7,574.0	\$ 91,064.8	\$ 20,207.1	\$ 20,207.1	\$ -
Net Pension Liability	\$ 342,688.3	\$ 74,495.5	\$ 201,674.2	\$ 215,509.7	\$ 215,509.7	\$ -

**Table 6**  
**City of Richmond's Long-Term Obligations**  
**For the Fiscal Year Ended June 30, 2022**  
**(In Thousands, rounded)**

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Not Due Within One Year	Due Within One Year
<b>Primary Government - Business-Type Activities</b>						
General Obligation Bonds:						
Utilities						
General Obligation Bonds	\$ 11,382.0	\$ -	\$ 3,741.7	\$ 7,640.4	\$ 3,755.7	\$ 3,884.7
General Obligation Bond - Direct Borrowing	1,065.2	-	88.6	976.5	872.9	103.6
Total Utilities General Obligation Debt	<u>12,447.2</u>	<u>-</u>	<u>3,830.3</u>	<u>8,616.9</u>	<u>4,628.6</u>	<u>3,988.3</u>
Non-Major Enterprise Funds						
General Obligation Bonds	44,220.5	-	3,918.8	40,301.8	36,800.6	3,501.2
General Obligation Bond - Direct Borrowing	1.3	-	0.6	0.8	0.8	-
Premium on Non-Major Debt, Net	1,120.5	-	188.0	932.5	932.5	-
Total Non-Major Enterprise Funds General Obligation Debt	<u>45,342.2</u>	<u>-</u>	<u>4,107.3</u>	<u>41,235.1</u>	<u>37,733.9</u>	<u>3,501.2</u>
Total General Obligation Debt	57,789.5	-	7,937.7	49,852.0	42,362.4	7,489.6

Revenue Bonds:						
Public Utility Revenue Bonds	779,160.0	-	26,595.0	752,565.0	725,720.0	26,845.0
Public Utility Revenue Bond - Direct Borrowing	41,586.1	3,867.8	3,934.4	41,519.4	37,503.1	4,016.3
Premium on Public Utility Debt, Net	60,163.4	-	5,493.6	54,669.7	54,669.7	-
Total Revenue Bonded Debt	<u>880,909.5</u>	<u>3,867.8</u>	<u>36,023.1</u>	<u>848,754.2</u>	<u>817,892.7</u>	<u>30,861.2</u>
Total Bonded Debt	<u>\$ 938,699.0</u>	<u>\$ 3,867.8</u>	<u>\$ 43,960.8</u>	<u>\$ 898,606.2</u>	<u>\$ 860,255.2</u>	<u>\$ 38,350.8</u>
Compensated Absences:						
Gas	\$ 1,117.5	\$ 1,059.5	\$ 1,036.4	\$ 1,140.6	\$ 759.0	\$ 381.6
Water	858.5	804.6	797.0	866.2	576.4	289.8
Wastewater	837.0	804.9	775.5	866.5	576.6	289.9
Storm water	285.0	279.7	263.6	301.0	200.3	100.7
Stores Operating Fund	20.5	17.6	19.2	19.0	12.6	6.4
Cemeteries	51.4	61.5	46.6	66.3	45.1	21.2
Other Non-major Enterprise Funds	95.3	51.0	91.4	54.9	37.4	17.5
Total Compensated Absences	<u>\$ 3,265.3</u>	<u>\$ 3,079.0</u>	<u>\$ 3,029.7</u>	<u>\$ 3,314.4</u>	<u>\$ 2,207.4</u>	<u>\$ 1,107.1</u>
Net Other Post Employment Benefit Obligations	<u>\$ 16,445.4</u>	<u>\$ 1,469.5</u>	<u>\$ 13,994.2</u>	<u>\$ 3,920.8</u>	<u>\$ 3,920.8</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 57,089.9</u>	<u>\$ 14,454.4</u>	<u>\$ 29,882.1</u>	<u>\$ 41,662.1</u>	<u>\$ 41,662.1</u>	<u>\$ -</u>

## ECONOMIC FACTORS

The City of Richmond's employment market is a broadly diverse mix of business types that includes manufacturing and construction, healthcare, financial, legal, professional, and other business services. Being the capital of the Commonwealth of Virginia, the City also benefits from a large and growing number of Federal and State jobs based in the City. Key private sector employers within the City include the three Fortune 1000 headquarters of Dominion Energy, Universal Corporation, and New Market Corporation. The largest private employers in the greater Richmond metropolitan area include Capital One Financial Corporation, VCU Health System, HCA Health System, Dominion Energy, Truist Financial Corporation, Amazon.com, and the Federal Reserve Bank of Richmond. Major colleges and universities found within Richmond include Virginia Commonwealth University, University of Richmond, Virginia Union University, and Reynolds Community College, which provide a steady stream of talented graduates to support the growth of local businesses.

Richmond has displayed steady population growth over the last decade with the 2020 Census population reflecting 11% growth, adding 22,396 new residents to the population during the last 10 years. The overall Richmond metropolitan region now includes a population of more than 1.3 million in central Virginia. After the unemployment spike following the start of the COVID-19 pandemic, the City of Richmond's unemployment has returned to pre-pandemic comparable level of 3.4 percent unemployment rate in September, 2022. The City's current unemployment rate is slightly above the Virginia state average and similar to the national average.

In the post-pandemic era, Richmond has enjoyed strong gains in the housing market. The city added 644 new housing units in 2021, and is on pace to have a more significant increase for 2022. The assessed values of Richmond's taxable real estate reported strong growth over the fiscal year. The assessed value of taxable real estate in the City grew over 13.4 percent in FY 2022, from \$28.0 billion to \$31.8 billion. Current and Delinquent Real Estate tax collections grew from \$329.6 million to \$367.6 million during the fiscal year.

In December of 2021 issued a Request for Interest for the Diamond District Project which seeks to redevelop 67.57 acres of under-developed, publicly-owned property along the I-95 east coast corridor into a mixed-use, mixed-income entertainment destination. The City has been preparing for a redevelopment of this strategic site for a number of years and, in the process, has relocated city functions, demolished buildings, and remediated the site with the exception of the baseball stadium and the Arthur Ashe Junior Athletic Center. The City has selected RVA Diamond Partners LLC as the development team to partner with the City to fulfill the vision for the Diamond District.

In May of 2022, the City of Richmond adopted the Strategic Plan for Equitable Economic Development (SPEED). SPEED focuses on community, innovation, and industry. The plan outlines tangible steps toward addressing long-standing inequities that have only been exacerbated by the COVID-19 pandemic, including racial disparities in education, poverty, housing, and health. Each of the plan's initiatives are designed to build a more equitable, inclusive, and sustainable economy for Richmond. The plan establishes five aggressive economic development goals through Fiscal Year 2026: \$3 billion in capital investment for economic development projects;

3,000 announced new jobs with annual salaries at or about \$52,000; reduce the poverty rate by 5 percentage points; public and private sector real estate development activities that generate \$25 million in annual real estate tax revenue; and 2,500 postsecondary credentials awarded to Richmond residents.

In November of 2022, the Economic Development Authority in collaboration with the Greater Richmond Convention Center Authority, issued a Request for Interest to solicit creative development responses from financially capable and experienced development teams interested in purchasing and redeveloping approximately 9.4 acres of under-utilized, EDA-owned property in Richmond's City Center Innovation District ("City Center"). The vision for City Center is to redevelop the area to become a mixed-use, mixed-income urban innovation district destination anchored by a headquarter hotel supporting the Greater Richmond Convention Center along with commercial, educational, and residential development to create a dynamic downtown.

**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, 10<sup>th</sup> floor Suite 1003, Richmond, Virginia 23219.

# ***BASIC FINANCIAL***



# ***STATEMENTS***

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**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

**Exhibit A, Continued**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents (Note 3)	\$ 445,690,217	\$ 254,362,816	\$ 700,053,033	\$ 102,113,039
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes and Licenses	60,377,425	-	60,377,425	-
Accounts Receivable	37,701,403	83,726,130	121,427,533	10,478,424
Leases Receivable	1,180,097	-	1,180,097	-
Internal Balances, Net	1,874,798	(1,874,798)	-	-
Due From Primary Government	-	-	-	119,692
Due From Other Governments (Note 5)	9,115,586	10,080,989	19,196,575	45,679,486
Inventories of Materials and Supplies	287,769	20,713,496	21,001,265	374,101
Prepaid Assets	958,163	7,632,827	8,590,990	39,411,776
<b>Total Current Assets</b>	<b>557,185,458</b>	<b>374,641,460</b>	<b>931,826,918</b>	<b>198,176,518</b>
<b>Non-Current Assets:</b>				
Restricted Assets - Cash and Investments (Note 3)	34,278,450	141,309,064	175,587,514	19,340,202
Lease Receivable	5,351,484	-	5,351,484	-
Mortgage Loans Receivable	-	-	-	60,370,974
Capital Assets, Net (Note 6):				
Land, Land Improvement and Works of Art/Historical Infrastructure, Net	113,762,360	26,342,255	140,104,615	10,377,730
Buildings, Structures, Improvements, and Equipment, Net	362,815,959	1,022,537,843	1,385,353,802	-
Construction in Progress	697,174,785	327,196,926	1,024,371,711	126,022,533
Right of Use Assets, Net	136,167,692	48,789,214	184,956,906	12,769,520
Total Capital Assets, Net	6,090,333	14,265,601	20,355,934	5,914,752
<b>Total Non-Current Assets</b>	<b>1,316,011,129</b>	<b>1,439,131,839</b>	<b>2,755,142,968</b>	<b>155,084,535</b>
<b>Total Assets</b>	<b>1,355,641,063</b>	<b>1,580,440,903</b>	<b>2,936,081,966</b>	<b>234,795,711</b>
<b>Total Assets</b>	<b>1,912,826,521</b>	<b>1,955,082,363</b>	<b>3,867,908,884</b>	<b>432,972,229</b>
<b>Deferred Outflows of Resources</b>				
Deferred Losses on Refunding	19,529,072	12,989,722	32,518,794	-
Pension/OPEB Related Activities (Note 11 and 12)	77,637,055	15,302,888	92,939,943	119,957,847
<b>Total Deferred Outflows of Resources</b>	<b>\$ 97,166,127</b>	<b>\$ 28,292,610</b>	<b>\$ 125,458,737</b>	<b>\$ 119,957,847</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Combined RPS City Withholding	\$ 6,745,439	\$ -	\$ 6,745,439	\$ -
Accounts Payable	48,393,514	39,406,114	87,799,628	14,590,264
Accrued Liabilities	5,666,248	2,837,590	8,503,838	40,340,166
Accrued Wages	4,660,029	1,493,558	6,153,587	-
Right of Use Liabilities	1,625,856	70,632	1,696,488	-
Due To Component Units - Schools	36,212,368	-	36,212,368	-
Due To Other Governments	2,491,850	-	2,491,850	2,487,723
Due to Component Units - Other	-	-	-	33,072
Accrued Interest on Bonds and Notes Payable	11,841,174	15,160,457	27,001,631	-
Unearned Revenues	163,262,115	8,440	163,270,555	34,241,733
General Obligation Bonds,				
Serial Notes Payable (Note 7)	122,538,368	15,443,576	137,981,944	14,312,137
Revenue Bonds Payable (Note 7)	-	30,861,375	30,861,375	-
Compensated Absences (Note 7)	7,242,610	1,107,024	8,349,634	3,007,512
Other Liabilities and Claims Payable	8,803,241	1,216,753	10,019,994	3,803,094
<b>Total Current Liabilities</b>	<b>419,482,812</b>	<b>107,605,519</b>	<b>527,088,331</b>	<b>112,815,701</b>

**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

**Exhibit A, Concluded**

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>Non-Current Liabilities</b>				
Customers' Deposits	-	9,436,105	9,436,105	699,352
Right of use liabilities	4,580,902	14,342,842	18,923,744	-
General Obligation Bonds, Serial Notes Payable (Note 7)	749,099,111	44,042,345	793,141,456	5,030,000
Revenue Bonds Payable (Note 7)	-	817,892,819	817,892,819	-
Compensated Absences (Note 7)	15,461,887	2,207,377	17,669,264	-
Other Liabilities and Claims Payable (Note 9)	33,751,528	-	33,751,528	296,800,679
Net Pension and OPEB Liability	235,716,762	45,582,923	281,299,685	21,578,648
<b>Total Non-Current Liabilities</b>	<b>1,038,610,190</b>	<b>933,504,411</b>	<b>1,972,114,601</b>	<b>324,108,679</b>
<b>Total Liabilities</b>	<b>1,458,093,002</b>	<b>1,041,109,930</b>	<b>2,499,202,932</b>	<b>436,924,380</b>
<b>Deferred Inflows of Resources</b>				
Deferred Revenues	18,591,434	-	18,591,434	-
Prepaid Taxes	164,879	-	164,879	-
Deferred Inflow - Leases	6,514,301	-	6,514,301	380,065
Pension/OPEB Related Activities (Note 11 and 12)	91,055,342	16,715,258	107,770,600	171,891,431
<b>Total Deferred Inflows of Resources</b>	<b>116,325,956</b>	<b>16,715,258</b>	<b>133,041,214</b>	<b>172,271,496</b>
<b>Net Position</b>				
Net Investment in Capital Assets	456,762,911	616,561,763	1,073,324,674	129,764,553
Restricted for (Note 8):				
Capital Projects	21,523,656	-	21,523,656	14,217,893
Grants and donations	40,149,749	-	40,149,749	-
Restricted for Debt Service	15,389,735	31,543,651	46,933,386	-
Permanent Funds	-	-	-	1,348,876
Unrestricted	(98,252,361)	277,444,371	179,192,010	(201,597,122)
<b>Total Net Position</b>	<b>\$ 435,573,690</b>	<b>\$ 925,549,785</b>	<b>\$ 1,361,123,475</b>	<b>\$ (56,265,800)</b>

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, 2022

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	
<b>Primary Government:</b>								
<b>Governmental:</b>								
General Government	\$ 104,797,108	\$ 95,005,747	\$ 7,862,446	\$ -	\$ (1,928,915)	\$ -	\$ (1,928,915)	\$ -
Public Safety and Judiciary	225,465,586	26,438,053	5,385,257	-	(193,642,276)	-	(193,642,276)	-
Highways, Streets, Sanitation and Refuse	110,098,816	60,686,229	16,821,556	11,297,351	(21,293,680)	-	(21,293,680)	-
Human Services	73,714,517	43,809,375	1,543,172	-	(28,361,970)	-	(28,361,970)	-
Culture and Recreation	32,233,479	2,231,900	300,533	-	(29,701,046)	-	(29,701,046)	-
Education	188,514,656	-	-	-	(188,514,656)	-	(188,514,656)	-
Transportation	8,319,090	-	-	-	(8,319,090)	-	(8,319,090)	-
Capital Outlay	-	8,699	-	(8,699)	0	-	0	-
Interest and Fiscal Charges	30,709,686	-	2,288,386	1,398,500	(27,022,800)	-	(27,022,800)	-
Total Governmental Activities	<u>773,852,938</u>	<u>228,180,003</u>	<u>34,201,350</u>	<u>12,687,152</u>	<u>(498,784,433)</u>	<u>-</u>	<u>(498,784,433)</u>	<u>-</u>
<b>Business-type:</b>								
Gas	\$ 205,625,040	\$ 218,631,706	\$ -	\$ 763,540	\$ -	\$ 13,770,206	\$ 13,770,206	\$ -
Water	61,101,221	75,808,208	82,390	17,849,103	-	32,638,480	32,638,480	-
Wastewater	71,624,465	93,819,301	-	1,923,181	-	24,118,017	24,118,017	-
Stormwater	11,263,483	13,096,189	-	418,393	-	2,251,099	2,251,099	-
Cemeteries	2,081,530	1,979,309	-	-	-	(102,221)	(102,221)	-
Parking	10,517,294	15,431,613	-	-	-	4,914,319	4,914,319	-
Total Business-type Activities	<u>362,213,033</u>	<u>418,766,326</u>	<u>82,390</u>	<u>20,954,217</u>	<u>-</u>	<u>77,589,900</u>	<u>77,589,900</u>	<u>-</u>
Total Primary Government	<u>\$ 1,136,065,971</u>	<u>\$ 646,946,329</u>	<u>\$ 34,283,740</u>	<u>\$ 33,641,369</u>	<u>\$ (498,784,433)</u>	<u>\$ 77,589,900</u>	<u>\$ (421,194,533)</u>	<u>\$ -</u>
<b>Component Units:</b>								
School Board	448,314,808	2,240,201	200,214,919	2,200,000	-	-	-	(243,659,688)
Richmond Economic Development Authority	2,002,860	999,007	790,384	-	-	-	-	(213,469)
Richmond Ambulance Authority	21,098,301	12,648,571	892,590	-	-	-	-	(7,557,140)
Richmond Behavioral Health Authority	75,812,498	18,326,490	-	-	-	-	-	(57,486,008)
Richmond Redevelopment and Housing Authority	78,911,205	9,919,039	61,977,889	21,341,039	-	-	-	14,326,762
Total Component Units	<u>\$ 626,139,672</u>	<u>\$ 44,133,308</u>	<u>\$ 263,875,782</u>	<u>\$ 23,541,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(294,589,543)</u>
<b>General Revenues:</b>								
<b>City Taxes</b>								
Real Estate					364,450,861	-	364,450,861	-
Sales Tax					44,689,387	-	44,689,387	-
Personal Property					61,582,798	-	61,582,798	-
Machinery and Tools					14,313,100	-	14,313,100	-
General Utility Sales					17,898,426	-	17,898,426	-
State Communication Taxes					11,017,266	-	11,017,266	-
Bank Stock					4,278,305	-	4,278,305	-
Prepared Food					45,762,510	-	45,762,510	-
Cigarette Tax					2,579,506	-	2,579,506	-
Lodging Tax					8,130,205	-	8,130,205	-
Admissions					1,909,783	-	1,909,783	-
Real Estate Taxes - Delinquent					5,712,148	-	5,712,148	-
Personal Property Taxes - Delinquent					7,591,720	-	7,591,720	-
Penalties and Interest					5,286,509	-	5,286,509	-
Property Rental 1%					99,631	-	99,631	-
Vehicle Rental Tax					1,298,495	-	1,298,495	-
Telephone Commissions					350,057	-	350,057	-
Total City Taxes					<u>596,950,707</u>	<u>-</u>	<u>596,950,707</u>	<u>-</u>
Intergovernmental Revenue					-	-	-	138,016,642
Payment From Primary Government - Unrestricted					-	-	-	196,366,150
Investment Earnings					83,342	985,279	1,068,621	122,947
Miscellaneous					19,361,204	1,373,748	20,734,952	9,081,831
Transfers					32,997,988	(32,997,988)	-	-
Total General Revenues and Transfers					<u>649,393,241</u>	<u>(30,638,961)</u>	<u>618,754,280</u>	<u>343,587,570</u>
Changes in Net Position					150,608,808	46,950,939	197,559,747	48,998,027
Net Position - Beginning of Year					284,964,882	878,598,846	1,163,563,728	(105,263,827)
Net Position - End of Year					<u>\$ 435,573,690</u>	<u>\$ 925,549,785</u>	<u>\$ 1,361,123,475</u>	<u>\$ (56,265,800)</u>

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

**CITY OF RICHMOND, VIRGINIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022**

**EXHIBIT C, Continued**

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Equivalents (Note 3)	\$ 346,575,462	\$ 652,686	\$ -	\$ 41,764,528	\$ 388,992,676
Receivables (Net of Allowance for Doubtful Accounts):					
Taxes and Licenses	60,377,425	-	-	-	60,377,425
Accounts Receivable, Net	18,727,580	2,216,000	-	8,653,953	29,597,533
Account Receivable - Leases	6,531,581	-	-	-	6,531,581
Due From Other Funds (Note 4)	54,582,479	-	-	-	54,582,479
Due From Other Governments (Note 5)	343,350	-	3,694,183	5,078,053	9,115,586
Prepaid Assets	11,496	-	-	-	11,496
Restricted Assets - Cash and Investments (Note 3)	-	12,521,049	21,523,656	233,745	34,278,450
Total Assets	<u>487,149,373</u>	<u>15,389,735</u>	<u>25,217,839</u>	<u>55,730,279</u>	<u>583,487,226</u>
<b>Liabilities:</b>					
Accounts Payable	29,920,869	-	3,139,250	6,419,673	39,479,792
Accrued Liabilities	1,392,923	-	-	941,845	2,334,768
Accrued Wages	3,478,470	-	62,375	719,292	4,260,137
Due To Component Units - Schools	36,212,368	-	-	-	36,212,368
Due To Other Governments	2,491,850	-	-	-	2,491,850
Due To Other Funds (Note 4)	-	-	45,855,670	589,981	46,445,651
Unearned Revenue	148,965,164	-	7,387,212	6,909,739	163,262,115
Total Liabilities	<u>222,461,644</u>	<u>-</u>	<u>56,444,507</u>	<u>15,580,530</u>	<u>294,486,681</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Property Taxes	51,759,388	-	-	-	51,759,388
Prepaid Taxes	164,879	-	-	-	164,879
Deferred Inflow - Leases	6,514,301	-	-	-	6,514,301
Total Deferred Inflows of Resources	<u>58,438,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,438,568</u>
<b>Fund Balances (Note 8):</b>					
Nonspendable	11,496	-	-	-	11,496
Restricted	-	15,389,735	21,523,656	40,149,749	77,063,140
Committed	25,329,469	-	-	-	25,329,469
Assigned	73,045,704	-	-	-	73,045,704
Unassigned	107,862,492	-	(52,750,324)	-	55,112,168
Total Fund Balances	<u>206,249,161</u>	<u>15,389,735</u>	<u>(31,226,668)</u>	<u>40,149,749</u>	<u>230,561,977</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 487,149,373</u>	<u>\$ 15,389,735</u>	<u>\$ 25,217,839</u>	<u>\$ 55,730,279</u>	<u>\$ 583,487,226</u>

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, 2022**

**EXHIBIT C, Concluded**

Total Fund Balances for Governmental Funds		\$ 230,561,977
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	113,398,971	
Infrastructure, net	362,815,959	
Buildings, structures, improvements, and equipment, net	665,821,829	
Construction in progress	135,894,856	
Right of use assets	4,879,252	1,282,810,867
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	19,528,632	
Deferred Outflows Pension and OPEB	<u>75,955,277</u>	95,483,909
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	33,167,954	33,167,954
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	(11,831,598)	
Right of use liabilities	(4,973,835)	
Governmental bonds, notes payable, and line of credit	(862,380,732)	
Compensated Absences	(21,287,505)	
Pension and OPEB related - Deferred Inflow of Resources	(87,921,176)	
Pension and OPEB related - Net Pension Liability	<u>(231,360,599)</u>	(1,219,755,445)
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>13,304,428</u>
Net Position of Governmental Activities		<u>\$ 435,573,690</u>

**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

EXHIBIT D, Continued

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
<b>Revenues</b>					
<b>City Taxes</b>					
Real Estate	\$ 364,442,735	\$ -	\$ -	\$ -	\$ 364,442,735
Sales Tax	44,689,387	-	-	-	44,689,387
Personal Property	64,524,543	-	-	-	64,524,543
Machinery and Tools	14,313,100	-	-	-	14,313,100
Utility Sales Tax Gas	5,016,694	-	-	-	5,016,694
Utility Sales Tax Electric	13,600,827	-	-	-	13,600,827
Utility Sales Tax Telephone	776	-	-	-	776
State Communications Taxes	11,017,266	-	-	-	11,017,266
Bank Stock	4,278,305	-	-	-	4,278,305
Prepared Food	45,762,510	-	-	-	45,762,510
Cigarette Tax	2,579,506	-	-	-	2,579,506
Lodging Tax	8,130,205	-	-	-	8,130,205
Admission	1,909,783	-	-	-	1,909,783
Real Estate Taxes - Delinquent	5,714,370	-	-	-	5,714,370
Personal Property Taxes - Delinquent	7,591,720	-	-	-	7,591,720
Penalties and Interest	6,735,486	-	-	-	6,735,486
Property Rental 1%	99,631	-	-	-	99,631
Vehicle Rental Tax	1,298,495	-	-	-	1,298,495
Telephone Commissions	350,057	-	-	-	350,057
Total City Taxes	<u>602,055,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,055,396</u>
Licenses, Permits and Privilege Fees	50,681,523	-	-	-	50,681,523
Intergovernmental	83,075,860	1,398,500	7,999,992	74,003,531	166,477,883
Service Charges	32,328,964	-	-	3,357,535	35,686,499
Fines and Forfeitures	8,251,618	-	-	170,484	8,422,102
Utility Payments	23,469,741	-	-	-	23,469,741
Investment Income	-	2,396	46,676	34,297	83,369
Lease Revenue	-	-	-	432,031	432,031
Miscellaneous	10,753,320	-	3,532,119	4,599,615	18,885,054
Total Revenues	<u>810,616,422</u>	<u>1,400,896</u>	<u>11,578,787</u>	<u>82,597,493</u>	<u>906,193,598</u>
<b>Expenditures</b>					
<b>Current:</b>					
General Government	62,723,715	-	-	14,873,254	77,596,969
Public Safety and Judiciary	207,236,650	-	-	9,902,429	217,139,079
Highways, Streets, Sanitation and Refuse	39,232,613	-	-	55,498,425	94,731,038
Human Services	59,158,462	-	-	12,929,124	72,087,586
Culture and Recreation	27,683,368	-	-	1,433,612	29,116,980
Education	187,142,096	-	-	-	187,142,096
Non-Departmental	88,151,311	-	-	-	88,151,311
Capital Outlay	-	-	50,708,011	-	50,708,011
<b>Debt Service:</b>					
Principal Retirement	-	56,157,819	-	-	56,157,819
Interest Payments	-	31,805,500	-	-	31,805,500
Debt Issuance costs	-	833	-	-	833
Total Expenditures	<u>671,328,215</u>	<u>87,964,152</u>	<u>50,708,011</u>	<u>94,636,844</u>	<u>904,637,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>139,288,207</u>	<u>(86,563,256)</u>	<u>(39,129,224)</u>	<u>(12,039,351)</u>	<u>1,556,376</u>
<b>Other Financing Sources</b>					
Issuance of Bonds and Notes	-	-	28,651,791	-	28,651,791
Receipts from EDA	-	1,437,262	-	-	1,437,262
Transfers In - Other Funds	9,828,247	86,141,812	8,971,210	12,624,405	117,565,674
Transfers Out - Other Funds	(105,037,498)	-	(143,120)	(3,093,392)	(108,274,010)
Total Other Financing Sources, Net	<u>(95,209,251)</u>	<u>87,579,074</u>	<u>37,479,881</u>	<u>9,531,013</u>	<u>39,380,717</u>
Net Change in Fund Balances	44,078,956	1,015,818	(1,649,343)	(2,508,338)	40,937,093
Fund Balances - Beginning of Year	<u>162,170,205</u>	<u>14,373,917</u>	<u>(29,577,325)</u>	<u>42,658,087</u>	<u>189,624,884</u>
Fund Balances - End of Year	<u>\$ 206,249,161</u>	<u>\$ 15,389,735</u>	<u>\$ (31,226,668)</u>	<u>\$ 40,149,749</u>	<u>\$ 230,561,977</u>

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, 2022**

EXHIBIT D, Concluded

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

Net change in Fund Balances - Total Governmental Funds		\$ 40,937,093
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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	53,771,811	
Depreciation expense	<u>(52,034,468)</u>	1,737,343

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	(28,651,791)	
Principal payments of bonds, net of payments on behalf of Component Units	56,156,015	
Amortization of bond premiums and refunding	<u>9,170,121</u>	36,674,345

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	(2,941,745)	(2,941,745)
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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	1,012,407	
Change in Compensated Absences	(772,829)	
Change in Net Pension and OPEB Obligations	<u>71,351,110</u>	71,590,688

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.

Change in Net Position of Governmental Activities		<u>\$ 150,608,808</u>
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**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2022

EXHIBIT E-1

Enterprise Funds

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
<b>Assets</b>							
<b>Current Assets:</b>							
Cash and Cash Equivalents (Note 3)	\$ 15,178,577	\$ 107,693,285	\$ 121,162,367	\$ -	\$ 10,328,587	\$ 254,362,816	\$ 56,697,541
Accounts Receivables (Net of Allowance for Doubtful Accounts)	31,150,294	26,926,895	19,776,877	4,345,863	1,526,201	83,726,130	8,103,868
Due From Other Funds (Note 4)	1,112,069	1,063,069	4,049,980	-	-	6,225,118	-
Due From Other Governments (Note 5)	-	7,729,363	2,069,630	281,996	-	10,080,989	-
Inventories of Materials and Supplies	14,717,834	-	-	-	-	14,717,834	6,283,431
Prepaid Expenses and Other Current Assets	2,533,577	2,193,856	2,794,805	-	45	7,522,283	1,057,211
<b>Total Current Assets</b>	<b>64,692,351</b>	<b>145,606,468</b>	<b>149,853,659</b>	<b>4,627,859</b>	<b>11,854,833</b>	<b>376,635,170</b>	<b>72,142,051</b>
<b>Noncurrent Assets:</b>							
Restricted Cash	14,477,093	15,673,668	111,158,303	-	-	141,309,064	-
<b>Capital Assets (Note 6):</b>							
Land	219,200	878,307	1,101,261	-	22,456,955	24,655,723	2,049,921
Buildings and Structures	710,033,131	557,077,534	736,677,055	23,353,355	36,131,729	2,063,272,804	53,148,135
Equipment and Other Assets	47,010,671	114,511,115	145,981,800	41,497,660	3,875,861	352,877,107	127,502,587
Construction in Progress	2,885,423	8,394,670	33,514,323	3,994,798	-	48,789,214	272,836
Less: Accumulated Depreciation	(344,735,886)	(285,831,226)	(407,288,719)	(12,098,530)	(17,066,114)	(1,067,020,475)	(148,692,433)
ROU Assets Land & Land Rights	-	-	-	-	14,482,020	14,482,020	-
ROU Assets-Equip & Other Assets	-	-	-	-	-	-	1,567,894
Less: Accumulated amortization	-	-	-	-	(216,419)	(216,419)	(356,813)
<b>Total capital assets, net accumulated depreciation and amortization</b>	<b>415,412,539</b>	<b>395,030,400</b>	<b>509,985,720</b>	<b>56,747,283</b>	<b>59,664,032</b>	<b>1,436,839,974</b>	<b>35,492,127</b>
<b>Total Noncurrent Assets</b>	<b>429,889,632</b>	<b>410,704,068</b>	<b>621,144,023</b>	<b>56,747,283</b>	<b>59,664,032</b>	<b>1,578,149,038</b>	<b>35,492,127</b>
<b>Total Assets</b>	<b>494,581,983</b>	<b>556,310,536</b>	<b>770,997,682</b>	<b>61,375,142</b>	<b>71,518,865</b>	<b>1,954,784,208</b>	<b>107,634,178</b>
<b>Deferred Outflows of Resources</b>							
Losses on Refunding of Debt	4,883,651	3,138,970	4,967,101	-	-	12,989,722	440
Pension /OPEB Related Activities (Note 11 and 12)	5,250,352	3,642,719	4,222,525	1,285,863	850,826	15,252,285	1,732,381
<b>Total Deferred Outflows of Resources</b>	<b>10,134,003</b>	<b>6,781,689</b>	<b>9,189,626</b>	<b>1,285,863</b>	<b>850,826</b>	<b>28,242,007</b>	<b>1,732,821</b>
<b>Liabilities</b>							
<b>Current Liabilities:</b>							
Combined RPS City Withholding	-	-	-	-	-	-	6,745,439
Accounts Payable	22,386,109	5,872,136	8,529,518	1,053,373	1,090,746	38,931,882	9,376,162
Accrued Liabilities	131,760	1,409,366	1,015,389	260,360	18,597	2,835,472	3,333,595
Accrued Wages	506,202	390,874	396,380	129,993	59,870	1,483,319	410,131
Due To Other Funds (Note 4)	-	-	-	5,408,442	1,874,798	7,283,240	7,078,706
Accrued Interest on Bonds Payable	4,957,893	3,459,688	6,148,427	2,161	592,288	15,160,457	9,576
General Obligation Bonds and Notes Payable (Note 7)	2,422,391	1,462,326	-	8,057,626	3,501,233	15,443,576	2,144,818
Revenue Bonds Payable (Note 7)	9,454,590	7,522,365	13,884,420	-	-	30,861,375	-
Compensated Absences (Note 7)	381,613	289,803	289,914	100,724	38,619	1,100,673	460,386
Other Liabilities & Claims Payable	-	-	-	1,216,753	14,421,914	15,638,667	10,036,164
<b>Total Current Liabilities</b>	<b>40,240,558</b>	<b>20,406,558</b>	<b>30,264,048</b>	<b>16,229,432</b>	<b>21,598,065</b>	<b>128,738,661</b>	<b>39,594,977</b>
<b>Noncurrent Liabilities:</b>							
Customers' Deposits	7,058,367	2,377,738	-	-	-	9,436,105	-
General Obligation Bonds and Notes Payable (Note 7)	2,341,924	1,413,750	-	2,552,921	37,733,750	44,042,345	7,111,929
Revenue Bonds Payable (Note 7)	258,068,008	184,974,176	374,850,635	-	-	817,892,819	-
Compensated Absences (Note 7)	758,971	576,374	576,596	200,324	82,481	2,194,746	975,588
Net Pension and OPEB Liability	17,269,700	10,801,610	12,195,187	4,177,985	881,812	45,326,294	4,624,585
NC Other Liabilities & Claims Payable	-	-	-	-	-	-	33,751,528
<b>Total Noncurrent Liabilities</b>	<b>285,496,970</b>	<b>200,143,648</b>	<b>387,622,418</b>	<b>6,931,230</b>	<b>38,698,043</b>	<b>918,892,309</b>	<b>46,463,630</b>
<b>Total Liabilities</b>	<b>325,737,528</b>	<b>220,550,206</b>	<b>417,886,466</b>	<b>23,160,662</b>	<b>60,296,108</b>	<b>1,047,630,970</b>	<b>86,058,607</b>
<b>Deferred Inflows of Resources</b>							
Pension & OPEB Related Activities (Note 11 and 12)	6,026,051	4,317,130	4,406,912	1,454,932	538,268	16,743,293	3,106,131
<b>Total Deferred Inflows of Resources</b>	<b>6,026,051</b>	<b>4,317,130</b>	<b>4,406,912</b>	<b>1,454,932</b>	<b>538,268</b>	<b>16,743,293</b>	<b>3,106,131</b>
<b>Net Position</b>							
Net Investment in Capital Assets	147,870,949	207,552,672	215,525,708	39,656,851	3,663,718	614,269,898	27,273,759
Restricted - Debt Service	10,170,710	7,609,264	13,763,677	-	-	31,543,651	-
Unrestricted	14,910,748	123,062,953	128,604,545	(1,611,440)	7,871,597	272,838,403	(7,071,498)
<b>Total Net Position</b>	<b>\$ 172,952,407</b>	<b>\$ 338,224,889</b>	<b>\$ 357,893,930</b>	<b>\$ 38,045,411</b>	<b>\$ 11,535,315</b>	<b>\$ 918,651,952</b>	<b>\$ 20,202,261</b>

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

918,651,952

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

6,897,833

Net Position Shown on Government-Wide Statement of Net Position

\$ 925,549,785



CITY OF RICHMOND, VIRGINIA  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN THE NET POSITION**  
**PROPRIETARY FUNDS**  
For the Fiscal Year Ended June 30, 2022

EXHIBIT E-2

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
<b>Operating Revenues</b>							
Charges for Goods and Services	\$ 218,147,016	\$ 75,385,511	\$ 93,819,301	\$ 13,096,189	\$ 17,410,922	\$ 417,858,939	\$ 133,744,076
<b>Operating Expenses</b>							
Purchased Gas	126,109,288	-	-	-	-	126,109,288	-
Intragovernmental Goods and Services Sold	-	-	-	-	-	-	10,953,324
Salaries and Wages and Benefits	16,499,552	13,457,699	12,393,020	4,355,809	323,732	47,029,812	12,904,688
Data Processing	-	-	-	-	-	-	9,854,350
Materials and Supplies	1,719,723	1,846,646	1,133,493	255,049	42,547	4,997,458	1,834,057
Rents and Utilities	525,086	4,453,682	4,921,710	195,923	739,790	10,836,191	2,560,829
Maintenance and Repairs	18,311,694	8,128,741	6,394,038	3,571,416	1,890,020	38,295,909	3,443,260
Depreciation and Amortization	23,873,079	18,739,423	22,116,650	1,905,489	1,814,163	68,448,804	5,350,628
Claims and Settlements	-	-	-	-	20,100	20,100	72,952,808
Uncollectible Expense	353,556	355,178	236,187	30,378	-	975,299	-
Miscellaneous Operating Expenses	12,785,463	17,067,694	21,474,010	869,174	6,226,578	58,422,919	10,985,182
Total Operating Expenses	200,177,441	64,049,063	68,669,108	11,183,238	11,056,930	355,135,780	130,839,126
Operating Income (Loss)	17,969,575	11,336,448	25,150,193	1,912,951	6,353,992	62,723,159	2,904,950
<b>Non-Operating Revenues (Expenses)</b>							
Interest on Long-Term Debt	(9,728,090)	(6,866,975)	(11,937,416)	(75,495)	(1,541,894)	(30,149,870)	(247,599)
Interest Income	157,334	114,810	713,135	-	-	985,279	2,963
Interest Expense	(39,411)	(12,756)	-	-	-	(52,167)	-
Miscellaneous Revenues (Expenses)	13,160	210,379	1,118,807	100,669	-	1,443,015	85,305
Total Non-Operating Revenues (Expenses), Net	(9,597,007)	(6,554,542)	(10,105,474)	25,174	(1,541,894)	(27,773,743)	(159,331)
Net Income Before Contributions and Transfers	8,372,568	4,781,906	15,044,719	1,938,125	4,812,098	34,949,416	2,745,619
Capital Contributions	764,140	17,849,103	1,923,181	418,393	-	20,954,817	203,835
Transfers In - Other Funds	-	-	-	-	-	-	236,583
Transfers Out - Other Funds	(2,131,517)	(3,738,069)	(3,658,661)	-	-	(9,528,247)	-
Change in Net Position	7,005,191	18,892,940	13,309,239	2,356,518	4,812,098	46,375,986	3,186,037
Net Position - Beginning of Year, as restated	165,947,216	319,331,949	344,584,691	35,688,893	6,723,217	872,275,966	17,016,224
Net Position - End of Year	\$ 172,952,407	\$ 338,224,889	\$ 357,893,930	\$ 38,045,411	\$ 11,535,315	\$ 918,651,952	\$ 20,202,261

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

46,375,986

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

574,953

Change in Net Position as Shown on Government-Wide Statement of Activities

\$ 46,950,939

**CITY OF RICHMOND, VIRGINIA**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

EXHIBIT E-3

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
<b>Cash Flows from Operating Activities</b>							
Receipts from Customers	\$ 194,953,495	\$ 69,947,425	\$ 89,348,001	\$ 12,799,833	\$ 18,326,578	\$ 385,375,332	\$ 133,372,793
Payments to Suppliers	(154,053,653)	(25,130,659)	(25,891,547)	(4,908,700)	(8,908,542)	(218,893,101)	(105,325,589)
Payments to Employees	(15,797,839)	(13,152,963)	(13,162,958)	(4,279,767)	(2,168,137)	(48,561,664)	(13,275,843)
Payments to Other Funds	(6,455,724)	(6,045,026)	(8,197,285)	-	-	(20,698,035)	-
Receipts from Other Funds	-	-	-	-	-	-	(225,573)
Other Receipts or (Payments)	(102,510)	68,025	1,118,807	(58,653)	-	1,025,669	76,461
Net Cash Provided By Operating Activities	18,543,769	25,686,802	43,215,018	3,552,713	7,249,899	98,248,201	14,622,249
<b>Cash Flows from Noncapital Financing Activities</b>							
Transfers In - Other Funds	(4,933,257)	(2,216,629)	(2,539,684)	-	-	(9,689,570)	-
Transfers Out - Other Funds	(2,131,517)	(3,738,069)	(3,658,661)	-	-	(9,528,247)	-
Due From Other Funds	202,390	278,027	315,581	(946,742)	-	(150,744)	(445,018)
Due to Other Funds	-	-	-	-	364,171	364,171	1,217,312
Net Cash Provided By (Used In) Noncapital Financing Activities	(6,862,384)	(5,676,671)	(5,882,764)	(946,742)	364,171	(19,004,390)	772,294
<b>Cash Flows from Capital and Related Financing Activities</b>							
Acquisition of Capital Assets/ROU Assets	(24,853,245)	(27,213,887)	(40,241,900)	(6,229,645)	(68,546)	(98,607,223)	(4,229,018)
Proceeds from Bond Sale	-	-	3,867,832	3,600,000	-	7,467,832	-
Capital Grants and Contributions	764,140	12,588,037	1,226,847	735,311	-	-	-
Repayments of Revenue Bonds, General Obligation Bonds	(11,646,996)	(8,932,584)	(13,691,506)	(635,618)	(4,107,425)	(39,014,129)	(2,124,111)
Repayments of Notes Payables	-	-	-	-	-	-	203,835
Interest Paid on Long-Term Debt	(11,298,291)	(7,924,976)	(13,912,201)	(76,019)	(1,587,160)	(34,798,647)	(247,038)
Net Cash Used in Capital and Related Financing Activities	(47,034,392)	(31,483,410)	(62,750,928)	(2,605,971)	(5,763,131)	(164,952,167)	(6,396,332)
<b>Cash Flows from Investing Activities</b>							
Interest Earned on Operating Funds	157,334	114,810	713,135	-	-	985,279	-
Interest Paid on Customers' Deposits	(39,411)	(12,756)	-	-	-	(52,167)	-
Net Cash Provided By Investing Activities	117,923	102,054	713,135	-	-	933,112	-
Net Increase (Decrease) in Cash and Cash Equivalents	(35,235,084)	(11,371,225)	(24,705,539)	-	1,850,939	(69,460,909)	8,998,211
Cash and Cash Equivalents at July 1, 2021	64,890,754	134,738,178	257,026,209	-	8,477,648	465,132,789	47,699,330
Cash and Cash Equivalents at June 30, 2022	\$ 29,655,670	\$ 123,366,953	\$ 232,320,670	\$ -	\$ 10,328,587	\$ 395,671,880	\$ 56,697,541
<b>Reconciliation of Operating Income</b>							
To Net Cash Provided by Operating Activities							
Operating Income	\$ 17,969,575	\$ 11,336,448	\$ 25,150,193	\$ 1,912,951	\$ 6,353,992	\$ 62,723,159	\$ 2,904,950
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation and amortization	23,873,079	18,739,423	22,116,650	1,905,489	1,814,163	68,448,804	5,350,628
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	647,475	647,475	-
Pension Expense	759,197	355,740	(794,237)	86,704	(1,812,635)	(1,405,231)	(825,399)
Miscellaneous Revenues (Expenses)	13,160	210,379	1,118,807	100,669	(45)	1,442,970	85,304
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Accounts Receivable	(22,839,966)	(5,082,909)	(4,235,108)	(425,302)	268,173	(32,315,112)	(380,127)
Inventories of Material and Supplies	(9,255,606)	-	-	-	-	(9,255,606)	(657,329)
Prepaid Expenses	(107,228)	(33,056)	(18,807)	-	-	(159,091)	1,227,772
Accounts Payable	8,319,597	432,984	(116,473)	7,324	10,537	8,653,969	6,825,202
Accrued Liabilities	(95,490)	(137,498)	(35,480)	(31,542)	(5,576)	(305,586)	(376,196)
Customers' Deposits	(115,671)	(142,353)	-	-	-	(258,024)	-
Compensated Absences	23,122	7,644	29,473	16,064	(26,185)	50,118	467,444
Other Liabilities	-	-	-	(19,644)	-	(19,644)	-
Total Adjustments	574,194	14,350,354	18,064,825	1,639,762	895,907	35,525,042	11,717,299
Net Cash Provided by Operating Activities	\$ 18,543,769	\$ 25,686,802	\$ 43,215,018	\$ 3,552,713	\$ 7,249,899	\$ 98,248,201	\$ 14,622,249

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

**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2022**

EXHIBIT F-1

	<b>Pension &amp; Other Employee Benefit Trust Funds</b>	<b>Social Welfare Private-Purpose Trust Fund</b>	<b>Custodial Funds</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 7,596,077	\$ 2,483,514	\$ 1,322,897
Receivables:			
Accounts Receivable	2,126,272	-	-
Total Receivables	2,126,272	-	-
Investments at fair value:			
US Equities	154,982,400	-	-
International Equities	94,702,935	-	-
Fixed Income	160,036,366	-	-
Real Estate	80,440,837	-	-
Diversifying Assets	46,753,288	-	-
Private Debt	50,448,181	-	-
Private Equity	35,887,783	-	-
Pooled Investment Funds	8,234,777	-	-
Total investments	631,486,567	-	-
Other Assets	209,699	-	-
<b>Total Assets</b>	<b>\$ 641,418,615</b>	<b>\$ 2,483,514</b>	<b>\$ 1,322,897</b>
<b>Liabilities</b>			
DROP Payable	\$ 11,077,546	\$ -	\$ -
Accounts Payable	2,240,167	-	569,012
Investment Expense Payable	355,597	-	-
Retirement & Death Benefit Payable	353,069	-	-
Due To Other Governments	-	-	93,093
Due to Others	-	2,483,514	663,407
<b>Total Liabilities</b>	<b>14,026,379</b>	<b>2,483,514</b>	<b>1,325,512</b>
<b>Net Position</b>			
Restricted for:			
Pensions	619,157,459	-	-
Postemployment benefits, Other Than Pensions	8,234,777	-	-
Individuals, Organizations, Other governments	-	-	(2,615)
<b>Total Net Position</b>	<b>\$ 627,392,236</b>	<b>\$ -</b>	<b>\$ (2,615)</b>

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, 2022**

EXHIBIT F-2

	<b>Pension &amp; Other Employee Benefit Trust Funds</b>	<b>Social Welfare Private-Pur pose Trust Fund</b>	<b>Custodial Funds</b>
<b>Additions</b>			
Contributions:			
Individuals	\$ 1,777,663	\$ -	\$ 1,109,231
City of Richmond	58,698,396	-	-
RBHA	1,549,004	-	-
Other	97,362	-	-
Total Contributions	<u>62,122,425</u>	-	<u>1,109,231</u>
Investment earnings/(loss):			
Net increase in fair value of investments	(48,024,116)	-	-
Interest, dividends, other	2,804,556	-	-
Total Investment Earnings	<u>(45,219,560)</u>	-	<u>-</u>
Less Investment Costs			
Investment activity costs	1,720,011	-	-
Net Investment Loss	<u>(46,939,571)</u>	-	<u>-</u>
License and fees collected for State	-	-	39,193
Miscellaneous	-	233,673	-
Total Additions	<u>15,182,854</u>	<u>233,673</u>	<u>1,148,424</u>
<b>Deductions</b>			
Benefits paid to participants or beneficiaries	79,220,501	-	1,082,643
Refunds of member contributions	80,936	-	-
Payments to state	-	-	41,825
Administrative expense	1,528,707	41,219	-
Other	60,895	-	-
Total Deductions	<u>80,891,039</u>	<u>41,219</u>	<u>1,124,468</u>
<b>Change in Net Position</b>	(65,708,185)	192,454	23,956
Net Position - July 1, 2021	693,100,421	(192,454)	(26,571)
Net Position - June 30, 2022	<u>\$ 627,392,236</u>	<u>\$ -</u>	<u>\$ (2,615)</u>

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

**CITY OF RICHMOND, VIRGINIA  
STATEMENT OF NET POSITION  
COMPONENT UNITS  
6/30/2022**

EXHIBIT G-1

	School Board	Richmond Economic Development Authority	Richmond Ambulance Authority	Richmond Behavioral Health Authority	Richmond Redevelopment and Housing Authority	Total
<b>Assets</b>						
Cash and Cash Equivalents	\$ 38,996,536	\$ 10,676,682	\$ 1,641,624	\$ 23,786,614	\$ 39,675,918	\$ 114,777,374
Due From Primary Government	-	119,692	-	-	-	119,692
Due From Other Governments	43,716,834	-	-	1,962,652	-	45,679,486
Accounts Receivable	1,119,016	-	3,071,471	2,387,327	3,900,610	10,478,424
Other Current Assets	-	59,487	-	-	828,542	888,029
Financed purchase notes receivable current portion	-	573,581	-	-	5,761,028	6,334,609
Lease receivable, current portion	-	333,699	-	-	-	333,699
Inventories of Materials and Supplies	113,417	-	260,684	-	-	374,101
Prepaid Expenses and Other Current Assets	25,400	-	628,153	457,311	-	1,110,864
Investments	1,675,867	-	5,000,000	-	-	6,675,867
Net Pension Asset	5,193,828	-	-	-	-	5,193,828
Mortgage Loans Receivable and Other Non-Current Assets	-	-	-	-	54,609,946	54,609,946
Capital Assets:	-	-	-	-	-	-
Land	-	1,612,388	-	861,203	7,904,139	10,377,730
Buildings and Structures	-	29,991,206	1,038,872	18,134,076	137,985,926	187,150,080
Leasehold Improvements	-	-	-	3,297,556	-	3,297,556
Other Non-Current Assets	-	135,145	-	-	-	135,145
Equipment	80,869,035	-	11,017,072	7,063,894	24,202,915	123,152,916
Less: Accumulated Depreciation	(52,862,495)	(20,315,785)	(8,686,557)	(9,915,850)	(103,878,555)	(195,659,242)
Right to Use Assets	1,876,257	-	-	15,135,937	-	17,012,194
Less: Accumulated Depreciation	(1,181,592)	-	-	(1,969,772)	-	(3,151,364)
Leased capital asset, net	-	1,476,580	-	-	12,121,485	13,598,065
Financed purchase notes receivable, less current portion	-	19,395,675	-	-	-	19,395,675
Lease receivable, less current portion	-	56,959	-	-	-	56,959
Loans receivable, net	-	9,226,040	-	-	-	9,226,040
Accrued interest receivable	-	1,156,521	-	-	-	1,156,521
Construction in Progress	-	54,651	-	593,384	-	648,035
Total Capital Assets	28,701,205	42,789,380	3,369,387	33,200,428	78,335,910	186,396,310
Total Assets	119,542,103	54,552,521	13,971,319	61,794,332	183,111,954	432,972,229
Deferred Outflows of Resources						
Deferrals related to OPEB	12,275,616	-	-	659,393	365,731	13,300,740
Deferrals related to Pension	98,869,684	-	-	5,071,383	2,716,040	106,657,107
Total Deferred Outflows of Resources	111,145,300	-	-	5,730,776	3,081,771	119,957,847
<b>Liabilities</b>						
Accounts Payable	9,014,870	87,207	864,516	1,890,038	2,733,633	14,590,264
Accrued Liabilities	31,387,396	82,878	165,985	2,028,408	1,521,356	35,186,023
Accrued Interest	-	-	-	20,295	-	20,295
Due To Primary Government	-	33,072	-	-	-	33,072
Due To Other Governments	2,234,051	-	-	-	253,672	2,487,723
Unearned Revenues	5,966,701	-	1,018,351	26,490,486	766,195	34,241,733
Current portion of long-term liabilities	-	-	-	1,919,486	-	1,919,486
Customers' Deposits	-	125,540	-	-	573,812	699,352
Bonds, Notes Payable and Capital Leases	-	-	-	-	-	-
Current portion of recoverable Grant Payable	-	730,000	-	-	-	730,000
Other Current Liabilities	-	-	16,866	-	1,119,770	1,136,636
Compensated Absences	-	-	-	2,219,946	787,566	3,007,512
Accrued healthcare claims	5,133,848	-	-	-	-	5,133,848
Non-Current Liabilities:						
Due within one year	3,125,999	-	-	-	-	3,125,999
Due in more than one year	251,620,761	-	-	14,312,137	-	265,932,898
Bonds, Notes Payable and Capital Leases	-	-	-	-	5,030,000	5,030,000
Other Noncurrent Liabilities	-	-	16,972	-	15,699,636	15,716,608
Net Other Postemployment Benefit Obligations	-	-	-	4,020,864	-	4,020,864
Net Pension Liability	-	-	-	7,924,535	9,633,249	17,557,784
Lease Payable	-	1,469,283	-	-	-	1,469,283
Recoverable grants payable	-	24,885,000	-	-	-	24,885,000
Total Liabilities	308,483,626	27,412,980	2,082,690	60,826,195	38,118,889	436,924,380
<b>Deferred Inflow of Resources</b>						
Deferrals related to OPEB	25,350,845	-	-	194,011	149,763	25,694,619
Deferrals related to Pension	142,931,087	-	-	3,031,997	233,728	146,196,812
Leases	-	380,065	-	-	-	380,065
Total Deferred Inflows of Resources	168,281,932	380,065	-	3,226,008	383,491	172,271,496
<b>Net Position</b>						
Net Investment in Capital Assets	26,274,532	4,849,757	3,335,549	16,968,805	78,335,910	129,764,553
Restricted for:						
Capital Projects	7,728,718	6,489,175	-	-	9,295,053	23,512,946
Permanent Funds:	1,348,876	-	-	-	-	1,348,876
Special Revenue Funds:	1,152,988	-	-	-	-	1,152,988
Nutrition Service funds	1,253,156	-	-	-	-	1,253,156
Unrestricted	(283,836,425)	15,420,544	8,553,080	(13,495,900)	60,060,382	(213,298,319)
Total Net Position	\$ (246,078,155)	\$ 26,759,476	\$ 11,888,629	\$ 3,472,905	\$ 147,691,345	\$ (56,265,800)

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, 2022**

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	\$ 448,151,356	\$ 2,240,201	\$ 200,214,919	\$ 2,200,000	\$ (243,496,236)	\$ -	\$ -	\$ -	\$ -	\$ (243,496,236)
Richmond Economic Development Authority	1,229,021	999,007	790,384	-	-	560,370	-	-	-	560,370
Richmond Ambulance Authority	20,861,396	12,648,571	892,590	-	-	-	(7,320,235)	-	-	(7,320,235)
Richmond Behavioral Health Authority	75,456,977	18,326,490	-	-	-	-	-	(57,130,487)	-	(57,130,487)
Richmond Redevelopment and Housing Authority	78,911,205	9,919,039	61,977,889	21,341,039	-	-	-	-	14,326,762	14,326,762
<b>Total Component Units</b>	<b>\$ 624,609,955</b>	<b>\$ 44,133,308</b>	<b>\$ 263,875,782</b>	<b>\$ 23,541,039</b>	<b>\$ (243,496,236)</b>	<b>\$ 560,370</b>	<b>\$ (7,320,235)</b>	<b>\$ (57,130,487)</b>	<b>\$ 14,326,762</b>	<b>\$ (293,059,826)</b>
General Revenues:										
Payment From Primary Government					187,142,096	547,030	4,000,000	4,677,024	-	196,366,150
Intergovernmental Revenue Not Restricted to Specific Programs					89,058,171	(56,929)	-	48,565,004	-	137,566,246
Investment Earnings					-	-	-	-	76,346	76,346
Gain/(loss) on Disposal of Assets					-	-	(236,905)	-	-	(236,905)
Miscellaneous Other Income					2,744,935	738,542	23,601	509,801	5,095,260	9,112,139
Interest Expense					(163,452)	(773,839)	-	(355,521)	-	(1,292,812)
Interest Income						32,694	10,246	3,661	-	46,601
<b>Total General Revenues</b>					<b>278,781,750</b>	<b>487,498</b>	<b>3,796,942</b>	<b>53,399,969</b>	<b>5,171,606</b>	<b>341,637,765</b>
Changes in Net Position					35,285,514	1,047,868	(3,523,293)	(3,730,518)	19,498,368	48,577,939
Net Position - Beginning of Year					(281,363,669)	25,711,608	15,411,922	7,203,423	128,192,977	(104,843,739)
Net Position - End of Year					<b>\$ (246,078,155)</b>	<b>\$ 26,759,476</b>	<b>\$ 11,888,629</b>	<b>\$ 3,472,905</b>	<b>\$ 147,691,345</b>	<b>\$ (56,265,800)</b>

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

**CITY OF RICHMOND, VIRGINIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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**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 on one Blended Component Unit, the Richmond Retirement System (RRS) which is reported as a Fiduciary Pension Trust Fund.

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:

<http://www.rva.gov/retirement-system/annual-reports>.

**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.

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)

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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-income 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-income 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 \$8,051,731 for operating subsidies for bus routes and para-transit services within the City for the year ended June 30, 2022. The City also expended \$267,359 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, 2022.

*Central Virginia Transportation Authority* (CVTA) was created by the 2020 Virginia General Assembly (Code of Virginia Chapter 33.2-3702) to serve the following Richmond metropolitan jurisdictions: Town of Ashland, Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, and City of Richmond. The purpose of the CVTA is to administer transportation funding generated through the imposition of an addition regional 0.7 percent of state sales and use tax, and wholesale gas tax of 7.6 cents per gallon for gasoline and 7.7 cents per gallon of diesel fuel. Funds received through the Authority are used to address transportation-related purposes that benefit localities in the Richmond Region. CVTA funds are allocated with 35% retained by the Authority for large regional projects, 15% to the Greater Richmond Transit Authority (GRTC) to provide transit services for the region and 50% returned, proportionally, to each locality to address local transportation needs. The City received \$13,819,222 in funding for City transportation capital projects from the CVTA during the fiscal year ended June 30, 2022.

*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 \$2,849,799 in funding to CVWMA for the fiscal year ended June 30, 2022.

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, 2022.

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 \$1,797,281 to RMCVB for the year ended June 30, 2022.

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

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has seven representatives serving on the RRPDC. The City provided funding to RRPDC in the amount of \$124,763 for the year ended June 30, 2022.

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 \$9,857,175 in transient occupancy tax revenue for the year ending June 30, 2022.

**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

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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.

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 and Storm water (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 Utility 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.

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- *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 Stormwater Utility provides storm water service to the City. Operation of the Storm water Utility is designed to be self-supporting through user charges.
- *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, 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 and OPEB Trust.
  - *Private-Purpose Trust Fund* - Reports trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.
  - *Custodial Funds* – Reports fiduciary activity resources that are not held in a trust agreement or equivalent arrangement that meets specific criteria.

**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

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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 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 Custodial 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, 2022, were as follows:

General Fund and Governmental Activities	\$ 14,825,942
Enterprise Funds	17,738,294
Total Allowances for Doubtful Accounts	<u><u>\$ 32,564,236</u></u>

**G. Inventories**

Inventories on hand at June 30, 2022, 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.

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**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. Accumulated depreciation and amortization are reported as reductions of capital assets.

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:

	<b>Vacation Pay Bi-weekly Earning Rate Min-Max Hours</b>	<b>Sick Pay Bi-weekly Earning Rate Hours</b>	<b>Maximum Vacation Accumulation Hours</b>
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.

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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 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 OPEB related activities 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.

**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

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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



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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. 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.

**S. 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.

**T. 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.

**U. 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.

**V. Adoption of New Accounting Pronouncements**

During the year ended June 30, 2022, the City implemented the provisions of the following GASB statements:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB **Statement No. 87, Leases**. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Entity adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

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

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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.

**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 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.

**W. 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

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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).

In April 2022, **GASB Statement No. 99, Omnibus 2022** 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 (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

In June 2022, **GASB Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62** was issued. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The statement defines accounting changes, prescribes the accounting and financial reports for 1) each type of accounting changes and 2) error corrections, the associated note disclosures, and addresses how the information that is affected by a change in accounting principle or error correction should be presented in requires supplementary information (RSI) and supplementary information (SI).

In June 2022, **GASB Statement No. 101, Compensated Absences** was issued. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

## **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.

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Personal property taxes may be paid without penalty and interest on or before August 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 2022, 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, 2022, are intended to finance operations of the fiscal year ended June 30, 2022. The real estate taxes assessed and due on January 14, 2022, and June 14, 2022, are intended to finance operations of the fiscal year ended June 30, 2022.

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**A. Cash and Cash Equivalents – Primary Government**

At June 30, 2022, cash on hand, cash items and petty cash totaled approximately \$48,138 and the carrying value of the City's demand deposits, savings accounts, and time certificates of deposit with institutions totaled \$58,505,338 and is included in cash and cash equivalents. The City's deposits of \$73,979,716 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, 2022, 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, 2022, the City did not have any deposits that were not covered by depository insurance or collateralized under the Virginia Security for Public Deposits Act.

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*Custodial credit risk for investments:*

As of June 30, 2022, 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, 2022, 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.

A summary of deposits and investments held by the Government-Wide at June 30, 2022, is as follows:

	<u>Government-Wide</u>
Deposits	
Cash on hand	\$ 48,138
Demand deposits	58,505,338
Investments	
LGIP	654,439,750
Trusts	12,707,163
Money markets	149,940,158
Total deposits and investments	<u>\$ 875,640,547</u>

**Reconciliation of Cash Schedule to Statements of Net Position:**

	<b>Government-Wide</b>	<b>Fiduciary Funds Statement of Net Position</b>			<b>Total</b>
		<b>Statement of Net Position</b>	<b>Pension and Other Employee Benefit Trust</b>	<b>Social Welfare Private Purpose Trust</b>	
Cash and Cash Equivalents	\$ 700,053,033	\$ 7,596,077	\$ 2,483,514	\$ 1,322,897	\$ 711,455,521
Investments	-	631,486,567	-	-	631,486,567
Restricted assets	175,587,514	-	-	-	175,587,514
Total	<u>\$ 875,640,547</u>	<u>\$ 639,082,644</u>	<u>\$ 2,483,514</u>	<u>\$ 1,322,897</u>	<u>\$ 1,518,529,602</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, 2022.

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**Investments Measured at Fair Value**

	Fair Value at June 30, 2022	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>U.S. Equities</b>				
Consumer Spending	\$ 8,990,537	\$ 8,990,537	\$ -	\$ -
Energy and Industrials	12,101,913	12,101,913	-	-
Information Technology	6,508,799	6,508,799	-	-
Financials	11,835,804	11,835,804	-	-
Healthcare	10,074,785	10,074,785	-	-
Other	5,086,660	5,086,660	-	-
<b>Total U.S. Equities</b>	<u>54,598,498</u>	<u>54,598,498</u>	<u>-</u>	<u>-</u>
International Equities	43,232,371	-	43,232,371	-
<b>US Fixed Income</b>				
Real Estate	21,038,165	200,037	-	20,838,128
Diversifying Assets	33,364,036	-	-	33,364,036
Private Debt	50,448,181	-	-	50,448,181
Private Equity	35,887,783	-	-	35,887,783
<b>Total US Fixed Income</b>	<u>140,738,165</u>	<u>200,037</u>	<u>-</u>	<u>140,538,128</u>
<b>Total Investments Measured at Fair Value</b>	<u>\$ 238,569,034</u>	<u>\$ 54,798,535</u>	<u>\$ 43,232,371</u>	<u>\$ 140,538,128</u>

	Fair Value	Unfunded Commitments	Redemption Frequency	Required Redemption Notice
<b>Investments Measured at Net Asset Value (NAV)</b>				
US Equity Funds	100,383,902	\$ -	Daily	0 - 5 days
International Equities	51,470,564	-	Daily	1 - 30 days
Global Fixed Income	160,036,366	-	Daily	1 - 10 days
Real Estate Investment Trusts and Funds	59,402,672	-	Daily, Quarterly	7-45 days
Diversifying Assets	13,389,252	-	Daily, Quarterly	1 - 95 days
<b>Total Investments Measured at Net Asset Value (NAV)</b>	<u>\$ 384,682,756</u>			
<b>Total Investments at Fair Value</b>	<u>\$ 623,251,790</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 on 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. Diversifying Assets** — This category consists of investments in fund of funds-of-funds and direct investments. Investment managers in the fund-of-funds 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. The RRS's direct fund managers focus on a global macro approach. Units held in investments valued using the NAV practical expedient are excluded from the fair value hierarchy and reported at the NAV provided by the investment managers. Investments in limited partnerships that are not valued at NAV are classified in Level 3 of the fair value hierarchy.

#### **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, 2022, the City had \$118,348,877 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, 2022, the City had \$601,990,504 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.

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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, 2022, the City's investment in the fund was valued at \$52,449,246.

- 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, which makes it one of 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, 2022, the City of Richmond's investments in the OPEB Trust Fund had a market value of \$8,234,777. The OPEB Trust Fund issues a separate audited financial report which may be obtained by visiting the website: [valocalfinance.org/opeb/](http://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	
<b>Due To</b>	General	\$ 45,855,670	\$ 589,981	\$ 1,874,798	\$ -	\$ 6,262,030	\$ 54,582,479
	Gas	-	-	-	679,231	432,838	1,112,069
	Water	-	-	-	679,231	383,838	1,063,069
	Wastewater	-	-	-	4,049,980	-	4,049,980
	Total	<u>\$ 45,855,670</u>	<u>\$ 589,981</u>	<u>\$ 1,874,798</u>	<u>\$ 5,408,442</u>	<u>\$ 7,078,706</u>	<u>\$ 60,807,597</u>

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, 2022, consisted of the following:



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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.

The City reports inter-fund transfers among many of its funds. Inter-fund transfers for the year ended June 30, 2022, consisted of the following:

		Transfer From						
Transfer To	General Fund	Major Proprietary Funds			Capital Projects Fund	Non-Major Governmental	Total	
		Gas	Water	Wastewater				
General	\$ -	\$ 2,131,517	\$ 3,738,069	\$ 3,658,661	\$ -	\$ 300,000	\$ 9,828,247	
Capital Projects	7,158,942	-	-	-	-	1,812,268	8,971,210	
Debt Service	85,160,688	-	-	-	-	981,124	86,141,812	
Internal Service Fund	93,463	-	-	-	143,120	-	236,583	
Non-Major Governmental	12,624,405	-	-	-	-	-	12,624,405	
Total	\$ 105,037,498	\$ 2,131,517	\$ 3,738,069	\$ 3,658,661	\$ 143,120	\$ 3,093,392	\$ 117,802,257	

**5. DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at June 30, 2022, are as follows:

Primary Government	Federal	State	Other Localities	Total
General Fund	\$ -	\$ 343,350	\$ -	\$ 343,350
Capital Projects Fund	3,018,639	675,544	-	3,694,183
Non-Major Governmental Funds	3,868,168	1,090,206	119,679	5,078,053
Stormwater Fund	-	281,996	-	281,996
Water Fund	-	-	7,729,363	7,729,363
Wastewater Fund	-	1,990,966	78,664	2,069,630
	<u>\$ 6,886,807</u>	<u>\$ 4,382,062</u>	<u>\$ 7,927,706</u>	<u>\$ 19,196,575</u>

**6. CAPITAL ASSETS**

**Primary Government – Governmental Activities**

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 105,502,459	\$ -	\$ -	\$ -	\$ 105,502,459
Construction in Progress	245,620,438	54,220,060	314,308	(163,358,498)	136,167,692
Works of Art/Historical Treasures	8,733,227	12,000,000	12,473,326	-	8,259,901
Total Capital Assets, not being depreciated	<u>359,856,124</u>	<u>66,220,060</u>	<u>12,787,634</u>	<u>(163,358,498)</u>	<u>249,930,052</u>
Capital Assets, Being Depreciated/Amortized					
Infrastructure	1,026,629,269	520,606	84,613	16,876,164	1,043,941,426
Building and Structures	994,338,646	33,169	-	145,871,088	1,140,242,903
Right of Use Assets	-	8,358,214	-	-	8,358,214
Equipment	142,138,655	4,353,747	343,619	519,421	146,668,204
Improvements Other Than Buildings	33,796,435	-	-	91,825	33,888,260
Total Capital Assets, being depreciated/amortized	<u>2,196,903,005</u>	<u>13,265,736</u>	<u>428,232</u>	<u>163,358,498</u>	<u>2,373,099,007</u>
Less Accumulated Depreciation/Amortized For:					
Infrastructure	659,157,019	22,051,020	82,572	-	681,125,467
Building and Structures	465,286,656	27,053,897	-	-	492,340,553
Right of Use Assets	-	2,267,881	-	-	2,267,881
Equipment	107,641,086	7,038,283	343,619	-	114,335,750
Improvements Other Than Buildings	15,766,233	1,182,046	-	-	16,948,279
Total Accumulated Depreciation/Amortized	<u>1,247,850,994</u>	<u>59,593,127</u>	<u>426,191</u>	<u>-</u>	<u>1,307,017,930</u>
Total Capital Assets, Being Depreciated, Net	949,052,011	(46,327,391)	2,041	163,358,498	1,066,081,077
Governmental Activities, Capital Assets, Net	<u>\$ 1,308,908,135</u>	<u>\$ 19,892,669</u>	<u>\$ 12,789,675</u>	<u>\$ -</u>	<u>\$ 1,316,011,129</u>

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 105,502,459	\$ -	\$ -	\$ -	\$ 105,502,459
Construction in Progress	245,620,438	54,220,060	314,308	(163,358,498)	136,167,692
Works of Art/Historical Treasures	8,733,227	12,000,000	12,473,326	-	8,259,901
Total Capital Assets, not being depreciated	<u>359,856,124</u>	<u>66,220,060</u>	<u>12,787,634</u>	<u>(163,358,498)</u>	<u>249,930,052</u>
Capital Assets, Being Depreciated/Amortized					
Infrastructure	1,026,629,269	520,606	84,613	16,876,164	1,043,941,426
Building and Structures	994,338,646	33,169	-	145,871,088	1,140,242,903
Right of Use Assets	-	8,358,214	-	-	8,358,214
Equipment	142,138,655	4,353,747	343,619	519,421	146,668,204
Improvements Other Than Buildings	33,796,435	-	-	91,825	33,888,260
Total Capital Assets, being depreciated/amortized	<u>2,196,903,005</u>	<u>13,265,736</u>	<u>428,232</u>	<u>163,358,498</u>	<u>2,373,099,007</u>
Less Accumulated Depreciation/Amortized For:					
Infrastructure	659,157,019	22,051,020	82,572	-	681,125,467
Building and Structures	465,286,656	27,053,897	-	-	492,340,553
Right of Use Assets	-	2,267,881	-	-	2,267,881
Equipment	107,641,086	7,038,283	343,619	-	114,335,750
Improvements Other Than Buildings	15,766,233	1,182,046	-	-	16,948,279
Total Accumulated Depreciation/Amortized	<u>1,247,850,994</u>	<u>59,593,127</u>	<u>426,191</u>	<u>-</u>	<u>1,307,017,930</u>
Total Capital Assets, Being Depreciated, Net	949,052,011	(46,327,391)	2,041	163,358,498	1,066,081,077
Governmental Activities, Capital Assets, Net	<u>\$ 1,308,908,135</u>	<u>\$ 19,892,669</u>	<u>\$ 12,789,675</u>	<u>\$ -</u>	<u>\$ 1,316,011,129</u>

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**Primary Government – Business-Type Activities**

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<b>Gas Utility</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 219,200	\$ -	\$ -	\$ -	\$ 219,200
Construction in Progress	3,228,028	26,425,807	26,768,412	-	2,885,423
Total Capital Assets, not being depreciated	<u>3,447,228</u>	<u>26,425,807</u>	<u>26,768,412</u>	<u>-</u>	<u>3,104,623</u>
Capital Assets, Being Depreciated					
Plant-in-service	731,196,159	26,768,412	920,769	-	757,043,802
Total Capital Assets, being depreciated	<u>731,196,159</u>	<u>26,768,412</u>	<u>920,769</u>	<u>-</u>	<u>757,043,802</u>
Less Accumulated Depreciation For:					
Plant-in-service	321,762,765	23,873,079	899,958	-	344,735,886
Total Accumulated Depreciation	<u>321,762,765</u>	<u>23,873,079</u>	<u>899,958</u>	<u>-</u>	<u>344,735,886</u>
Total Capital Assets, Being Depreciated, Net	409,433,394	2,895,333	20,811	-	412,307,916
Gas Utility Capital Assets, Net	<u>\$ 412,880,622</u>	<u>\$ 29,321,140</u>	<u>\$ 26,789,223</u>	<u>\$ -</u>	<u>\$ 415,412,539</u>
<b>Water Utility</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 878,307	\$ -	\$ -	\$ -	\$ 878,307
Construction in Progress	17,341,667	28,710,346	37,657,343	-	8,394,670
Total Capital Assets, not being depreciated	<u>18,219,974</u>	<u>28,710,346</u>	<u>37,657,343</u>	<u>-</u>	<u>9,272,977</u>
Capital Assets, Being Depreciated					
Plant-in-service	634,152,620	37,662,750	226,721	-	671,588,649
Total Capital Assets, being depreciated	<u>634,152,620</u>	<u>37,662,750</u>	<u>226,721</u>	<u>-</u>	<u>671,588,649</u>
Less Accumulated Depreciation For:					
Plant-in-service	267,318,524	18,739,423	226,721	-	285,831,226
Total Accumulated Depreciation	<u>267,318,524</u>	<u>18,739,423</u>	<u>226,721</u>	<u>-</u>	<u>285,831,226</u>
Total Capital Assets, Being Depreciated, Net	366,834,096	18,923,327	-	-	385,757,423
Water Utility Capital Assets, Net	<u>\$ 385,054,070</u>	<u>\$ 47,633,673</u>	<u>\$ 37,657,343</u>	<u>\$ -</u>	<u>\$ 395,030,400</u>
<b>Wastewater Utility</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,101,261	\$ -	\$ -	\$ -	\$ 1,101,261
Construction in Progress	20,383,547	41,815,617	28,684,841	-	33,514,323
Total Capital Assets, not being depreciated	<u>21,484,808</u>	<u>41,815,617</u>	<u>28,684,841</u>	<u>-</u>	<u>34,615,584</u>
Capital Assets, Being Depreciated					
Plant-in-service	854,102,062	28,684,841	128,048	-	882,658,855
Total Capital Assets Being Depreciated	<u>854,102,062</u>	<u>28,684,841</u>	<u>128,048</u>	<u>-</u>	<u>882,658,855</u>
Less Accumulated Depreciation For:					
Plant-in-service	385,256,834	22,116,650	84,765	-	407,288,719
Total Accumulated Depreciation	<u>385,256,834</u>	<u>22,116,650</u>	<u>84,765</u>	<u>-</u>	<u>407,288,719</u>
Total Capital Assets, Being Depreciated, Net	468,845,228	6,568,191	43,283	-	475,370,136
Wastewater Utility Capital Assets, Net	<u>\$ 490,330,036</u>	<u>\$ 48,383,808</u>	<u>\$ 28,728,124</u>	<u>\$ -</u>	<u>\$ 509,985,720</u>

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
<b>Stormwater Utility</b>					
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 4,606,057	\$ 6,711,167	\$ 7,322,426	\$ -	\$ 3,994,798
Total Capital Assets, not being depreciated	<u>4,606,057</u>	<u>6,711,167</u>	<u>7,322,426</u>	<u>-</u>	<u>3,994,798</u>
Capital Assets, Being Depreciated					
Plant-in-service	57,584,103	7,322,426	55,514	-	64,851,015
Total Capital Assets, being depreciated	<u>57,584,103</u>	<u>7,322,426</u>	<u>55,514</u>	<u>-</u>	<u>64,851,015</u>
Less Accumulated Depreciation For:					
Plant-in-service	10,248,555	1,905,489	55,514	-	12,098,530
Total Accumulated Depreciation	<u>10,248,555</u>	<u>1,905,489</u>	<u>55,514</u>	<u>-</u>	<u>12,098,530</u>
Total Capital Assets, Being Depreciated, Net	<u>47,335,548</u>	<u>5,416,937</u>	<u>-</u>	<u>-</u>	<u>52,752,485</u>
Storm water Utility Capital Assets, Net	<u>\$ 51,941,605</u>	<u>\$ 12,128,104</u>	<u>\$ 7,322,426</u>	<u>\$ -</u>	<u>\$ 56,747,283</u>
<b>Other Business-Type Activity:</b>					
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 22,456,955	\$ -	\$ -	\$ -	\$ 22,456,955
Total Capital Assets, not being depreciated	<u>22,456,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,456,955</u>
Capital Assets, Being Depreciated/Amortized					
Buildings and Structures	36,807,355	-	675,626	-	36,131,729
Equipment and Other Capital Assets	3,875,861	-	-	-	3,875,861
Right of Use Land & Land Rights	-	14,482,020	-	-	14,482,020
Total Capital Assets, being depreciated/amortized	<u>40,683,216</u>	<u>14,482,020</u>	<u>675,626</u>	<u>-</u>	<u>54,489,610</u>
Less-Accumulated Depreciation/Amortization For:					
Buildings and Structures	12,881,743	1,424,561	28,151	-	14,278,153
Equipment and Other Capital Assets	2,614,778	173,183	-	-	2,787,961
Right of Use Land & Land Rights	-	216,419	-	-	216,419
Total Accumulated Depreciation/Amortization	<u>15,496,521</u>	<u>1,814,163</u>	<u>28,151</u>	<u>-</u>	<u>17,282,533</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>25,186,695</u>	<u>12,667,857</u>	<u>647,475</u>	<u>-</u>	<u>37,207,077</u>
Other Business-Type Activity Capital Assets, Net	<u>\$ 47,643,650</u>	<u>\$ 12,667,857</u>	<u>\$ 647,475</u>	<u>\$ -</u>	<u>\$ 59,664,032</u>
Enterprise Funds Capital Assets, Net	<u>\$ 1,387,849,983</u>	<u>\$ 150,134,582</u>	<u>\$ 101,144,591</u>	<u>\$ -</u>	<u>\$ 1,436,839,974</u>
Internal Service Fund - Stores Utility, Net	<u>\$ 2,351,713</u>	<u>\$ (59,848)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,291,865</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 1,390,201,696</u>	<u>\$ 150,074,734</u>	<u>\$ 101,144,591</u>	<u>\$ -</u>	<u>\$ 1,439,131,839</u>

**CITY OF RICHMOND, VIRGINIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**7. OBLIGATIONS**

Changes in obligations during the fiscal year ended June 30, 2022 are summarized below:

**Primary Government – Governmental Activities**

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Not Due Within One Year	Due Within One Year
General Obligation Bonds	\$ 777,077,339	\$ -	\$ 49,469,563	\$ 727,607,776	\$ 671,169,432	\$ 56,438,344
General Obligation Bond - Direct Borrowing	12,593,668	-	6,069,367	6,524,301	6,524,301	-
Total General Obligation Bonds	789,671,007	-	55,538,930	734,132,077	677,693,733	56,438,344
Line of Credit - BAN - Series 2021A	23,948,209	28,651,791	-	52,600,000	-	52,600,000
General Obligation Serial Equipment Notes	11,233,000	-	2,058,000	9,175,000	7,097,000	2,078,000
Total General Obligation Notes	35,181,209	28,651,791	2,058,000	61,775,000	7,097,000	54,678,000
HUD Section 108 Notes	9,811,000	-	685,000	9,126,000	8,426,000	700,000
Premium on Debt Issued	78,787,716	-	12,183,314	66,604,402	55,882,378	10,722,024
Total Obligations	<u>\$ 913,450,932</u>	<u>\$ 28,651,791</u>	<u>\$ 70,465,244</u>	<u>\$ 871,637,479</u>	<u>\$ 749,099,111</u>	<u>\$ 122,538,368</u>
Compensated Absences	\$ 21,394,111	\$ 21,091,033	\$ 19,780,647	\$ 22,704,497	\$ 15,461,887	\$ 7,242,610
Net Other Post Employment Benefit Liability	\$ 103,697,889	\$ 7,573,967	\$ 91,064,761	\$ 20,207,095	\$ 20,207,095	\$ -
Net Pension Liability	\$ 342,688,334	\$ 74,495,505	\$ 201,674,172	\$ 215,509,667	\$ 215,509,667	\$ -

As of June 30, 2022, the City's Primary Government has total outstanding general obligation bonds and notes of \$871,637,479. Of this total, directly borrowed debt of \$77,425,301 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 FY2022, 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 \$60,000,000, which includes \$52,600,000 borrowed for Governmental Activities capital projects and \$7,400,000 borrowed for the City's Stormwater Utility capital needs. 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, 2022**

**Primary Government – Business-Type Activities**

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Not Due Within One Year	Due Within One Year
Utilities-General Obligation Bonds	\$ 11,382,044	\$ -	\$ 3,741,653	\$ 7,640,391	\$ 3,755,674	\$ 3,884,717
Utilities-General Obligation Bonds - Direct Borrowing	1,065,165	-	88,618	976,547	872,921	103,626
Utilities-General Oblig Equip Notes-Direct Borrowing	2,781,000	-	547,000	2,234,000	1,680,000	554,000
Utilities-Line of Credit BAN-Ser 2021A Direct Borrowing	3,800,000	3,600,000	-	7,400,000	-	7,400,000
Total Utilities General Obligation Bonds & Notes	19,028,209	3,600,000	4,377,271	18,250,938	6,308,595	11,942,343
Non-Major Enterprise Funds Bonds	44,220,618	-	3,918,785	40,301,833	36,800,600	3,501,233
Non-Major Enterprise Funds - Direct Borrowing	1,332	-	633	699	699	-
Premium on Non Major Debt, Net	1,120,460	-	188,009	932,451	932,451	-
Total Non-Major Enterprise Funds Bonds	45,342,410	-	4,107,427	41,234,983	37,733,750	3,501,233
Total Business-Type General Obligation Bonds	64,370,619	3,600,000	8,484,698	59,485,921	44,042,345	15,443,576
Public Utility Revenue Bonds	779,159,996	-	26,594,996	752,565,000	725,720,000	26,845,000
Public Utility Revenue Bond - Direct Borrowing	41,586,076	3,867,832	3,934,430	41,519,478	37,503,103	4,016,375
Public Utility Premium on Revenue Bond Debt, Net	60,163,352	-	5,493,636	54,669,716	54,669,716	-
Total Revenue Bonded Debt	880,909,424	3,867,832	36,023,062	848,754,194	817,892,819	30,861,375
Total Obligations	\$ 945,280,043	\$ 7,467,832	\$ 44,507,760	\$ 908,240,115	\$ 861,935,164	\$ 46,304,951
<b>Compensated Absences</b>						
Gas	\$ 1,117,462	\$ 1,059,530	\$ 1,036,408	\$ 1,140,584	\$ 758,971	\$ 381,613
Water	858,534	804,624	796,981	866,177	576,374	289,803
Wastewater	837,038	804,933	775,461	866,510	576,596	289,914
Stormwater	284,984	279,654	263,590	301,048	200,324	100,724
Stores Operating Fund	20,520	17,633	19,171	18,982	12,631	6,351
Cemeteries	51,341	61,493	46,637	66,197	45,087	21,110
Parking Garages	95,331	51,001	91,429	54,903	37,394	17,509
Total Compensated Absences	\$ 3,265,210	\$ 3,078,868	\$ 3,029,677	\$ 3,314,401	\$ 2,207,377	\$ 1,107,024
Other Post Employment Benefit Liability	\$ 16,445,423	\$ 1,469,576	\$ 13,994,221	\$ 3,920,778	\$ 3,920,778	\$ -
Net Pension Liability	\$ 57,089,901	\$ 14,454,352	\$ 29,882,108	\$ 41,662,145	\$ 41,662,145	\$ -

As of June 30, 2022, the outstanding debt of the City's Business-Type Activities (Enterprise Funds) totaled debt of \$908,240,115 including \$856,109,391 of publicly issued bonds and premiums and \$52,130,025 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, 2022**

**Details of Bonds and Notes Outstanding**

	Interest Rates	Issue Date	Maturity Date	Original Issue	Balance at June 30, 2022	
					Governmental Activities	Enterprise Funds
<b>General Obligation Bonds</b>						
Public Improvement Bonds 2010B (QSCB)	5.27%	11/16/2010	11/1/2029	14,980,000	14,980,000	-
Public Improvement Bonds 2011A (VRA)	0.00%	6/1/2011	1/15/2032	225,000	-	112,500
Public Improvement Refunding Bonds 2012B	2.00% - 5.00%	6/28/2012	7/15/2024	46,870,000	4,285,000	-
Public Improvement Refunding Bonds 2012C	0.35% - 2.85%	6/28/2012	7/15/2023	100,030,000	6,103,976	7,641,024
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	5,740,000	-
Public Improvement Bonds 2013B	3.00% - 4.80%	9/26/2013	3/1/2033	11,295,000	7,745,000	-
Public Improvement Bonds 2014A	3.00% - 5.00%	12/23/2014	3/1/2035	99,295,000	7,785,000	-
Public Improvement Refunding Bonds 2014B	5.00%	12/23/2014	7/15/2026	25,605,000	21,865,000	-
Public Improvement Refunding Bonds 2015A	2.34%	7/15/2015	7/15/2023	56,715,000	6,524,301	699
Public Improvement Bonds 2015B	3.00% - 5.00%	12/8/2015	3/1/2038	62,795,000	47,650,000	-
Public Improvement Bonds 2015C	3.00% - 4.00%	12/8/2015	6/1/2041	23,000,000	19,115,000	-
Public Improvement Bonds 2017A (VRA)	0.00%	3/30/2017	7/15/2037	1,310,278	-	824,890
Public Improvement Refunding Bonds 2017B	3.00% - 5.00%	7/14/2017	7/15/2037	185,070,000	155,825,000	7,260,000
Public Improvement Refunding Bonds 2017C	1.15% - 3.13%	7/14/2017	7/15/2031	43,965,000	-	32,980,000
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	41,480,000	-
Public Improvement Refunding Bonds 2018B	3.45% - 3.75%	8/15/2018	3/1/2033	8,310,000	6,560,000	-
Public Improvement Refunding Bonds 2019A	2.60% - 5.00%	10/23/2019	7/15/2039	132,885,000	116,350,000	-
Public Improvement Refunding Bonds 2020A	2.00% - 5.00%	12/10/2020	7/15/2040	102,130,000	96,973,800	61,200
Public Improvement Refunding Bonds 2020B	0.95% - 2.00%	12/10/2020	7/15/2034	51,020,000	50,460,000	-
Public Improvement Bonds 2021A (VRA)	0.00%	6/24/2021	7/15/2041	965,950	-	39,157
<b>General Obligation Notes</b>						
Equipment Note - Series 2020A	1.11%	6/17/2020	6/1/2025	4,960,000	2,133,000	874,000
Equipment Note - Series 2020B	1.19%	6/17/2020	6/1/2027	3,826,000	1,404,000	1,360,000
Equipment Note - Series 2021	0.99%	6/10/2021	6/1/2028	6,730,000	5,638,000	-
Line of Credit BAN - Series 2021A	Variable	1/28/2021	11/1/2022	60,000,000	52,600,000	7,400,000
<b>HUD Section 108 Notes</b>						
HUD Section 108 Note Series 2015A	0.83% - 3.60%	5/28/2015	8/1/2032	10,125,000	6,910,000	-
HUD Section 108 Note Series 2019A	2.54% - 3.64%	3/28/2019	8/1/2038	2,607,000	2,216,000	-
<b>Revenue Bonds</b>						
Public Utility Revenue Bonds 2006 - VRA	2.20%	6/29/2006	1/15/2028	11,000,000	-	3,994,921
Public Utility Revenue Bonds 2008A- VRA	2.52%	6/27/2008	1/15/2029	6,900,000	-	2,796,167
Public Utility Revenue Bonds 2009B-VRA	0.00%	6/24/2009	7/15/2030	32,000,000	-	13,600,000
Public Utility Revenue Bonds 2010A-VRA	0.00%	2/3/2010	7/15/2040	188,218	-	116,402
Public Utility Revenue Bonds 2012A-VRA	0.00%	4/17/2012	1/15/2035	23,289,955	-	15,138,471
Public Utility Revenue Refunding Bonds 2013A	2.00% - 5.00%	5/2/2013	1/15/2043	214,220,000	-	7,235,000
Public Utility Revenue Bonds 2015A - VRA	0.00%	3/5/2015	1/15/2036	2,600,000	-	1,177,717
Public Utility Revenue Refunding Bonds 2016A	4.00% - 5.00%	12/7/2016	1/15/2046	502,260,000	-	437,900,000
Public Utility Revenue Bonds 2020A	2.81% - 5.00%	4/15/2020	1/15/2050	135,445,000	-	132,555,000
Public Utility Revenue Refunding Bonds 2020B	1.63% - 3.54%	4/15/2020	1/15/2043	180,000,000	-	174,875,000
Public Utility Revenue Bonds 2021A - VRA	0.00%	6/24/2021	1/15/2044	20,343,302	-	4,695,800
Premiums on Debt Issued					66,604,402	55,602,167
Total Bonds and Notes					<u>\$ 871,637,479</u>	<u>\$ 908,240,115</u>

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

**CITY OF RICHMOND, VIRGINIA  
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**Governmental Activities:**

<b>Fiscal Year</b>	<b>(In Thousands)</b>					
	<b>General Obligation Bonds (Bonds)</b>		<b>General Obligation Bonds (Direct Borrowing)</b>		<b>General Obligation Equip Notes (Direct Borrowing)</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	56,439	28,344	-	153	2,078	96
2024	48,159	26,123	6,524	76	2,100	74
2025	49,725	23,896	-	-	2,123	52
2026	47,000	21,596	-	-	1,418	30
2027	45,810	19,333	-	-	869	15
2028 - 2032	241,280	62,589	-	-	587	6
2033 - 2037	163,830	22,221	-	-	-	-
2038 - 2042	75,365	3,740	-	-	-	-
Subtotal	727,608	207,842	6,524	229	9,175	273
Premium	66,604	-	-	-	-	-
Total	<u>\$ 794,212</u>	<u>\$ 207,842</u>	<u>\$ 6,524</u>	<u>\$ 229</u>	<u>\$ 9,175</u>	<u>\$ 273</u>

<b>Fiscal Year</b>	<b>(In Thousands)</b>			
	<b>HUD Section 108 Notes (Direct borrowing)</b>		<b>Line of Credit Bond Anticip Note (Direct Borrowing)</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	700	279	52,600	212
2024	711	261	-	-
2025	725	241	-	-
2026	740	220	-	-
2027	751	197	-	-
2028 - 2032	3,902	618	-	-
2033 - 2037	1,336	116	-	-
2038 - 2042	261	9	-	-
Total	<u>\$ 9,126</u>	<u>\$ 1,941</u>	<u>\$ 52,600</u>	<u>\$ 212</u>



**CITY OF RICHMOND, VIRGINIA  
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**Business-Type Activities:**

(In Thousands)

Fiscal Year	General Obligation Bonds (Bonds)		General Obligation Bonds & Notes (Direct Borrowing)		Line of Credit BAN (Direct Borrowing)	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 7,386	\$ 1,394	\$ 658	\$ 26	\$ 7,400	\$ 30
2024	7,371	1,165	625	23	-	-
2025	3,700	995	631	16	-	-
2026	3,820	881	339	10	-	-
2027	3,940	761	342	7	-	-
2028 - 2032	21,726	1,882	323	3	-	-
2033 - 2037	-	-	266	-	-	-
2038 - 2042	-	-	27	-	-	-
Subtotal	47,943	7,078	3,211	85	7,400	30
Premium	932	-	-	-	-	-
Total	\$ 48,875	\$ 7,078	\$ 3,211	\$ 85	\$ 7,400	\$ 30

(In Thousands)

Fiscal Year	Utility Revenue Bonds (Bonds)		Utility Revenue Bonds (Direct Borrowing)	
	Principal	Interest	Principal	Interest
2023	\$ 26,845	\$ 31,404	\$ 4,016	\$ 156
2024	27,420	30,125	4,040	133
2025	31,930	29,022	4,965	108
2026	32,945	27,657	4,990	83
2027	33,945	26,231	5,016	57
2028 - 2032	190,590	107,733	14,946	39
2033 - 2037	186,080	63,551	3,524	-
2038 - 2042	134,555	30,830	22	-
2043 - 2047	69,025	10,516	-	-
2048 - 2052	19,230	1,559	-	-
Subtotal	752,565	358,628	41,519	576
Premium	54,670	-	-	-
Total	\$ 807,235	\$ 358,628	\$ 41,519	\$ -

**Debt issued during the fiscal year ended June 30, 2022**

On January 28, 2021, the City established its \$60,000,000 Series 2021A General Obligation Line of Credit Bond Anticipation Note Facility (the "Line of Credit") with a Commercial Bank. During the fiscal year ending June 30, 2022, the City drew an additional \$32,251,791 on the Line of Credit to finance ongoing City and Stormwater Utility capital projects. The City pays monthly variable rate interest on the Line of Credit borrowings priced at 79% of LIBOR plus 47.5 basis points (1.31 percent on June 30, 2022). The Line of Credit has a final maturity of November 1, 2022 and the outstanding principal balance as of June 30,

**CITY OF RICHMOND, VIRGINIA**  
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2022, was \$60,000,000. The City anticipates refinancing this debt into a long-term general obligation bond in the next several months.

On June 24, 2021, the City entered into a \$20,343,302 Public Utility Revenue Bond Financing Agreement, Series 2021A, with the Virginia Resources Authority, the administrator for the Commonwealth of Virginia's Water Facilities Revolving Fund. The Series 2021A Public Utility Revenue Bond issue is an interest-free loan and thus, only the principal borrowed will be paid on the bond issue. Proceeds of the borrowing are being used to finance two capital projects of the City's Wastewater Utility. During the fiscal year ending 6/30/2021, the City drew an initial \$886,551, and during the fiscal year ending 6/30/2022, the City has drawn another \$3,867,832 of proceeds. The remaining available proceeds of the loan are expected to be drawn during the next two years. Semi-annual principal payments on the loan are payable on January 15th and July 15th of each year, and as of June 30, 2022, the balance outstanding on the loan was \$4,695,800.

***Defeasance of Debt***

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 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, 2022, 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, 2022, the principal amount of defeased Public Utility Revenue bonds is \$161,400,000. The call date for the Series 2013A Bonds is January 15, 2023.

On December 10, 2020, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds, Series 2020B to advance refund principal maturities of the Series 2012B, and 2014A 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, 2022, the principal amount of defeased bonds is \$46,015,000. The call date for the Series 2012B Bonds is July 15, 2022 and for the Series 2014A is March 1, 2024.

***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 (10.0) percent of the last preceding assessment for real estate taxes. At June 30, 2022, the City had a legal debt limit of \$3,175,800,000 (10.0 percent of the taxable real estate value in the City) and the statutory capacity to issue additional General Obligation debt of approximately \$2,312,214,252 (remaining legal debt margin).

***Authority to Issue Debt***

As of June 30, 2022, the City had a total of \$417,559,978 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, \$276,911,649 is earmarked for self-supporting Public Utility revenue bond funded projects, \$42,124,330 for Stormwater Utility Projects, \$87,500,000 for various General Fund supported capital projects and \$11,023,999 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:

**CITY OF RICHMOND, VIRGINIA**  
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General Obligation Bonds	
Moody's	<b>Aa1</b>
Standard & Poor's	<b>AA+</b>
Fitch Ratings	<b>AA+</b>
Public Utility Revenue Bonds	
Moody's	<b>Aa1</b>
Standard & Poor's	<b>AA</b>
Fitch Ratings	<b>AA</b>

***Subsequent Event***

On September 8, 2022, the City issued \$57,990,000 of tax-exempt General Obligation Public Improvement Bonds, Series 2022A. Proceeds of the 2022A GO bonds, along with premiums received, were used to payoff the \$60.0 million outstanding balance of the Series 2021A Line of Credit Bond Anticipation Note, as well as to finance \$3.5 million of public safety vehicles. The Series 2022A GO bonds have coupon interest rates ranging from 4.0% to 5.0% with semiannual interest payable on March 1st and September 1st of each year. Serial annual principal payments in amounts of between \$2,145,000 and \$3,985,000 are payable on March 1, of each year with a final principal payment due on March 1, 2042. At the time of the 2022A GO bond sale, Moody's, Standard and Poor's, and Fitch affirmed their Aa1, AA+, and AA+ credit ratings, respectively, of the City, with a stable outlook.

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**8. FUND BALANCES**

Fund balances have been classified to reflect the limitations and restrictions placed on the respective funds. Fund balances at June 30, 2022, are composed of the following:

	General Fund	Debt Service	Capital Projects Fund	Other Non-Major Governmental Funds
<b>Nonspendable:</b>				
Prepaid	\$ 11,496	\$ -	\$ -	\$ -
Total Nonspendable	<u>11,496</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restricted To:</b>				
Capital Projects	-	15,389,735	21,523,656	-
NM Governmental Funds	-	-	-	40,149,749
Total Restricted	<u>-</u>	<u>15,389,735</u>	<u>21,523,656</u>	<u>40,149,749</u>
<b>Committed To:</b>				
Budget and Revenue Stabilization Contingency	25,171,238	-	-	-
School Board Operations	158,231	-	-	-
Total Committed	<u>25,329,469</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Assigned To:</b>				
Encumbrance Roll Forward	15,347,849	-	-	-
Capital Reserve	17,554,851	-	-	-
Percent for the Arts	306,396	-	-	-
School Facilities	16,833,415	-	-	-
Unspent Building Code Fees	2,703,156	-	-	-
COVID-19 Contingencies	547,557	-	-	-
Special Purpose	1,752,480	-	-	-
Tax Rebate	18,000,000	-	-	-
Total Assigned	<u>73,045,704</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unassigned:</b>				
Total Unassigned	107,862,492	-	(52,750,324)	-
Total Fund Balances	<u>\$ 206,249,161</u>	<u>\$ 15,389,735</u>	<u>\$ (31,226,668)</u>	<u>\$ 40,149,749</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 since 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 \$2M for Heart, Lung and Cancer presumptive claims for Public Safety Officer and \$1.5M 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 \$1.5M of any general liability, automobile liability, public officials or police professional liability claim. The City has purchased \$10M in excess liability coverage over a \$1.5M 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 \$1.5M self-insured retention are paid by the Risk Management agency within the General Fund.

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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 \$35M per occurrence for excess liability with self-insured retention of \$1M per occurrence for General and Employers' Liability, and \$1M 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, 2022, 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, 2022, was \$53,763,085 (undiscounted) and \$42,554,769 (discounted at 3.50 percent). Changes in the aggregate for these liabilities for FY2021 and FY2022 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>
2021	\$ 38,228,155	\$ 15,074,183	\$ (12,195,116)	\$ 41,107,222
2022	\$ 41,107,222	\$ 9,229,181	\$ (7,781,634)	\$ 42,554,769

Workers' compensation, general liability, and automobile liability future payment projections for fiscal period July 1, 2022, through June 30, 2023, are as follows:

<u>Probability Level</u>	<u>Discounted</u>	<u>Undiscounted</u>
90.00%	\$ 11,347,073	\$ 11,543,939
75.00%	\$ 10,056,056	\$ 10,230,523
Central Estimate	\$ 8,653,114	\$ 8,803,241

**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

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.

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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 three medical plan options: Premier, Classic and Choice Fund HDHP. 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. In-network services for the Choice Fund HDHP are covered at 80% after the calendar year deductible is met. Out-of-network providers are covered at 50 percent. Wellness checkups and services are covered at 100 percent. Prescription drug coverage is included with all 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, USI.

	<b>Health Insurance Primary Government</b>	
	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>
Unpaid Claims Beginning of Fiscal Year	\$ 3,477,000	\$ 3,258,000
Incurred Claims (including IBNR)	48,806,134	48,806,134
Claim Payments	(49,169,134)	(48,587,134)
Unpaid Claims End of Fiscal Year	<u>\$ 3,114,000</u>	<u>\$ 3,477,000</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 multiple-employer retirement plan options to Virginia localities and acts as a common investment and administrative

**CITY OF RICHMOND, VIRGINIA**  
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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 – 11 years for remaining unfunded accrued liability as of July 1, 2020; Cost of VRIP is amortized over 3 years. Other new bases are amortized over 20 years.
- Asset valuation method – Five-year spread of actual over expected investment earnings with the restriction that the resulting value must be within 90%-110% of market value.
- Inflation rate - 2.5 percent.
- Salary increases General Employees – 2.50 percent to 4.00 percent.
- Salary Increases – Police and Fire Employees from 2.50 percent to 4.50 percent.
- Investment rate of return – 7.00 percent.
- For the fiscal years ended June 30, 2022 and 2021, the annual money-weighted rates of return were -6.0% and 24.0%, respectively. 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 or were provided to the investment consultant by the RRS. The methodology used to determine the money-weighted rate of return is different from the calculation of the fiscal year rate of return. 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 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.

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**D. Plan Membership**

*As of June 30, 2021, membership in the RRS was comprised as follows:*

Active vested Plan members	1,160
Active Non-vested Plan members	219
Terminated Vested Plan members	1,541
Retirees and beneficiaries receiving benefits	4,214
<b>Total</b>	<b>7,134</b>

**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, 2022, for the RRS was as follows.

Total pension liability (TPL)	\$ 926,684,922
Plan fiduciary net position	665,259,853
City's net pension liability (NPL)	<u>\$ 261,425,069</u>
Plan fiduciary net position as a percentage of the total pension liability	71.79%
Covered payroll	\$ 93,295,653
City's net pension liability as a percentage of covered payroll	280.21%

The plans net pension liability is calculated based on a measurement date of June 30, 2021.

**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. The target asset allocation identifies the optimal asset mix strategy for the RRS. To ensure compliance with the policy, a rebalancing strategy is used. RRS is in the multiyear process of phasing in its asset allocation. Best estimates of geometric return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the table below:

Asset Class	10-Yr. Assumptions 2021 Geometric Return	Target Asset Allocation
Broad U.S. equities	6.60%	29.00%
International equities	6.50%	16.00%
Diversifying assets	4.10%	6.00%
Private equity	8.00%	4.00%
Fixed income	1.75%	29.00%
Private Debt	5.50%	6.00%
Real estate (core)	5.75%	10.00%

**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:



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	<b>Sensitivity of the NPL to Changes in the Discount Rate</b>		
	<b>1.00% Decrease</b>	<b>Current Discount Rate</b>	<b>1.00% Increase</b>
	<b>6.50%</b>	<b>7.50%</b>	<b>8.50%</b>
Plan Net Pension Liability	\$ 348,039,815	\$ 261,425,069	\$ 186,733,751

**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:..

<b>Summary of Deferred Outflows and Inflows of Resources - RRS</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 2,018,491
Net difference between expected and actual investment earnings		53,294,586
Change in assumptions	14,912,748	-
Employer contributions subsequent to the measurement date	54,012,445	-
<b>Total</b>	<b>\$ 68,925,193</b>	<b>\$ 55,313,077</b>

Deferred outflows of resources for contributions subsequent to measurement date will be recognized in net pension liability in fiscal year ended 2023. 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:

<b>Amortization Schedule of Deferred Outflows and Inflows of Resources</b>		
Year Ended June 30,		
2023	\$	3,977,334
2024	\$	(11,007,561)
2025	\$	(14,002,549)
2026	\$	(19,367,553)
2027	\$	-
Thereafter	\$	-
<b>Total</b>	<b>\$</b>	<b>(40,400,329)</b>

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For the year ended June 30, 2022, the City recognized RRS pension expense of \$37,273,789.

The components of this pension expense include the following:

<b>PENSION EXPENSE - RRS</b>	
Service Cost	\$ 11,422,055
Interest Cost	62,362,814
Benefit Changes	465,126
Experience Loss/(Gain)	(408,551)
Contribution Employee	(1,751,556)
Net Investment Income	
Expected Return on Investments	(37,781,132)
Investment Gain or Loss Expensed	(19,367,555)
Administrative Expense	1,511,624
Amortization	20,820,964
Pension Expense	<u>\$ 37,273,789</u>

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 2,011 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: [www.richmondgov.com/retirement/publications.aspx](http://www.richmondgov.com/retirement/publications.aspx)

**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

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- 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 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 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

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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, 2022, was 12.64 percent of covered employee compensation. This rate was based on an actuarial determined rate from an actuarial valuation of June 30, 2020. 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, 2022, and June 30, 2021, were \$4,531,551 and \$4,538,543, respectively.

**C. Plan Membership**

At June 30, 2020, the valuation date, City membership in the VRS was comprised as follows:

Active members	530
Inactive members	-
Members and their beneficiaries receiving benefits	477
Members active elsewhere in VRS	280
Inactive Non-vested members	159
Inactive Vested members	110
<b>Total</b>	<b>1,556</b>

**D. Net Pension Liability**

For the City of Richmond, the net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of July 1, 2020. 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, 2022, was as follows:

Total Pension Liability	\$ 148,472,523
VRS Fiduciary Net Position	152,725,780
Net Pension Liability/Asset	<u>\$ (4,253,257)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.86%
Covered Payroll	\$ 24,088,930
City's Net Pension Liability as a Percentage of Covered Payroll	(17.66)%

**E. Actuarial Methods and Assumptions**

The City's net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, 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, 2021.

**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

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**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 4.75 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:

<b>Long Term Expected Rate of Return</b>			
	<b>Target Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
Multi Asset Public Strategies	6.00%	3.29%	0.20%
Private Investment Partnership	3.00%	6.84%	0.21%
	<u>100.00%</u>		<u>4.89%</u>
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

\* The above allocation provides a one year return of 7.14 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 40<sup>th</sup> 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. From July 1, 2020, 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, 2019. 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:

<b>Summary of Deferred Outflows and Inflows of Resources - VRS</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 1,474,179
Changes in assumptions	2,788,301	-
Net difference between projected and actual earnings on plan investments	-	16,511,987
Employer contribution subsequent to the measurement date	4,531,551	-
<b>Total</b>	<b>\$ 7,319,852</b>	<b>\$ 17,986,166</b>

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 are not amortized. The \$4,531,551 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<b>Amortization Schedule of Deferred Outflows and Inflows of Resources</b>		
Year Ended June 30,		
2023	\$	(3,287,004)
2024		(3,031,623)
2025		(3,845,921)
2026		(5,033,317)
2027		-
Thereafter		-
<b>Total</b>	<b>\$</b>	<b>(15,197,865)</b>

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.

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	<b>Sensitivity of the NPL to Changes in Discount Rate</b>		
	<b>1.00% Decrease</b>	<b>Current Discount Rate</b>	<b>1.00% Increase</b>
	<b>5.75%</b>	<b>6.75%</b>	<b>7.75%</b>
Plan Net Pension Liability	\$ 14,138,607	\$ (4,253,257)	\$ (19,484,768)

For the year ended June 30, 2022, the City recognized VRS pension expense of \$529,490. The components of this pension expense include the following:

<b>PENSION EXPENSE - VRS</b>	
Service Costs	\$ 3,642,964
Interest on the total pension liability	9,285,395
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(654,429)
Expensed portion of current period changes in assumptions	1,429,898
Member contributions	(1,282,683)
Projected earning on plan investments	(8,197,730)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(5,033,319)
Administrative expenses	84,660
Other	9,898
Recognition of beginning deferred outflows of resources as pension expense	2,684,821
Recognition of beginning deferred inflows of resources as pension expense	(1,439,985)
Pension Expense	<u>\$ 529,490</u>

**Aggregated Pension Expense**

For the year ended June 30, 2022, the City recognized total pension expense of \$36,373,381 RRS accounted for \$37,273,789 of the total and VRS accounted for the remainder of \$529,490.

	<b>RRS</b>	<b>VRS</b>	<b>Total</b>
Service Cost	\$ 11,422,055	\$ 3,642,964	\$ 15,065,019
Interest Cost	62,362,814	9,285,395	71,648,209
Benefit Changes	465,126	1,429,898	465,126
Experience Loss (Gain)	(408,551)	(654,429)	(1,062,980)
Member Contributions	(1,751,556)	(1,282,683)	(3,034,239)
Change in Assumptions			
Net Investment Income			
Expected Return on Investments	(37,781,132)	(8,197,730)	(45,978,862)
Investment Gain or Loss Expensed	(19,367,555)	(5,033,319)	(24,400,874)
Administrative Expense	1,511,624	94,558	1,606,182
Amortization	20,820,964	1,244,836	22,065,800
Pension Expense	<u>\$ 37,273,789</u>	<u>\$ 529,490</u>	<u>\$ 36,373,381</u>

**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

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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>Monthly Subsidy</u>
25+	\$ 400
20 to 24	\$ 300
15 to 19	\$ 200
10 to 14	\$ 100
Less than 10	\$ 0

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

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 June 30, 2022, the effective date of the biennial OPEB valuation, follows.



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There have been no significant changes in the number covered or the type of coverage since that date.

Active Employees	1,133
Retired Employees	114
Total	<u>1,247</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. Below are the full cost of the monthly premium rates projected at 7% of the valuation year:

	<b>OAPB Classic Plan</b>	<b>High Deductible Plan</b>
Retiree Only	\$1,193.50	\$ 982.87
Retiree + Spouse	\$2,387.02	\$1,965.71

**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 2022, \$1,400,000 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 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 June 30, 2022 valuation include:**

- Salary Increases – Not applicable
- Discount Rate – The discount rate is 4.09 percent per annum as of June 30, 2022 compared to the prior discount rate of 2.66 percent as of June 30, 2020.
- Valuation Date - June 30, 2022
- Expected Long – Term Rate of Return on Plan Assets – Not applicable
- Plan Participation – 45.00 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.

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- Administrative Expenses - The weighted average admin expense based on current retiree enrollment between plan designs is \$149.00 per annum.
- Investment Policy - Not Applicable
- Coordination with Medicare - Not Applicable
- 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 – Market Value of Assets
- 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 8 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 PUB-2010 General Government Healthy, Disabled and Contingent Survivor Headcount Weighted Tables. Future mortality improvement to be generational with 75% MP-2921 Improvement Scale. These Mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2021 Comprehensive Annual Financial Report for the Virginia Retirement System.
- 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, 2020 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 claims cost for current retirees and future retirees who are currently active. The Rate used for the June 30, 2022 evaluation was not changed.

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 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.

June 30, 2022 annual per capita claim

	<u>Medical/RX*</u>
Retiree Age 65 Pre-Medicare	\$22,777
Spouse Age 65 Pre-Medicare	\$22,777

This claim is for a male at age 65. Medical claims are assumed to increase at the medical health care cost trend. The cost trend is 6.00% in 2022 grading uniformly to 5.5% over 2 years and following the Geten Model thereafter.

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**Net OPEB Liability**

The cost trend rate which is 6.0% grading uniformly to 5.50% over a 2 year period. The following table shows the components of City's annual OPEB liability at June 30, 2022 using a measurement date as of June 30, 2022.

Total OPEB Liability	\$	30,920,235
Plan Fiduciary Net Position		8,234,777
Net OPEB Liability - June 30	\$	22,685,458
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		36.30%
Covered Payroll	\$	102,167,580
Net OPEB Liability as a Percent of Covered Payroll		22.20%

The table below shows the Net OPEB Liability measured as of June 30, 2022, which totals \$22,685,458. The total OPEB Liability of \$30,920,235 when combined with the Fiduciary Net Position of the OPEB Pooled Trust Assets 8,234,777 generates a \$22,685,458 Net OPEB Liability. While the plan has been a pay-as-you-go plan, in 2020 the City began to invest Assets in a Pooled Investment Trust for the purpose of accumulating Assets to pay OPEB expenses.

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2021	\$ 118,039,413	\$ 7,674,657	\$ 110,364,756
Changes for the Year			
Service Cost	5,854,572	-	5,854,572
Interest on Total OPEB Liability	3,188,970	-	3,188,970
Benefit changes	(53,566,193)	-	(53,566,193)
Experience Losses (Gains)	(28,201,247)	-	(28,201,247)
Changes in Assumptions	(10,387,390)	-	(10,387,390)
Contributions - Employer	-	5,407,890	(5,407,890)
Contributions - Members	-	-	-
Net Investment Income	-	(830,909)	830,909
Benefits Paid	(4,007,890)	(4,007,890)	-
Administrative Expenses	-	(8,971)	8,971
Recognition of Prior Post-measurement Contribution	-	-	-
Other Changes	-	-	-
Amortization of or Change in Beginning Balances	-	-	-
Net Changes	(87,119,178)	560,120	(87,679,298)
Balances as of June 30, 2022	\$ 30,920,235	\$ 8,234,777	\$ 22,685,458

**The 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 4.09%, 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 3.09%	Current Discount Rate 4.09%	1.00% Increase 5.09%
<b>Net OPEB Liability</b>	\$ 25,453,306	\$ 22,685,458	\$ 20,145,366

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NOTES TO BASIC FINANCIAL STATEMENTS  
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**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.

<b>Sensitivity of NOL to Change in Healthcare Cost Trend Rate</b>			
	<b>1.00% Decrease 6.50%</b>	<b>Current Trend Rate 7.50%</b>	<b>1.00% Increase 8.50%</b>
<b>Net OPEB Liability</b>	\$ 19,608,584	\$ 22,685,458	\$ 26,297,932

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

<b>Summary of Deferred Outflows and Inflows of Resources - City of Richmond</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Experience Losses	\$ 12,215,635	\$ 24,676,091
Change of Assumptions	3,254,362	9,088,966
Investment Losses	842,747	-
<b>Total</b>	<b>\$ 16,312,744</b>	<b>\$ 33,765,057</b>

The amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense and are amortized as follows:

<b>Amortization of Deferred Inflows &amp; Deferred Outflows of Resources</b>	
Year Ending June 30:	
2023	\$ 543,773
2024	543,773
2025	543,773
2026	(4,612,894)
2027	(4,823,580)
Thereafter	(9,647,158)
<b>Total</b>	<b>\$ (17,452,313)</b>

The City does not issue a separate OPEB financial statement for its OPEB plan.

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For the year ended June 30, 2022 the City recognized OPEB expense of \$(44,192,431). The components of this OPEB expense include the following:

<b>OPEB EXPENSE</b>	
Service Cost	\$ 5,854,573
Interest Cost	3,188,970
Benefit Changes	(53,566,193)
Experience Loss/(Gain)	(3,525,156)
Contribution Employee	-
Change in Assumptions	(1,298,424)
Net Investment Income	(11,838)
Expected Return on Investments	-
Investment Gain or Loss Expensed	-
Administrative Expense	8,971
Amortization	5,156,666
Pension Expense	<u>\$ (44,192,431)</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 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

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- 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 \$8,616 as of June 30, 2021.

**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 0.80 percent and the employer component was 0.54 percent. Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. The City of Richmond's contractually required employer contribution rate for the year ended June 30, 2022 was 0.5400 percent of covered employee compensation. This rate was based on an actuarial determined rate from an actuarial valuation as of June 30, 2019. 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 \$138,121 and \$134,912 for the years ended June 30, 2022, and June 30, 2021, respectively.

**c. Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

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liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date June 30, 2021, Net OPEB Liability (NOL) for the Group Life Insurance Program is as follows:

	<b>Group Life Insurance OPEB Program</b>
Total GLI OPEB Liability	\$ 4,431,972
Plan Fiduciary Net Position	<u>2,989,557</u>
Employers' Net GLI OPEB Liability	<u>\$ 1,442,415</u>
Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability	67.45%

At June 30, 2022, the City of Richmond reported a liability of \$ 1,442,415 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2021. 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, 2020 relative to the total of the actuarial determined employer contributions for all participating employers. At June 30, 2022, the City of Richmond proportion was 0.12389 percent as compared to 0.12607 percent at June 30, 2021.

For the year ended June 30, 2021, the City recognized GLI OPEB expense of \$7,905. 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.

**d. Deferred Inflows and Outflows**

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB program from the following sources:

<b>Summary of Deferred Outflows and Inflows of Resources - VRS GLI</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 164,513	\$ 10,990
Net difference between projected and actual earnings on GLI OPEB program investments	-	344,274
Change of assumptions	79,520	197,353
Changes in proportionate share	-	153,683
Employer Contributions subsequent to the measurement date	<u>138,121</u>	<u>-</u>
Total	<u>\$ 382,154</u>	<u>\$ 706,300</u>

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The \$138,121 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, 2023. 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:

<b>Amortization of Deferred Inflows &amp; Deferred Outflows of Resources</b>		
Year ended June 30,		
2023	\$	(122,247)
2024		(98,574)
2025		(87,100)
2026		(126,540)
2027		(27,806)
Thereafter		-
<b>Total</b>	<b>\$</b>	<b>(462,267)</b>

**Discount Rate**

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

**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.

<b>Sensitivity of NOL to Changes in Discount Rate</b>			
	<b>1.00% Decrease</b>	<b>Current Discount Rate</b>	<b>1.00% Increase</b>
	<b>5.75%</b>	<b>6.75%</b>	<b>7.75%</b>
VRS Net Group Life OPEB Liability	\$ 2,107,422	\$ 1,442,415	\$ 905,394

**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:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long Term Expected Rate of Return</b>	<b>Weighted Average Long Term Expected Rate of Return</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
Multi-Asset Public Strategies	6.00%	3.29%	0.20%
Private Investment Partnership	3.00%	6.84%	0.21%
<b>Total</b>	<b>100.00%</b>		<b>4.89%</b>
		Inflation	2.50%
		* Expected arithmetic nominal return	7.39%



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\*The above allocation provides a one-year return of 7.14 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 Board elected a long-term rate of 6.75 percent which is roughly at the 40<sup>th</sup> 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.

**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 2022 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.

The contributions to the plan for the year ended June 30, 2022 and the fair value of the plan investments were \$16,010,277 and \$134,782,813, respectively.

**14. LEASES**

The Entity leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2088, including any applicable renewal options.

Total future lease payments under lease agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	Principal	Interest	Principal	Interest	
2023	\$ 1,591,732	\$ 195,659	\$ 70,632	\$ 431,438	\$ 2,289,461
2024	937,830	117,986	72,780	429,290	1,557,886
2025	970,585	64,186	74,994	427,076	1,536,841
2026	673,103	10,931	77,275	424,795	1,186,104
2027	502,130	4,242	79,625	422,445	1,008,442
2028-2032	1,531,378	5,454	435,960	2,074,389	4,047,181
2033 and thereafter	-	-	13,602,208	\$14,471,862	28,074,070
Total minimum lease payments	\$ 6,206,758	\$ 398,458	\$ 14,413,474	\$18,681,295	\$ 39,699,985

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**JUNE 30, 2021**

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Governmental Activities	Business-Type Activities
Equipment	\$ 2,008,929	\$ -
Buildings and structures	6,349,285	-
Land and land use	-	14,482,020
Less: accumulated amortization	2,267,881	216,419
	\$ 6,090,333	\$ 14,265,601

The Entity, acting as lessor, leases (described leased property) under long-term, non-cancelable lease agreements. The leases expire at various dates through 2055, including any applicable renewal options. During the year ended June 30, 2022, the Entity recognized \$1,233,667 and \$199,819 in lease revenue and interest revenue, respectively, pursuant to these contracts.

	Governmental Activities		
	Principal	Interest	Total
2023	\$ 1,180,097	\$ 190,046	\$ 1,370,143
2024	744,790	163,741	908,531
2025	536,742	145,038	681,780
2026	393,026	132,375	525,401
2027	287,624	119,780	407,404
2028-2032	495,257	513,501	1,008,758
2033 and thereafter	2,894,045	1,224,987	4,119,032
Total minimum lease payments	\$ 6,531,581	\$ 2,489,468	\$ 9,021,049

**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% 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 is currently being modified to comply with Acts of the Virginia General Assembly, Chpt. 634, 2020 Va. SB 1064, approved April 2, 2020 and made effective July 1, 2020 ("2020 CSO Law"). The 2020 CSO Law establishes specific timeframes for the development and implementation of Interim and Final Plans to address combined sewer overflows (CSOs). Also in 2020, the State Special Order by Consent issued in 2005 was amended. The purpose of the Amendment was to revise certain provisions of the 2005 Order to align with requirements in the 2020 CSO Law.

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. As noted earlier, the 2020 CSO Law requires the City to make changes to its CSO control program. Specifically, the City must submit an Interim plan by July 2021, which was done, and the Plan must include projects that can be initiated within one year and completed no later than July 2027. The City must also develop and submit a Final Plan by July 2024 that includes projects that must be initiated by July 2025 and completed no later than July 2035.

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The City CSO control plan was estimated at \$295 million in 1995 dollars and is now estimated at between \$833 million and \$1.3 billion in 2022 dollars based upon initial scope of the Final Plan options (\$336 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% 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% of MHI requirement since July 2009 and are at 1.65% of MHI as of July 2022.

**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 \$913 million at June 30, 2022.

**16. DISCONTINUED OPERATIONS**

The City did not have any operations which were discontinued during Fiscal Year 2021-2022.

**17. SUBSEQUENT EVENTS**

On July 25, 2022, City Council adopted Ordinance 2022-221, with the purpose of providing for collective bargaining with certain City employees. The City employees and various unions are in the initial stages of organizing and the outcomes are not yet known.

On September 8, 2022, the City closed on the issuance of GO Bonds in the amount of \$63.5M, with maturity dates ranging from March, 2023 to March, 2042 and coupon rates ranging between 4% and 5%. \$60M of the proceeds were used to pay off an existing Line of Credit the City had drawn on to fund various City and stormwater capital projects. The remaining \$3.5M will be used to purchase a number of ambulances over the next two years. The existing Line of Credit was closed with the payment from the proceeds of the Bonds and the City has since issued an RFP to open two new Lines of Credit, one in the amount of \$70M to fund capital projects and one in the amount of \$10M for planning and development of long term projects. The City anticipates it will close on the two new Lines of Credit in December, 2022.

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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, 2022

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
<b>City Taxes</b>				
Real Estate	\$ 332,932,438	\$ 344,379,463	\$ 364,442,735	\$ 20,063,272
Sales Tax	36,880,579	36,880,579	44,689,387	7,808,808
Personal Property	62,611,623	62,611,623	64,524,543	1,912,920
Machinery and Tools	13,899,915	13,899,915	14,313,100	413,185
Utility Sales Tax Gas	5,100,000	5,100,000	5,016,694	(83,306)
Utility Sales Tax Electric	13,724,867	13,724,867	13,600,827	(124,040)
Utility Sales Tax Telephone	181,776	181,776	776	(181,000)
State Communication Taxes	14,440,680	14,440,680	11,017,266	(3,423,414)
Bank Stock	9,496,071	9,496,071	4,278,305	(5,217,766)
Prepared Food	35,448,556	35,448,556	45,762,510	10,313,954
Cigarette Tax	3,155,000	3,155,000	2,579,506	(575,494)
Lodging Tax	5,762,109	5,762,109	8,130,205	2,368,096
Admission	1,405,941	1,405,941	1,909,783	503,842
Real Estate Taxes - Delinquent	11,829,380	11,829,380	5,714,370	(6,115,010)
Personal Property Taxes - Delinquent	7,456,975	7,456,975	7,591,720	134,745
Private Utility Poles and Conduits	170,689	170,689	-	(170,689)
Penalties and Interest	6,438,684	6,438,684	6,735,486	296,802
Titling Tax-Mobile Home	9,807	9,807	-	(9,807)
State Recordation	1,000,000	1,000,000	-	(1,000,000)
Property Rental 1%	125,153	125,153	99,631	(25,522)
Vehicle Rental Tax	893,846	893,846	1,298,495	404,649
Telephone Commissions	355,000	355,000	350,057	(4,943)
Total City Taxes	<u>563,319,089</u>	<u>574,766,114</u>	<u>602,055,396</u>	<u>27,289,282</u>
<b>Licenses, Permits, and Privilege Fees</b>				
Business and Professional	30,758,929	30,758,929	41,035,093	10,276,164
Vehicle	5,676,272	5,676,272	6,337,362	661,090
Transfers, Penalties, Interest & Delinquent Collections	9,515	9,515	32,358	22,843
Utilities Right of Way Fees	1,788,600	1,788,600	1,224,984	(563,616)
Other Licenses, Permits and Fees	1,587,399	1,587,399	2,051,726	464,327
Total Licenses, Permits and Privilege Fees	<u>39,820,715</u>	<u>39,820,715</u>	<u>50,681,523</u>	<u>10,860,808</u>
<b>Intergovernmental</b>				
State Shared Expense	21,979,721	22,741,883	22,028,165	(713,718)
Total State Block Grant	3,580,516	3,580,516	3,135,265	(445,251)
Department of Social Services	14,656,199	14,930,199	13,265,176	(1,665,023)
Federal Revenues	25,240,963	61,138,734	27,275,546	(33,863,188)
State Aid to Localities	16,237,342	16,237,342	15,456,042	(781,300)
Service Charges on Tax Exempt Property (State PILOT)	3,698,683	3,698,683	1,001,618	(2,697,065)
All Other Intergovernmental Revenues	688,170	688,170	914,048	225,878
Total Intergovernmental	<u>\$ 86,081,594</u>	<u>\$ 123,015,527</u>	<u>\$ 83,075,860</u>	<u>\$ (39,939,667)</u>

**CITY OF RICHMOND, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
For the Fiscal Year Ended June 30, 2022

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Service Charges</b>				
Refuse Collection Fees	\$ 15,836,941	\$ 15,836,941	\$ 16,661,321	\$ 824,380
Safety Related Charges	346,000	346,000	511,027	165,027
Rental of Property	208,648	208,648	383,144	174,496
Building Service Charges	556,017	556,017	953,027	397,010
Inspection Fees	8,312,784	8,312,784	9,761,376	1,448,592
Recycling Proceeds	2,054,092	2,054,092	2,064,830	10,738
Health Related Charges	125,000	125,000	117,985	(7,015)
Other Sales - Income	65,155	65,155	3,142	(62,013)
Printing and Telecom Charges	4,000	4,000	(1,036)	(5,036)
Other Service Charges	959,134	959,134	1,874,148	915,014
Total Service Charges	<u>28,467,771</u>	<u>28,467,771</u>	<u>32,328,964</u>	<u>3,861,193</u>
<b>Fines and Forfeitures</b>				
Richmond Public Library	4,000	4,000	5,405	1,405
Circuit Court	41,836	41,836	51,512	9,676
General District Court	287	287	-	(287)
Juvenile and Domestic Relations District Court	6,738,616	6,738,616	8,194,701	1,456,085
Total Fines and Forfeitures	<u>6,784,739</u>	<u>6,784,739</u>	<u>8,251,618</u>	<u>1,466,879</u>
<b>Utility Payments</b>				
Utility Pilot Payment	21,078,214	21,078,214	21,078,214	-
Utility Payment - City Services	2,243,094	2,243,094	2,243,094	-
Utilities Payment for Collection Service	235,000	235,000	148,433	(86,567)
Total Utility Payments	<u>23,556,308</u>	<u>23,556,308</u>	<u>23,469,741</u>	<u>(86,567)</u>
<b>Miscellaneous Revenues</b>				
Reimbursement of Interest on Long-term Debt	1,606,082	1,606,082	1,169,503	(436,579)
Internal Service Fund Payments	248,845	248,845	-	(248,845)
Miscellaneous Revenues	2,959,788	4,506,276	9,414,415	4,908,139
Other Payments to General Fund	580,000	580,000	169,402	(410,598)
Total Miscellaneous Revenues	<u>5,394,715</u>	<u>6,941,203</u>	<u>10,753,320</u>	<u>3,812,117</u>
Total General Fund Revenues	<u>\$ 753,424,931</u>	<u>\$ 803,352,377</u>	<u>\$ 810,616,422</u>	<u>\$ 7,264,045</u>



**CITY OF RICHMOND, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2022**

**EXHIBIT H-1, Continued**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures</b>				
<b>Current</b>				
<b>General Government</b>				
City Council	\$ 1,347,845	\$ 1,468,466	\$ 1,487,214	\$ (18,748)
City Clerk	947,892	1,021,892	965,499	56,393
Planning and Development Review	11,659,415	13,628,861	10,846,988	2,781,873
Assessor of Real Estate	4,126,549	5,722,032	3,875,155	1,846,877
City Auditor	2,248,018	2,321,270	2,132,530	188,740
Department of Law	4,298,801	4,618,841	4,017,342	601,499
General Registrar	3,872,008	4,094,939	3,232,517	862,422
Inspector General	582,755	612,157	617,216	(5,059)
Chief Administrative Officer	904,437	1,006,844	1,016,904	(10,060)
Citizen Service and Response	2,479,071	2,870,510	2,585,594	284,916
Budget and Strategic Planning	1,358,788	1,673,106	1,076,695	596,411
Department of Human Resources	4,784,088	5,310,463	4,624,414	686,049
Department of Finance	10,273,687	24,687,147	14,310,343	10,376,804
Procurement Services	1,557,585	1,920,238	1,687,105	233,133
Office of Press Secretary to Mayor	139,366	114,366	170,909	(56,543)
City Treasurer	229,039	232,264	232,669	(405)
Economic/Community Development	3,095,149	5,024,037	3,847,122	1,176,915
Housing and Community Development	1,619,229	10,521,845	1,216,831	9,305,014
Council Chief of Staff	1,131,416	1,316,920	846,307	470,613
Minority Business Development	836,001	1,024,060	1,013,214	10,846
Office of Community Wealth Building	2,191,589	3,988,239	1,889,888	2,098,351
City Mayors Office	1,004,103	1,061,610	1,031,259	30,351
Total General Government	<u>60,686,831</u>	<u>94,240,107</u>	<u>62,723,715</u>	<u>31,516,392</u>
<b>Public Safety and Judiciary</b>				
Judiciary	12,045,442	12,556,726	12,147,994	408,732
Juvenile and Domestic Relations District Court	473,909	488,556	411,560	76,996
City Sheriff	41,429,890	43,026,104	40,553,758	2,472,346
Department of Police	95,815,854	96,158,926	90,106,123	6,052,803
Department of Emergency Communications	6,587,923	6,792,869	5,915,122	877,747
Department of Fire and Emergency Services	54,761,361	56,699,931	55,801,792	898,139
Animal Control	1,932,887	2,185,782	2,300,301	(114,519)
Total Public Safety and Judiciary	<u>213,047,266</u>	<u>217,908,894</u>	<u>207,236,650</u>	<u>10,672,244</u>
<b>Highways, Streets, Sanitation and Refuse</b>				
Department of Public Works	<u>35,991,294</u>	<u>43,001,823</u>	<u>39,232,613</u>	<u>3,769,210</u>
<b>Human Services</b>				
Office of DCAO for Human Services	1,882,381	4,398,366	2,031,528	2,366,838
Department of Social Services	46,748,805	48,670,872	43,773,332	4,897,540
Justice Services	9,613,244	10,294,000	8,720,112	1,573,888
Department of Public Health	4,633,490	4,633,490	4,633,490	-
Total Human Services	<u>62,877,920</u>	<u>67,996,728</u>	<u>59,158,462</u>	<u>8,838,266</u>
<b>Culture and Recreation</b>				
Richmond Public Library	5,656,459	6,338,002	6,370,161	(32,159)
Department of Parks, Recreation and Community Facilities	18,434,814	20,011,174	21,313,207	(1,302,033)
Total Culture and Recreation	<u>24,091,273</u>	<u>26,349,176</u>	<u>27,683,368</u>	<u>(1,334,192)</u>
<b>Education</b>				
Richmond Public Schools	187,142,096	187,142,096	187,142,096	-
Total Education	<u>\$ 187,142,096</u>	<u>\$ 187,142,096</u>	<u>\$ 187,142,096</u>	<u>\$ -</u>

**CITY OF RICHMOND, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2022**

**EXHIBIT H-1, Continued**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Non-Departmental</b>				
Payments to Other Government Agencies	\$ 15,848,560	\$ 16,522,560	\$ 20,587,605	\$ (4,065,045)
Tax Relief	4,041,755	4,041,755	3,972,403	69,352
GRTC	8,319,090	8,319,090	8,319,090	-
RRS Contributions/Retiree's Health Care Program	3,300,000	3,300,000	1,546,160	1,753,840
Contributions	48,347,461	61,704,160	53,726,053	7,978,107
Total Non-Departmental	<u>79,856,866</u>	<u>93,887,565</u>	<u>88,151,311</u>	<u>5,736,254</u>
Total General Fund Expenditures	<u>663,693,546</u>	<u>730,526,389</u>	<u>671,328,215</u>	<u>59,198,174</u>
Excess of Revenues Over Expenditures	<u>89,731,385</u>	<u>72,825,988</u>	<u>139,288,207</u>	<u>66,462,219</u>
<b>Other Financing Sources</b>				
Transfers In - Other Funds	19,407,028	20,580,868	9,828,247	(10,752,621)
Transfers Out - Other Funds	(109,138,413)	(109,188,098)	(105,037,498)	4,150,600
Total Other Financing Sources, Net	<u>(89,731,385)</u>	<u>(88,607,230)</u>	<u>(95,209,251)</u>	<u>(6,602,021)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>-</u>	<u>(15,781,242)</u>	<u>44,078,956</u>	<u>59,860,198</u>
Fund Balance - Beginning of Year, as restated	<u>162,170,205</u>	<u>162,170,205</u>	<u>162,170,205</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 162,170,205</u>	<u>\$ 146,388,963</u>	<u>\$ 206,249,161</u>	<u>\$ 59,860,198</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, 2022**

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, 2022:
 

City Council	\$ (18,748)
Inspector General	(5,059)
Chief Administrative Officer	(10,060)
Office of Press Secretary to Mayor	(56,543)
City Treasurer	(405)
Animal Control	(114,519)
Richmond Public Library	(32,159)
Department of Parks, Recreation and Community Facilities	(1,302,033)
Payments to Other Governmental Agencies	(4,065,045)

**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	2021	2022
<b>Total pension liability</b>								
Service cost	\$ 10,368,390	\$ 9,243,126	\$ 10,158,640	\$ 9,996,926	\$ 10,079,515	\$ 10,463,956	\$ 11,953,421	\$ 11,422,056
Interest	60,753,726	60,070,179	59,552,622	60,018,265	60,860,936	61,669,092	61,913,034	62,362,814
Changes of benefit terms	8,476,904	-	-	-	-	-	14,745,118	465,126
Differences between expected and actual experience	1,608,297	(5,985,740)	1,248,504	6,436,861	7,857,057	(1,093,201)	(1,054,083)	(1,634,203)
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)	(70,847,439)	(72,431,409)
Net change in total pension liability	(10,422,421)	(3,291,205)	3,852,284	8,888,876	10,558,833	61,947,101	16,710,051	184,384
Total pension liability - beginning	842,232,056	831,809,634	828,518,429	833,414,411	842,303,287	852,862,120	914,809,221	926,500,538
Total pension liability - ending (a)	\$ 831,809,635	\$ 828,518,429	\$ 832,370,713	\$ 842,303,287	\$ 852,862,120	\$ 914,809,221	\$ 931,519,272	\$ 926,684,922
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 41,228,673	\$ 45,556,509	\$ 43,662,633	\$ 41,833,836	\$ 45,524,623	\$ 47,511,140	54,149,754	\$ 54,012,452
Contributions - member	2,062,759	2,290,451	1,920,452	2,096,642	1,919,758	1,894,851	1,941,132	1,751,556
Net investment income	74,451,688	15,263,407	(1,456,427)	61,263,751	37,988,323	24,568,402	9,556,654	134,618,905
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)	(71,375,503)	(72,431,409)
Administrative expense	(1,283,342)	(1,218,004)	(1,128,623)	(1,112,650)	(1,181,564)	(1,250,142)	(1,309,142)	(1,511,623)
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	(7,037,105)	116,439,881
Plan fiduciary net position - beginning	479,658,967	530,568,957	526,409,589	502,318,862	538,837,265	538,837,265	557,110,208	548,819,972
Plan fiduciary net position - ending (b)	\$ 530,568,957	\$ 525,178,621	\$ 502,300,142	\$ 538,837,265	\$ 554,849,748	\$ 541,097,725	550,073,103	\$ 665,259,853
<b>City's net pension liability - ending (a) - (b)</b>	\$ 301,240,678	\$ 303,339,808	\$ 330,070,571	\$ 303,466,022	\$ 298,012,372	\$ 373,711,496	\$ 381,446,168	\$ 261,425,069
Plan fiduciary net position as a percentage of the total pension liability	63.78%	63.39%	60.35%	63.97%	65.06%	59.15%	59.05%	71.79%
<b>Covered payroll</b>	\$ 107,834,516	\$ 109,038,530	\$ 104,977,759	\$ 104,668,019	\$ 105,442,140	\$ 106,031,020	\$ 101,964,037	\$ 93,295,563
City's net pension liability as a percentage of covered payroll	279.35%	278.20%	314.42%	289.93%	282.63%	352.45%	374.10%	280.21%

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**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined employer contribution	41,228,673	45,556,509	43,662,633	41,833,836	48,432,034	47,511,140	54,149,781	54,012,445
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	54,149,781	54,012,445
Excess (Deficiency)	-	-	-	-	(2,907,411)	883,513	-	-
Covered payroll	109,038,530	104,977,759	104,668,019	105,442,140	106,031,020	101,964,037	93,539,093	93,869,387
Contributions as a percentage of covered payroll	37.8%	43.4%	41.7%	39.7%	45.7%	46.6%	57.9%	57.5%

**Richmond Retirement System  
Schedule of Investment Returns**

	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Annual money-weighted rate of return net of investment expense	15.5%	2.4%	(0.3)%	12.2%	7.1%	5.1%	-1.0%	24.0%	-6.0%

## Notes to the Required Supplementary Pension Information

### Richmond Retirement System Pension Plan

For the Year Ended June 30, 2022

#### Methods and Assumptions Used to Determine Contribution Rates:

The following changes were made to assumptions:

Remaining Amortization Period - Re-amortize unfunded liability over 11 years as of July 1, 2020. Cost of VRIP is amortized over 3 years. Other new bases are amortized over 20 years.

Inflation - 2.50%

Salary Increases - General Employees - 2.50% to 4.00%

Salary Increases - Police and Fire Employees - 2.50% to 4.50%

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>	<u>2021</u>	<u>2022</u>
<b>Total pension liability</b>								
Service cost	\$ 3,295,894	\$ 3,421,683	\$ 3,583,801	\$ 3,589,830	\$ 3,421,014	\$ 3,595,008	\$ 3,579,068	\$ 3,642,964
Interest	7,369,694	7,689,675	8,037,966	8,348,430	8,446,921	8,750,975	9,045,496	9,285,395
Differences between expected and actual expenses	(479,419)	110,367	(196,070)	(2,719,281)	(388,284)	540,139	(733,288)	(1,930,566)
Changes in assumptions	-	-	-	(1,083,113)	-	3,837,631	-	4,218,199
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)	(8,064,640)	(8,609,767)
Changes in assumptions	-	-	-	-	-	-	-	-
<b>Net change in total pension liability</b>	<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>	<u>3,826,636</u>	<u>6,606,225</u>
<b>Total pension liability - beginning</b>	<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>	<u>138,039,662</u>	<u>141,866,298</u>
<b>Total pension liability - ending (a)</b>	<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>	<u>\$ 141,866,298</u>	<u>\$ 148,472,523</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 3,497,052	\$ 3,471,373	\$ 3,621,503	\$ 3,219,694	\$ 3,176,521	\$ 2,948,781	2,939,040	3,248,868
Contributions - member	1,276,061	1,258,265	1,393,001	1,401,096	1,346,018	1,301,296	1,312,202	1,282,683
Net investment income	13,713,152	4,552,450	1,793,841	12,562,007	8,403,155	7,924,514	2,372,966	33,364,323
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)	(8,064,640)	(8,609,767)
Administrative expense	(74,396)	(62,657)	(64,054)	(72,905)	(72,921)	(79,792)	(82,204)	(84,660)
Other	723	(962)	(759)	(11,180)	(7,471)	(4,992)	(2,785)	(9,898)
<b>Net change in plan fiduciary net position</b>	<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>	<u>(1,525,421)</u>	<u>29,191,549</u>
<b>Plan fiduciary net position - beginning</b>	<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>	<u>125,059,652</u>	<u>123,534,231</u>
<b>Plan fiduciary net position - ending (b)</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>	<u>\$ 123,534,231</u>	<u>\$ 152,725,780</u>
<b>City's net pension liability / (asset) - ending (a) minus (b)</b>	<u>\$ 12,485,198</u>	<u>\$ 14,488,454</u>	<u>\$ 18,674,561</u>	<u>\$ 9,711,715</u>	<u>\$ 8,346,064</u>	<u>\$ 12,980,010</u>	<u>\$ 18,332,067</u>	<u>\$ (4,253,257)</u>
Plan fiduciary net position as a percentage of the total pension liability	88.9%	87.7%	84.8%	92.2%	93.5%	90.6%	87.1%	102.9%
Covered payroll	\$ 23,115,189	\$ 25,093,420	\$ 25,652,406	\$ 25,351,280	\$ 26,179,060	\$ 26,924,568	\$ 27,187,437	\$ 24,088,930
City's net pension liability as a percentage of covered payroll	54.0%	57.7%	72.8%	38.3%	31.9%	48.2%	67.4%	-17.7%

\* 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**

<b>VRS</b>	<u><b>2013</b></u>	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>	<u><b>2020</b></u>	<u><b>2021</b></u>	<u><b>2022</b></u>
Contractually Required Contribution	3,291,603	3,077,272	3,497,052	3,471,373	4,547,035	4,807,272	4,702,343	4,555,329	4,538,543	4,531,551
Actuarially Determined Contribution	<u>3,291,603</u>	<u>3,077,272</u>	<u>3,497,052</u>	<u>3,471,373</u>	<u>3,621,503</u>	<u>3,219,694</u>	<u>3,176,521</u>	<u>3,027,531</u>	<u>3,301,487</u>	<u>3,331,911</u>
Excess (Deficiency)	-	-	-	-	925,532	1,587,578	1,525,822	1,527,798	1,237,056	1,199,640
Covered Payroll	24,068,589	23,115,189	25,093,420	25,652,406	25,351,280	26,179,060	26,924,568	27,187,437	26,321,947	26,194,267
Contributions as a percentage of covered payroll	13.7%	13.3%	13.9%	13.5%	17.9%	12.3%	11.8%	11.1%	12.5%	12.7%

**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\*

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total OPEB Liability</b>					
Service cost	\$ 4,021,865	\$ 4,222,958	\$ 4,434,106	\$ 5,702,876	\$ 5,854,572
Interest	2,425,532	2,532,946	2,553,264	3,058,492	3,188,970
Change of Benefit Terms	-	-	24,431,269	-	(53,566,193)
Difference between expected and actual experience	-	-	6,508,726	-	(28,201,247)
Change in Assumptions	-	-	-	-	(10,387,390)
Benefit Payments/Refunds	<u>(2,958,026)</u>	<u>(3,194,668)</u>	<u>(6,313,741)</u>	<u>(6,313,741)</u>	<u>(4,007,890)</u>
<b>Net Change in Total OPEB Liability</b>	3,489,371	3,561,236	31,613,624	2,447,627	(87,119,178)
<b>Total OPEB Liability - beginning</b>	76,927,555	80,416,926	83,978,162	115,591,786	118,039,413
<b>Total OPEB Liability - ending (a)</b>	<u>\$ 80,416,926</u>	<u>\$ 83,978,162</u>	<u>\$ 115,591,786</u>	<u>\$ 118,039,413</u>	<u>\$ 30,920,235</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 2,958,026	\$ 3,194,668	\$ 6,313,741	\$ 6,313,741	\$ 5,407,890
Net Investment Income	-	-	-	-	(830,909)
Benefit Payments/Refunds	(2,958,026)	(3,194,668)	(6,313,741)	(6,313,741)	(4,007,890)
Administrative Expenses	-	-	-	-	(8,971)
<b>Net Changes in Plan Fiduciary Net Position</b>	<u>\$ 2,958,026</u>	<u>\$ 3,194,668</u>	<u>-</u>	<u>6,313,741</u>	<u>560,120</u>
<b>Plan Fiduciary Net Position - beginning</b>	-	-	-	-	7,674,657
<b>Plan Fiduciary Net Position - ending (b)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,234,777</u>
<b>Net OPEB Liability - ending (a) - (b)</b>	<u>\$ 80,416,926</u>	<u>\$ 83,978,162</u>	<u>\$ 115,591,786</u>	<u>\$ 118,039,413</u>	<u>\$ 22,685,458</u>
<b>Plan Fiduciary Net Position as a % of the Total OPEB Liability</b>	0.00%	0.00%	0.00%	0.00%	36.30%
<b>Covered payroll</b>	\$ 107,395,730	\$ 100,320,588	\$ 99,822,621	\$ 115,756,485	\$ 102,167,580
<b>City's Net OPEB liability as a percentage of covered payroll</b>	74.88%	83.71%	115.80%	101.97%	22.20%

\*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 five years are presented until a full ten years trend is compiled,

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Fiscal Year Ending June 30:

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined contribution	\$ 9,228,017	\$ 8,371,014	\$ 13,670,345	\$ 14,207,750	\$ 14,379,755
Contributions in relation to the actuarially determined contribution	2,958,026	3,194,668	6,313,741	6,313,741	5,407,890
Contribution deficiency (excess)	\$ 6,269,991	\$ 5,176,346	\$ 7,356,604	\$ 7,894,009	\$ 8,971,865
Covered payroll	\$ 100,320,588	\$ 99,822,621	\$ 115,756,485	\$ 102,167,580	\$ 87,509,297

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

	<u><b>2018</b></u>	<u><b>2019</b></u>	<u><b>2020</b></u>	<u><b>2021</b></u>	<u><b>2022</b></u>
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%	0.00%	0.00%	-10.19%

\*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.

## REQUIRED SUPPLEMENTARY INFORMATION

### 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>	<u>2021</u>	<u>2022</u>
City of Richmond's Proportion % of the Net GLI OPEB Liability	0.14%	0.13%	0.13%	0.13%	0.12%
City of Richmond's Proportionate Share of the NET GLI OPEB Liability	\$ 2,083,000	\$ 2,061,000	\$ 2,124,000	\$ 2,103,902	\$ 1,442,415
Covered Payroll	\$ 25,351,280	\$ 25,589,505	\$ 25,944,554	\$ 25,577,974	\$ 25,577,974
Employer's Proportionate Share of the NET GLI OPEB Liability as a Percentage of Covered Payroll	8.22%	8.05%	8.19%	8.23%	5.64%
Plan Fiduciary Net Position as a Percentage of the total GLI OPEB Liability	48.86%	51.22%	51.22%	52.64%	67.45%

\*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\***

<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contribution in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency/(Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2022	\$ 138,121	\$ 138,121	\$ -	\$ 25,577,974	0.54%
2021	138,121	138,121		25,577,974	0.54%
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, 2022**

**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** - Except for the discount rate, 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. The discount rate was changed based on VRS Board action effective July 1, 2019. This rate was changed from 7.00 percent to 6.75 percent.

***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, 2022**

**EXHIBIT I-1**

	Special Revenue		Permanent Funds			
	Grants Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	Total
<b>Assets</b>						
Cash and Cash Equivalents	\$ 45,432,224	\$ (3,502,620)	\$ (58)	\$ (165,018)	\$ -	\$ 41,764,528
Accounts Receivable, Net	1,714,838	6,939,115	-	-	-	8,653,953
Due From Other Governments	1,519,583	3,558,470	-	-	-	5,078,053
Restricted Assets	-	-	6,540	193,223	33,982	233,745
Total Assets	48,666,645	6,994,965	6,482	28,205	33,982	55,730,279
<b>Liabilities:</b>						
Accounts Payable	4,933,889	1,485,784	-	-	-	6,419,673
Accrued Liabilities	941,845	-	-	-	-	941,845
Accrued Wages	702,531	16,761	-	-	-	719,292
Due To Other Funds	589,981	-	-	-	-	589,981
Unearned Revenue	(261)	6,910,000	-	-	-	6,909,739
Total Liabilities	7,167,985	8,412,545	-	-	-	15,580,530
<b>Fund Balances:</b>						
Restricted	41,498,660	(1,417,580)	6,482	28,205	33,982	40,149,749
Total Fund Balances	41,498,660	(1,417,580)	6,482	28,205	33,982	40,149,749
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 48,666,645	\$ 6,994,965	\$ 6,482	\$ 28,205	\$ 33,982	\$ 55,730,279



**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, 2022**

EXHIBIT I-2

	Special Revenue		Permanent Funds			Total
	Grant Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	
<b>Revenues</b>						
Intergovernmental	\$ 66,991,835	\$ 7,011,696	\$ -	\$ -	\$ -	\$ 74,003,531
Service Charges	3,357,535	-	-	-	-	3,357,535
Fines and Forfeitures	170,484	-	-	-	-	170,484
Investment Income	34,270	-	-	22	5	34,297
Lease Revenue	432,031	-	-	-	-	432,031
Miscellaneous	3,880,667	718,947	-	-	1	4,599,615
Total Revenues	74,866,822	7,730,643	-	22	6	82,597,493
<b>Expenditures</b>						
Current:						
General Government	8,557,273	6,315,981	-	-	-	14,873,254
Public Safety and Judiciary	9,902,429	-	-	-	-	9,902,429
Highways, Streets, Sanitation and Refuse	55,498,425	-	-	-	-	55,498,425
Human Services	12,801,932	127,192	-	-	-	12,929,124
Culture and Recreation	1,433,587	-	-	-	25	1,433,612
Total Expenditures	88,193,646	6,443,173	-	-	25	94,636,844
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,326,824)	1,287,470	-	22	(19)	(12,039,351)
<b>Other Financing Sources</b>						
Transfers In - Other Funds	12,624,405	-	-	-	-	12,624,405
Transfers Out - Other Funds	(2,112,268)	(981,124)	-	-	-	(3,093,392)
Total Other Financing Sources, Net	10,512,137	(981,124)	-	-	-	9,531,013
Net Change in Fund Balances	(2,814,687)	306,346	-	22	(19)	(2,508,338)
Fund Balance - Beginning of Year	44,313,347	(1,723,926)	6,482	28,183	34,001	42,658,087
Fund Balance - End of Year	\$ 41,498,660	\$ (1,417,580)	\$ 6,482	\$ 28,205	\$ 33,982	\$ 40,149,749

**CITY OF RICHMOND, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUNDS FUNDS  
For the Fiscal Year Ended June 30, 2022**

**EXHIBIT I-3**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental Revenue	\$ 114,833,127	\$ 120,034,645	\$ 74,003,531	\$ 46,031,114
Investment Earnings and Contributions	-	-	34,297	(34,297)
Miscellaneous Revenue	3,675,680	3,708,180	8,559,665	(4,851,485)
Total Revenues	<u>118,508,807</u>	<u>123,742,825</u>	<u>82,597,493</u>	<u>41,145,332</u>
<b>Expenditures</b>				
General Government	29,542,014	32,440,654	14,873,254	17,567,400
Public Safety and Judiciary	13,199,958	14,846,231	9,902,429	4,943,802
Highways, Streets, Sanitation and Refuse	55,111,627	55,232,002	55,498,425	(266,423)
Human Services	17,954,581	17,954,581	12,929,124	5,025,457
Culture and Recreation	2,700,627	3,269,357	1,433,612	1,835,745
Total Expenditures	<u>118,508,807</u>	<u>123,742,825</u>	<u>94,636,844</u>	<u>23,871,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(12,039,351)</u>	<u>17,273,369</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In - Other Funds	-	-	12,624,405	12,624,405
Transfers Out - Other Funds	-	-	(3,093,392)	(3,093,392)
Total Other Financing Sources, Net	<u>-</u>	<u>-</u>	<u>9,531,013</u>	<u>9,531,013</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(2,508,338)</u>	<u>(2,508,338)</u>
Fund Balance - Beginning of Year	<u>42,658,020</u>	<u>42,658,020</u>	<u>42,658,020</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 42,658,020</u>	<u>\$ 42,658,020</u>	<u>\$ 40,149,682</u>	<u>\$ (2,508,338)</u>

**CITY OF RICHMOND, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
For the Fiscal Year Ended June 30, 2022**

**EXHIBIT I-4**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental Revenues and Service Charges	\$ 19,932,650	\$ 57,516,087	\$ 7,999,992	\$ (49,516,095)
Total Intergovernmental Revenues	<u>19,932,650</u>	<u>57,516,087</u>	<u>7,999,992</u>	<u>(49,516,095)</u>
<b>Investment Earnings and Contributions</b>				
Interest Earned on Restricted Funds	-	-	46,676	46,676
Total Investment Earnings	<u>-</u>	<u>-</u>	<u>46,676</u>	<u>46,676</u>
<b>Miscellaneous Revenues</b>				
Reapportion of Existing Projects	2,200,000	2,200,000	-	(2,200,000)
Miscellaneous	7,056,622	7,056,622	3,532,119	(3,524,503)
Total Miscellaneous Revenues	<u>9,256,622</u>	<u>9,256,622</u>	<u>3,532,119</u>	<u>(5,724,503)</u>
Total Revenues	<u>29,189,272</u>	<u>66,772,709</u>	<u>11,578,787</u>	<u>(55,193,922)</u>
<b>Expenditures</b>				
<b>Capital Outlay:</b>				
City Facility Maintenance & Improvements	4,612,500	6,412,500	4,164,454	2,248,046
Culture & Recreation	4,050,000	33,270,000	5,015,560	28,254,440
Economic & Community Development	936,396	936,396	1,399,067	(462,671)
Education	2,100,000	2,100,000	10,926,559	(8,826,559)
Public Safety	10,937,500	10,937,500	3,584,417	7,353,083
Transportation	33,539,650	40,103,087	19,590,913	20,512,174
City Equipment & Other Infrastructure Investment	7,029,835	7,029,835	6,027,041	1,002,794
Debt Issuance Cost	-	-	-	-
Total Expenditures	<u>63,205,881</u>	<u>100,789,318</u>	<u>50,708,011</u>	<u>50,081,307</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,016,609)</u>	<u>(34,016,609)</u>	<u>(39,129,224)</u>	<u>(105,275,229)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Bonds and Notes	26,986,774	26,986,774	28,651,791	1,665,017
Premium Rec'd on Bonds	-	-	-	-
Transfers In - Other Funds	7,029,835	7,029,835	8,971,210	1,941,375
Transfers Out - Other Funds	-	-	(143,120)	(143,120)
Total Other Financing Sources, Net	<u>34,016,609</u>	<u>34,016,609</u>	<u>37,479,881</u>	<u>3,463,272</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(1,649,343)</u>	<u>(101,811,957)</u>
Fund Balance - Beginning of Year, as restated	<u>(29,577,325)</u>	<u>(29,577,325)</u>	<u>(29,577,325)</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ (29,577,325)</u>	<u>\$ (29,577,325)</u>	<u>\$ (31,226,668)</u>	<u>\$ (1,649,343)</u>

**CITY OF RICHMOND, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2022**

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

	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Transfer in From General Fund - Debt Service	\$ 77,465,799	\$ 77,465,799	\$ 76,240,098	\$ (1,225,701)
Transfer in From General Fund - Non-Departmental	9,050,590	9,050,590	9,050,590	-
Reimbursement from Federal Government	990,626	990,626	1,398,500	407,874
Payments from EDA (Stone Brewing Project)	1,441,413	1,441,413	1,437,262	(4,151)
Transfer from CDBG to pay HUD Notes	981,124	981,124	851,124	(130,000)
Other Revenue	-	-	2,396	2,396
<b>Total Revenue</b>	<b>\$ 89,929,552</b>	<b>\$ 89,929,552</b>	<b>\$ 88,979,970</b>	<b>\$ (949,582)</b>
<b>Expenditures</b>				
<b>Principal Payments</b>				
General Government Projects	\$ 23,219,174	\$ 23,219,174	\$ 23,219,174	\$ -
Justice Center Project	4,611,671	4,611,671	4,611,671	-
Carpenter Center Project	1,118,287	1,118,287	1,118,287	-
Transportation Projects	7,088,985	7,088,985	7,088,985	-
School Capital Improvement Projects	17,252,386	17,252,386	17,252,386	-
730 Theater Row Building Project	1,005,890	1,005,890	1,005,890	-
Stone Brewing Project	710,000	710,000	710,000	-
Coliseum	466,426	466,426	466,426	-
HUD Section 108 Notes	685,000	685,000	685,000	-
Cemeteries	31,233	31,233	-	31,233
	-	-	-	-
<b>Total Principal Payments</b>	<b>56,189,052</b>	<b>56,189,052</b>	<b>56,157,819</b>	<b>31,233</b>
<b>Interest Payments</b>				
General Government Projects	10,256,181	10,256,181	10,256,181	-
Justice Center Project	3,532,878	3,532,878	3,532,878	-
Carpenter Center Project	608,544	608,544	608,544	-
Transportation Projects	4,089,279	4,089,279	4,089,279	-
Schools Capital Improvement Projects	11,931,754	11,931,754	11,931,754	-
730 Theater Row Bldg Project	13,072	13,072	13,072	-
Stone Brewing Project	731,412	731,412	731,412	-
Coliseum	50,636	50,636	50,636	-
HUD Section 108 Notes	296,124	296,124	296,124	-
Cemeteries	3,866	3,866	-	3,866
	-	-	-	-
<b>Total Interest Payments on Bonds</b>	<b>31,513,746</b>	<b>31,513,746</b>	<b>31,509,880</b>	<b>3,866</b>
<b>Interest - Short Term Debt</b>				
GO Bond Anticipation Notes -City	1,083,333	1,083,333	295,620	787,713
<b>Total Interest Payments on Short Term Debt</b>	<b>1,083,333</b>	<b>1,083,333</b>	<b>295,620</b>	<b>787,713</b>
<b>Total Interest Payments</b>	<b>32,597,079</b>	<b>32,597,079</b>	<b>31,805,500</b>	<b>791,579</b>
<b>Cost of Issuance</b>	-	-	833	(833)
<b>Total Expenditures</b>	<b>\$ 88,786,131</b>	<b>\$ 88,786,131</b>	<b>\$ 87,964,152</b>	<b>\$ 821,979</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,143,421</b>	<b>1,143,421</b>	<b>1,015,818</b>	<b>(127,603)</b>
<b>Net Change in Fund Balance</b>	<b>1,143,421</b>	<b>1,143,421</b>	<b>1,015,818</b>	<b>(127,603)</b>
Beginning Fund Balance	14,373,917	14,373,917	14,373,917	-
<b>Ending Fund Balance</b>	<b>\$ 15,517,338</b>	<b>\$ 15,517,338</b>	<b>\$ 15,389,735</b>	<b>\$ (127,603)</b>

## **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, 2022**

EXHIBIT J-1

	Cemeteries	Parking Enterprise	Total
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 1	\$ 10,328,586	\$ 10,328,587
Accounts Receivable, Net	-	1,526,201	1,526,201
Prepaid Expenses and Other Current Assets	-	45	45
Total Current Assets	<u>1</u>	<u>11,854,832</u>	<u>11,854,833</u>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Land	8,188,700	14,268,255	22,456,955
Buildings and Structures	611,771	35,519,958	36,131,729
Equipment	157,317	3,718,544	3,875,861
Less Accumulated Depreciation	(663,091)	(16,403,023)	(17,066,114)
ROU Assets Land & Land Rights	-	14,482,020	14,482,020
Less: Accumulated amortization	-	(216,419)	(216,419)
Total Noncurrent Assets	<u>8,294,697</u>	<u>51,369,335</u>	<u>59,664,032</u>
Total Assets	<u>8,294,698</u>	<u>63,224,167</u>	<u>71,518,865</u>
<b>Deferred Outflow of Resources</b>			
<b>Employer Contributions to Pension</b>			
Pension /OPEB Related Activities (Note 11 and 12)	384,035	466,791	850,826
Total Deferred Outflows of Resources	<u>384,035</u>	<u>466,791</u>	<u>850,826</u>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 106,070	\$ 984,676	\$ 1,090,746
Accrued Liabilities	2,659	15,938	18,597
Accrued Wages	27,551	32,319	59,870
Due To Other Funds	1,874,798	-	1,874,798
Accrued Interest on Bonds	1,418	590,870	592,288
General Obligation Bonds	31,233	3,470,000	3,501,233
Compensated Absences	21,110	17,509	38,619
Other Liabilities & Claims Payable	8,440	14,413,474	14,421,914
Total Current Liabilities	<u>2,073,279</u>	<u>19,524,786</u>	<u>21,598,065</u>
<b>Noncurrent Liabilities:</b>			
General Obligation Bonds	31,299	37,702,451	37,733,750
Compensated Absences	45,087	37,394	82,481
Net Pension and OPEB Liability	1,491,973	(610,161)	881,812
Total Noncurrent Liabilities	<u>1,568,359</u>	<u>37,129,684</u>	<u>38,698,043</u>
Total Liabilities	<u>3,641,638</u>	<u>56,654,470</u>	<u>60,296,108</u>
<b>Deferred Inflow of Resources</b>			
<b>Pension &amp; OPEB Related Activities (Note 11)</b>			
	417,242	121,026	538,268
Total Deferred Inflows of Resources	<u>417,242</u>	<u>121,026</u>	<u>538,268</u>
<b>Net Position</b>			
Net Investment in Capital Assets	7,600,385	(3,936,667)	3,663,718
Unrestricted	(2,980,532)	10,852,129	7,871,597
Total Net Position	<u>\$ 4,619,853</u>	<u>\$ 6,915,462</u>	<u>\$ 11,535,315</u>

**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, 2022**

EXHIBIT J-2

	Cemeteries	Parking Enterprise	Total
<b>Operating Revenues</b>			
Charges for Goods and Services	\$ 1,979,309	\$ 15,431,613	\$ 17,410,922
<b>Operating Expenses</b>			
Salaries and Wages and Benefits	655,751	(332,019)	323,732
Materials and Supplies	36,649	5,898	42,547
Rents and Utilities	38,293	701,497	739,790
Maintenance and Repairs	151,894	1,738,126	1,890,020
Depreciation and Amortization	10,579	1,803,584	1,814,163
Claims and Settlements	5,292	14,808	20,100
Miscellaneous Operating Expenses	1,179,914	5,046,664	6,226,578
Total Operating Expenses	<u>2,078,372</u>	<u>8,978,558</u>	<u>11,056,930</u>
Operating Income (Loss)	<u>(99,063)</u>	<u>6,453,055</u>	<u>6,353,992</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest and Fiscal Charges	<u>(3,158)</u>	<u>(1,538,736)</u>	<u>(1,541,894)</u>
Total Non-Operating Revenues (Expenses), Net	<u>(3,158)</u>	<u>(1,538,736)</u>	<u>(1,541,894)</u>
Change In Net Position	(102,221)	4,914,319	4,812,098
Net Position - Beginning of Year, as restated	<u>4,722,074</u>	<u>2,001,143</u>	<u>6,723,217</u>
Net Position - End of Year	<u>\$ 4,619,853</u>	<u>\$ 6,915,462</u>	<u>\$ 11,535,315</u>

**CITY OF RICHMOND, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

**EXHIBIT J-3**

	Cemeteries	Parking Enterprise	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers	\$ 2,032,880	\$ 16,293,698	\$ 18,326,578
Payments to Suppliers	(1,372,684)	(7,535,858)	(8,908,542)
Payments to Employees	(989,267)	(1,178,870)	(2,168,137)
Other Receipts or (Payments)	-	-	-
Net Cash Provided by (Used in) Operating Activities	(329,071)	7,578,970	7,249,899
<b>Cash Flows from Noncapital Financing Activities</b>			
Government Subsidies and Contributions	-	-	-
Due to Other Funds	364,171	-	364,171
Net Cash Provided by Noncapital Financing Activities	364,171	-	364,171
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets/ ROU Assets	-	(68,546)	(68,546)
Repayments of GO Bonds	(31,233)	(4,076,192)	(4,107,425)
Interest Paid on Long-Term Debt	(3,866)	(1,583,294)	(1,587,160)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(35,099)	(5,728,032)	(5,763,131)
Net Increase in Cash and Cash Equivalents	1	1,850,938	1,850,939
Cash and Cash Equivalents at July 1, 2021	-	8,477,648	8,477,648
Cash and Cash Equivalents at June 30, 2022	\$ 1	\$ 10,328,586	\$ 10,328,587
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>			
Provided by (Used In) Operating Activities			
Operating Income (Loss)	\$ (99,063)	\$ 6,453,055	\$ 6,353,992
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (Used In) Operating Activities:			
Depreciation	10,579	1,803,584	1,814,163
Gain/(Loss) on Disposal of Capital Assets	-	647,475	647,475
Pension Expense	(347,750)	(1,464,885)	(1,812,635)
Miscellaneous Income(Expense)	-	(45)	(45)
(Increase) Decrease in Assets and Increase			
(Decrease) in Liabilities:			
Accounts Receivable	53,563	214,610	268,173
Accounts Payable	39,358	(28,821)	10,537
Accrued Payables	-	(5,576)	(5,576)
Compensated Absences	14,242	(40,427)	(26,185)
Total Adjustments	(230,008)	1,125,915	895,907
Net Cash Provided by Operating Activities	\$ (329,071)	\$ 7,578,970	\$ 7,249,899



## **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, 2022**

EXHIBIT K-1

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
<b>Assets</b>								
Current Assets:								
Cash and Cash Equivalents	\$ 43,185	\$ 2	\$ 29,480,800	\$ 18,770,552	\$ 5,949,657	\$ 2,453,345	\$ -	\$ 56,697,541
Accounts Receivables, Net	-	-	97,173	367	3,176,220	4,830,108	-	8,103,868
Inventory	-	287,769	-	-	-	-	5,995,662	6,283,431
Prepaid Expenses	-	-	-	-	946,667	-	110,544	1,057,211
<b>Total Current Assets</b>	<b>43,185</b>	<b>287,771</b>	<b>29,577,973</b>	<b>18,770,919</b>	<b>10,072,544</b>	<b>7,283,453</b>	<b>6,106,206</b>	<b>72,142,051</b>
Noncurrent Assets:								
Capital Assets:								
Land	98,000	-	-	-	-	265,389	1,686,532	2,049,921
Buildings and Structures	1,211,217	13,218	-	-	-	48,445,269	3,478,431	53,148,135
Equipment	70,794,737	508,897	-	4,793,292	-	19,860,298	31,545,363	127,502,587
Construction in Progress	-	-	-	-	-	272,836	-	272,836
Less Accumulated Depreciation	(61,929,502)	(401,022)	-	(3,161,241)	-	(48,782,207)	(34,418,461)	(148,692,433)
ROU Assets-Equip & Other Assets	-	-	-	1,567,894	-	-	-	1,567,894
<b>Total Noncurrent Assets</b>	<b>10,174,452</b>	<b>121,093</b>	<b>-</b>	<b>3,199,945</b>	<b>-</b>	<b>20,061,585</b>	<b>2,291,865</b>	<b>35,848,940</b>
<b>Total Assets</b>	<b>10,217,637</b>	<b>408,864</b>	<b>29,577,973</b>	<b>21,970,864</b>	<b>10,072,544</b>	<b>27,345,038</b>	<b>8,398,071</b>	<b>107,990,991</b>
Less: Accumulated amortization	-	-	-	(356,813)	-	-	-	(356,813)
<b>Deferred Outflows of Resources</b>								
Losses on Refunding of Debt	-	-	-	-	-	440	-	440
Pension /OPEB Related Activities (Note 11 and 12)	430,430	8,982	-	895,431	14,599	332,336	50,603	1,732,381
<b>Total Deferred Outflows of Resources</b>	<b>430,430</b>	<b>8,982</b>	<b>-</b>	<b>895,431</b>	<b>14,599</b>	<b>332,776</b>	<b>50,603</b>	<b>1,732,821</b>
<b>Liabilities</b>								
Current Liabilities:								
Combined RPS City Withholding	-	-	6,745,439	-	-	-	-	6,745,439
Accounts Payable	600,012	119,641	4,193,154	910,306	651,480	2,427,337	474,232	9,376,162
Accrued Liabilities	2,652	6,690	3,114,000	175	-	207,960	2,118	3,333,595
Accrued Wages	98,944	9,929	-	219,278	8,066	63,675	10,239	410,131
Due To Other Funds	1,316,887	4,945,143	-	-	-	-	816,676	7,078,706
Accrued Interest on Bonds and Notes Payable	8,010	-	-	-	-	1,566	-	9,576
General Obligation Bonds	2,078,000	-	-	-	-	66,818	-	2,144,818
Compensated Absences	224,952	3,446	-	177,347	2,497	45,793	6,351	460,386
Other Liabilities & Claims Payable	-	-	-	1,232,923	8,803,241	-	-	10,036,164
<b>Total Current Liabilities</b>	<b>4,329,457</b>	<b>5,084,849</b>	<b>14,052,593</b>	<b>2,540,029</b>	<b>9,465,284</b>	<b>2,813,149</b>	<b>1,309,616</b>	<b>39,594,977</b>
Noncurrent Liabilities								
General Obligation Bonds Payable	7,097,000	-	-	-	-	14,929	-	7,111,929
Compensated Absences	480,448	7,324	-	378,775	5,333	91,077	12,631	975,588
Net Pension and OPEB Liability	1,732,491	(31,003)	-	1,055,876	21,584	1,589,008	256,629	4,624,585
NC Other Liabilities & Claims Payable	-	-	-	-	33,751,528	-	-	33,751,528
<b>Total Noncurrent Liabilities</b>	<b>9,309,939</b>	<b>(23,679)</b>	<b>-</b>	<b>1,434,651</b>	<b>33,778,445</b>	<b>1,695,014</b>	<b>269,260</b>	<b>46,463,630</b>
<b>Total Liabilities</b>	<b>13,639,396</b>	<b>5,061,170</b>	<b>14,052,593</b>	<b>3,974,680</b>	<b>43,243,729</b>	<b>4,508,163</b>	<b>1,578,876</b>	<b>86,058,607</b>
<b>Deferred Inflows of Resources</b>								
Pension & OPEB Related Activities (Note 11)	440,185	(62,330)	-	2,282,100	36,982	437,229	(28,035)	3,106,131
<b>Total Deferred Inflows of Resources</b>	<b>440,185</b>	<b>(62,330)</b>	<b>-</b>	<b>2,282,100</b>	<b>36,982</b>	<b>437,229</b>	<b>(28,035)</b>	<b>3,106,131</b>
<b>Net Position</b>								
Net Investment in Capital Assets	(816,146)	-	-	-	-	19,970,993	2,291,865	27,273,759
Unrestricted	(2,615,368)	(4,580,994)	15,525,380	16,252,702	(33,193,568)	2,761,429	4,605,968	(7,071,498)
<b>Total Net Position</b>	<b>\$ (3,431,514)</b>	<b>\$ (4,580,994)</b>	<b>\$ 15,525,380</b>	<b>\$ 16,252,702</b>	<b>\$ (33,193,568)</b>	<b>\$ 22,732,422</b>	<b>\$ 6,897,833</b>	<b>\$ 20,202,261</b>

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, 2022**

EXHIBIT K-2

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
<b>Operating Revenues</b>								
Charges for Goods and Services	\$ 16,812,124	\$ 995,707	\$ 53,107,903	\$ 32,168,293	\$ 19,765,645	\$ 9,995,048	\$ 899,356	\$ 133,744,076
<b>Operating Expenses</b>								
Cost of Goods and Services Sold	10,460,950	492,374	-	-	-	-	-	10,953,324
Salaries and Wages and Benefits	1,031,463	84,795	-	10,328,087	469,532	974,568	16,243	12,904,688
Data Processing	17,269	-	-	9,837,081	-	-	-	9,854,350
Materials and Supplies	64,460	28,610	-	812,381	423	853,583	74,600	1,834,057
Rents and Utilities	32,489	115,714	-	-	-	2,392,824	19,802	2,560,829
Maintenance and Repairs	72,669	27,636	-	522,795	407	2,819,753	-	3,443,260
Depreciation and Amortization	3,060,579	11,426	-	850,819	-	1,367,954	59,850	5,350,628
Claims and Settlements	683,796	-	53,218,748	91,320	18,958,944	-	-	72,952,808
Miscellaneous Operating Expenses	921,283	151,057	3,247,691	3,745,102	370,594	2,374,993	174,462	10,985,182
Total Operating Expenses	<u>16,344,958</u>	<u>911,612</u>	<u>56,466,439</u>	<u>26,187,585</u>	<u>19,799,900</u>	<u>10,783,675</u>	<u>344,957</u>	<u>130,839,126</u>
Operating Income (Loss)	<u>467,166</u>	<u>84,095</u>	<u>(3,358,536)</u>	<u>5,980,708</u>	<u>(34,255)</u>	<u>(788,627)</u>	<u>554,399</u>	<u>2,904,950</u>
<b>Non-Operating Revenues (Expenses)</b>								
Interest and Fiscal Charges	(116,270)	-	-	(129,056)	-	(2,273)	-	(247,599)
Interest Income	-	-	2,963	-	-	-	-	2,963
Miscellaneous Revenue (Expenses)	-	-	-	-	-	64,751	20,554	85,305
Total Non-Operating Revenues (Expenses), Net	<u>(116,270)</u>	<u>-</u>	<u>2,963</u>	<u>(129,056)</u>	<u>-</u>	<u>62,478</u>	<u>20,554</u>	<u>(159,331)</u>
<b>Other Financing Sources</b>								
Capital Contributions	-	-	-	-	-	203,835	-	203,835
Transfers In - Other Funds	236,583	-	-	-	-	-	-	236,583
Total Other Financing Sources, Net	<u>236,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,835</u>	<u>-</u>	<u>440,418</u>
Change In Net Position	587,479	84,095	(3,355,573)	5,851,652	(34,255)	(522,314)	574,953	3,186,037
Net Position - Beginning of Year	<u>(4,018,993)</u>	<u>(4,665,089)</u>	<u>18,880,953</u>	<u>10,401,050</u>	<u>(33,159,313)</u>	<u>23,254,736</u>	<u>6,322,880</u>	<u>17,016,224</u>
Net Position - End of Year	<u>\$ (3,431,514)</u>	<u>\$ (4,580,994)</u>	<u>\$ 15,525,380</u>	<u>\$ 16,252,702</u>	<u>\$ (33,193,568)</u>	<u>\$ 22,732,422</u>	<u>\$ 6,897,833</u>	<u>\$ 20,202,261</u>

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

For the Fiscal Year Ended June 30, 2022

EXHIBIT K-3

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
<b>Cash Flows from Operating Activities</b>								
Receipts from Customers	\$ 16,816,618	\$ 1,021,011	\$ 53,765,494	\$ 32,167,926	\$ 19,809,147	\$ 8,893,241	\$ 899,356	\$ 133,372,793
Payments to Suppliers	(12,355,403)	(714,632)	(51,374,270)	(14,611,797)	(17,717,546)	(8,030,952)	(520,989)	(105,325,589)
Payments to Employees	(1,819,218)	(309,849)	-	(8,681,543)	(456,947)	(1,684,194)	(324,092)	(13,275,843)
Receipts From Other Funds	-	-	-	-	-	-	(225,573)	(225,573)
Other Receipts or (Payments)	-	-	-	-	-	55,907	20,554	76,461
Net Cash Provided by (Used In) Operating Activities	<u>2,641,997</u>	<u>(3,470)</u>	<u>2,391,224</u>	<u>8,874,586</u>	<u>1,634,654</u>	<u>(765,998)</u>	<u>(150,744)</u>	<u>14,622,249</u>
<b>Cash Flows from Non-Capital Financing Activities</b>								
Due From Other Funds	-	-	-	-	(445,018)	-	-	(445,018)
Due to Other Funds	(482,400)	101,421	-	-	1,447,547	-	150,744	1,217,312
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>(482,400)</u>	<u>101,421</u>	<u>-</u>	<u>-</u>	<u>1,002,529</u>	<u>-</u>	<u>150,744</u>	<u>772,294</u>
<b>Cash Flows from Capital and Related Financing Activities</b>								
Acquisition/Acquisition of Capital Assets	57,636	(97,949)	-	(1,441,725)	-	(2,746,980)	-	(4,229,018)
Proceeds and Repayments of GO Bonds/Notes (Net)	(2,058,000)	-	-	-	-	(66,111)	-	(2,124,111)
Capital Grants and Contributions	-	-	-	-	-	203,835	-	203,835
Interest Paid on Long-Term Debt	(116,048)	-	2,963	(129,056)	-	(4,897)	-	(247,038)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(2,116,412)</u>	<u>(97,949)</u>	<u>2,963</u>	<u>(1,570,781)</u>	<u>-</u>	<u>(2,614,153)</u>	<u>-</u>	<u>(6,396,332)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	43,185	2	2,394,187	7,303,805	2,637,183	(3,380,151)	-	8,998,211
Cash and Cash Equivalents at July 1, 2021	-	-	27,086,613	11,466,747	3,312,474	5,833,496	-	47,699,330
Cash and Cash Equivalents at June 30, 2022	<u>\$ 43,185</u>	<u>\$ 2</u>	<u>\$ 29,480,800</u>	<u>\$ 18,770,552</u>	<u>\$ 5,949,657</u>	<u>\$ 2,453,345</u>	<u>\$ -</u>	<u>\$ 56,697,541</u>
<b>Reconciliation of Operating Income (Loss)</b>								
To Net Cash Provided by (Used In) Operating Activities								
Operating Income (Loss)	\$ 467,166	\$ 84,095	\$ (3,358,536)	\$ 5,980,708	\$ (34,255)	\$ (788,627)	\$ 554,399	\$ 2,904,950
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:								
Depreciation	3,060,579	11,426	-	850,819	-	1,367,954	59,850	5,350,628
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-
Pension Expense	(1,317,089)	(227,786)	-	1,681,420	39,254	(695,866)	(305,332)	(825,399)
Miscellaneous Income/(Expense)	-	-	-	-	-	64,750	20,554	85,304
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:								
Accounts Receivable	4,494	25,304	657,591	(367)	43,502	(1,110,651)	-	(380,127)
Due From General Fund	-	-	-	-	-	-	-	-
Due From Component Unit	-	-	-	-	-	-	-	-
Inventories of Material and Supplies	-	-	-	-	-	-	(657,329)	(657,329)
Prepaid Expenses	-	-	-	-	1,223,287	-	4,485	1,227,772
Accounts Payable	(102,490)	100,759	5,455,169	396,882	389,527	410,206	175,149	6,825,202
Accrued Liabilities	-	-	(363,000)	-	-	(12,213)	(983)	(376,196)
Compensated Absences	529,337	2,732	-	(34,876)	(26,661)	(1,551)	(1,537)	467,444
Total Adjustments	<u>2,174,831</u>	<u>(87,565)</u>	<u>5,749,760</u>	<u>2,893,878</u>	<u>1,668,909</u>	<u>22,629</u>	<u>(705,143)</u>	<u>11,717,299</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,641,997</u>	<u>\$ (3,470)</u>	<u>\$ 2,391,224</u>	<u>\$ 8,874,586</u>	<u>\$ 1,634,654</u>	<u>\$ (765,998)</u>	<u>\$ (150,744)</u>	<u>\$ 14,622,249</u>

## **Fiduciary Funds**

*Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The City maintains three types of Fiduciary Funds: 1) Trust Funds 2) Private-Purpose Trust Funds and 3) Custodial 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**

#### **Pension Trust Fund**

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

#### **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.*

### **Private-Purpose Funds**

*Social Welfare Private-Purpose Trust Fund custodial in nature and have a full accrual measurement focus. It reports trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.*

### **Custodial Funds**

*The Custodial Funds reports fiduciary activity resources that are not held in a trust agreement or equivalent arrangement that meets specific criteria. It consists 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, 2022**

**EXHIBIT L-1**

	Trust Funds			Social Welfare Private-Purpose Trust Fund	Custodial Funds
	Pension Trust Fund	OPEB Pooled Investment Trust	Total		
<b>Assets</b>					
Cash and Cash Equivalents	\$ 7,596,077	\$ -	\$ 7,596,077	\$ 2,483,514	\$ 1,322,897
Receivables:					
Accounts Receivable	2,126,272	-	2,126,272	-	-
Total Cash and Receivables	9,722,349	-	9,722,349	2,483,514	1,322,897
Investments at fair value:					
US Equities	154,982,400	-	154,982,400	-	-
International Equities	94,702,935	-	94,702,935	-	-
Fixed Income	160,036,366	-	160,036,366	-	-
Real Estate	80,440,837	-	80,440,837	-	-
Diversifying Assets	46,753,288	-	46,753,288	-	-
Private Debt	50,448,181	-	50,448,181	-	-
Private Equity	35,887,783	-	35,887,783	-	-
Pooled Investment Funds	-	8,234,777	8,234,777	-	-
Total Investments	623,251,790	8,234,777	631,486,567	-	-
Other Assets	209,699	-	209,699	-	-
<b>Total Assets</b>	<b>\$ 633,183,838</b>	<b>\$ 8,234,777</b>	<b>\$ 641,418,615</b>	<b>\$ 2,483,514</b>	<b>\$ 1,322,897</b>
<b>Liabilities</b>					
DROP Payable	\$ 11,077,546	\$ -	\$ 11,077,546	\$ -	\$ -
Accounts Payable	2,240,167	-	2,240,167	-	569,012
Investment Expense Payable	355,597	-	355,597	-	-
Retirement & Death Benefit Payable	353,069	-	353,069	-	-
Due to Other Governments	-	-	-	-	93,093
Due to Others	-	-	-	2,483,514	663,407
<b>Total Liabilities</b>	<b>\$ 14,026,379</b>	<b>\$ -</b>	<b>\$ 14,026,379</b>	<b>\$ 2,483,514</b>	<b>\$ 1,325,512</b>
<b>Net Position</b>					
Restricted for:					
Pensions	619,157,459	-	619,157,459	-	-
Postemployment Benefits, Other Than Pensions	-	8,234,777	8,234,777	-	-
Individuals, Organizations, Other governments	-	-	-	-	(2,615)
<b>Total Net Position</b>	<b>\$ 619,157,459</b>	<b>\$ 8,234,777</b>	<b>\$ 627,392,236</b>	<b>\$ -</b>	<b>\$ (2,615)</b>

**CITY OF RICHMOND, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
For the Fiscal Year Ended June 30, 2022

EXHIBIT L-2

	Trust Funds			Social Welfare Private-Purpose Trust Fund	Custodial Funds
	Pension Trust Fund	OPEB Pooled Investment Trust	Total		
<b>Additions</b>					
Contributions:					
Individuals	\$ 1,777,663	\$ -	\$ 1,777,663	\$ -	\$ 1,109,231
City of Richmond	53,290,506	5,407,890	58,698,396	-	-
RBHA	1,549,004	-	1,549,004	-	-
Other	97,362	-	97,362	-	-
Total Contributions	56,714,535	5,407,890	62,122,425	-	1,109,231
Investment earnings:					
Net increase in fair value of investments	(47,193,207)	(830,909)	(48,024,116)	-	-
Interest, dividends, other	2,804,556	-	2,804,556	-	-
Total Investment Earnings	(44,388,651)	(830,909)	(45,219,560)	-	-
Less Investment Costs					
Investment activity costs	1,720,011	-	1,720,011	-	-
Net Investment Earnings	(46,108,662)	(830,909)	(46,939,571)	-	-
License and fees collected for State	-	-	-	-	39,193
Miscellaneous	-	-	-	233,673	-
<b>Total Additions</b>	10,605,873	4,576,981	15,182,854	233,673	1,148,424
<b>Deductions</b>					
Benefits paid to participants or beneficiaries	75,212,611	4,007,890	79,220,501	-	1,082,643
Refunds of member contributions	80,936	-	80,936	-	-
Payments to state	-	-	-	-	41,825
Administrative expense	1,519,736	8,971	1,528,707	41,219	-
Other	60,895	-	60,895	-	-
<b>Total Deductions</b>	76,874,178	4,016,861	80,891,039	41,219	1,124,468
<b>Change in net position</b>	(66,268,305)	560,120	(65,708,185)	192,454	23,956
<b>Net Position – July 1, 2021</b>	685,425,764	7,674,657	693,100,421	(192,454)	(26,571)
<b>Net Position – June 30, 2022</b>	\$ 619,157,459	\$ 8,234,777	\$ 627,392,236	\$ -	\$ (2,615)

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

**STATISTICAL**



**SECTION**



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## **Statistical Section**

This part of the City's Annual Comprehensive 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 sources.

#### 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 in 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, 2022**

**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 62.5 square miles.

**POPULATION**

United States Census 2008	.....	202,002
United States Census 2009	.....	204,451
United States Census 2010	.....	204,214
United States Census 2011	.....	205,533
United States Census 2012	.....	210,309
United States Census 2013	.....	214,114
United States Census 2014	.....	217,853
United States Census 2015	.....	220,289
United States Census 2016	.....	223,170
United States Census 2017	.....	227,032
United States Census 2018	.....	228,783
United States Census 2019	.....	230,436
United States Census 2020	.....	226,610
United States Census 2021	.....	226,604
United States Census 2022	.....	N/A

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.

## 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, 2022. The due dates for the semi-annual billing were January 14 and June 14 in the 2022 tax year. The 2022 Land Book will be updated with fair market values as of July 1, 2022. New construction and renovations will be added to the land book through December 31, 2022.

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 charges are added to the real estate tax bill of the upcoming year and become a lien on the property if not paid during the current year.

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: 2008-2022
- \$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: 1992-2022

### Machinery and Tools Used for Manufacturing and Mining:

- \$2.30 per \$100 of Assessed Value: 1992-2022

### 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 \$.011835 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 \$100,000 - no tax, \$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; maximum rate \$250
- Motorcycles - \$28.74

**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:**

- 5.0% State and 1% Local

**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.

## **Other Taxes and Fees:**

- *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 Annual Comprehensive Financial Report, 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.

## **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 for unpaid amounts.

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 tax year 2011, 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, respective of the tax year for which assessed. Personal property taxes are reported as delinquent on June 6 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 2021, 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, being a separate and distinct political unit, is autonomous and entirely independent of any county or any other political subdivision of the state. 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 bonds, 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 assessments 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 (i.e. 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, 2022, the Unassigned Fund Balance was \$107.9 million, which is 14.5% of annual adopted FY 2022 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 3.0% 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, 2022, the Budget and Revenue Stabilization Contingency Reserve balance was \$25.2 million, which is 3.4% of annual adopted budgeted FY 2022 expenditures and transfers out.



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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 226,429,295	\$ 306,400,000	\$ 314,046,028	\$ 335,442,017	\$ 338,407,031	\$ 410,990,285	\$ 377,074,230	\$ 416,448,551	\$ 418,000,007	\$ 456,762,911
Restricted	31,900,000	21,269,101	4,292,533	19,843,817	29,302,519	32,520,120	97,217,724	66,034,135	73,695,004	77,063,140
Unrestricted	46,700,000	(219,000,000)	(272,324,391)	(270,779,486)	(205,662,515)	(296,817,160)	(253,111,485)	(231,367,452)	(206,730,129)	(98,252,361)
Total Governmental Activities' Net Position	<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>	<u>\$ 284,964,882</u>	<u>\$ 435,573,690</u>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 488,600,000	\$ 497,111,667	\$ 495,162,064	\$ 487,293,137	\$ 523,105,159	\$ 530,202,221	\$ 568,905,631	\$ 403,895,298	\$ 590,026,715	\$ 616,561,763
Restricted	-	-	-	-	25,602,020	28,962,996	27,326,143	31,683,153	31,683,153	31,543,651
Unrestricted	125,800,000	98,609,642	143,122,363	182,038,024	161,296,665	191,993,283	222,325,753	430,507,067	256,888,978	277,444,371
Total Business-type Activities' Net Position	<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>\$ 866,085,518</u>	<u>\$ 878,598,846</u>	<u>\$ 925,549,785</u>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 715,029,295	\$ 803,511,667	\$ 809,208,092	\$ 822,735,154	\$ 861,512,190	\$ 941,192,506	\$ 945,979,861	\$ 820,343,849	\$ 1,008,026,722	\$ 1,073,324,674
Restricted	31,900,000	21,269,101	4,292,533	19,843,817	54,904,539	61,483,116	124,543,867	66,034,135	105,378,157	108,606,791
Unrestricted	172,500,000	(120,390,358)	(129,202,028)	(88,741,462)	(44,365,850)	(104,823,877)	(30,785,732)	199,139,615	50,158,849	179,192,010
Total Primary Government Activities' Net Position	<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>	<u>\$ 1,163,563,728</u>	<u>\$ 1,361,123,475</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 145,700,000	\$ 109,455,944	\$ 150,935,993	\$ 134,946,876	\$ 125,878,780	\$ 137,501,073	\$ 146,968,353	\$ 101,875,696	\$ 106,688,602	\$ 104,797,108
Public Safety and Judiciary	187,800,000	184,192,095	233,336,534	190,970,196	186,133,476	199,718,107	216,008,150	279,586,631	287,470,371	225,465,586
Highways, Streets, Sanitation and Refuse	88,900,000	86,301,761	94,672,443	87,187,508	80,927,188	83,664,060	88,264,777	94,247,378	84,536,398	110,098,816
Human Services	79,000,000	78,249,654	96,529,866	81,057,222	81,512,645	80,387,107	76,067,291	86,812,754	116,253,338	73,714,517
Culture and Recreation	25,000,001	26,090,075	33,004,436	24,601,851	24,328,301	24,936,175	27,405,258	33,089,503	51,317,493	32,233,479
Education	158,800,000	158,065,296	166,128,726	175,157,363	180,714,967	160,582,780	154,040,146	181,367,280	186,561,208	188,514,656
Transportation	11,600,000	12,621,480	13,244,050	13,045,156	13,045,157	14,694,681	15,461,739	16,205,159	7,275,051	8,319,090
Interest and Fiscal Changes	19,800,000	26,100,820	22,885,035	26,591,694	27,522,522	28,919,030	22,979,915	24,298,185	30,105,012	30,709,686
Total Governmental Activities Expenses	<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>	<u>870,207,473</u>	<u>773,852,938</u>
Business-type Activities:										
Gas	133,137,550	153,143,869	144,436,371	119,137,386	127,316,121	136,490,923	143,171,010	137,916,117	149,291,751	205,625,040
Water	49,803,247	52,161,156	53,276,025	51,634,764	53,402,794	62,606,233	65,703,398	62,305,376	58,843,561	61,101,221
Wastewater	58,438,940	61,153,657	67,382,447	64,768,064	65,175,833	64,961,045	69,299,012	72,276,266	77,423,701	-
Stormwater	4,744,194	6,229,426	7,610,350	7,208,967	8,002,822	9,296,824	10,699,516	11,297,361	11,876,330	11,263,483
Coliseum	3,218,416	2,513,548	2,571,848	2,260,443	2,661,938	1,769,739	1,385,541	-	-	-
Cemeteries	1,343,807	1,459,300	1,913,533	1,588,932	1,751,891	1,785,430	1,729,131	1,730,660	2,484,155	2,081,530
Parking	-	-	12,178,193	11,329,861	10,734,673	14,435,223	11,907,060	14,339,019	11,622,763	10,517,294
Total Business-type Activities Expenses	<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>	<u>311,542,261</u>	<u>290,588,568</u>
Total Primary Government Expenses	<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>	<u>\$ 1,181,749,734</u>	<u>\$ 1,064,441,506</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 65,019,167	\$ 56,368,769	\$ 49,393,546	\$ 55,269,092	\$ 66,432,831	\$ 56,529,913	\$ 82,999,462	\$ 85,631,515	\$ 75,887,419	\$ 95,005,747
Culture and Recreation	428,613	216,679	248,813	1,024,289	365,656	1,712,264	981,298	1,074,941	526,016	2,231,900
Other Activities	27,544,471	25,115,281	22,248,389	24,626,836	121,526,052	125,957,970	108,651,189	107,972,495	160,365,743	130,933,657
Operating Grants and Contributions	141,500,000	144,367,918	136,101,577	137,190,859	32,906,250	38,494,867	33,541,166	39,154,918	44,063,379	34,201,350
Capital Grants and Contributions	26,780,248	35,250,158	44,185,991	41,047,136	34,862,903	11,315,940	15,341,009	16,852,304	14,575,742	12,687,152
Total Governmental Activities Program Revenues	<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>	<u>\$ 295,418,299</u>	<u>\$ 275,059,806</u>
Business-type Activities:										
Charges for Services:										
Gas	\$ 148,282,997	\$ 176,794,050	\$ 162,902,984	\$ 128,478,137	\$ 135,691,059	\$ 155,118,968	\$ 159,843,381	\$ 150,940,718	\$ 163,913,235	\$ 218,631,706
Water	67,827,452	67,512,427	63,912,519	65,836,889	68,181,546	70,249,766	74,872,623	77,341,658	73,268,978	75,808,208
Wastewater	68,533,168	73,393,727	82,343,230	79,101,386	83,251,997	86,934,435	85,644,746	86,822,228	84,031,376	-
Stormwater	9,845,346	11,330,268	11,137,971	10,997,422	11,208,637	11,559,933	11,744,339	12,192,869	11,943,076	13,096,189
Coliseum	1,686,346	1,384,868	1,585,548	1,379,423	2,034,341	2,744,389	611,442	-	-	-
Cemeteries	1,329,673	1,477,507	1,592,307	1,559,770	1,261,806	1,618,075	1,454,188	1,617,007	2,095,658	1,979,309
Parking	-	-	14,803,836	15,273,141	18,091,685	19,067,327	19,725,671	16,948,365	16,545,438	15,431,613
Operating Grants and Contributions	19,608,232	20,001,217	20,401,711	17,401,151	20,591,436	18,825,861	34,231,028	19,325,402	14,063,039	21,036,607
Total Business-type Activities Program Revenues	<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>	<u>365,860,800</u>	<u>345,983,632</u>
Total Primary Government Program Revenues	<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>	<u>\$ 661,279,099</u>	<u>\$ 621,043,438</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (455,327,502)	\$ (419,758,320)	\$ (558,558,767)	\$ (474,399,654)	\$ (463,969,344)	\$ (496,392,059)	\$ (505,681,505)	\$ (566,796,413)	\$ (574,789,155)	\$ (498,784,433)
Business-type Activities	66,427,060	75,233,109	69,311,339	62,098,902	71,266,435	74,773,337	84,232,750	65,323,448	54,338,539	77,589,900
Total Primary Government Net Expense	<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>	<u>\$ (520,450,616)</u>	<u>\$ (421,194,533)</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Real Estate	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447	\$ 301,191,413	\$ 313,510,367	\$ 364,450,861
Sales Tax	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051	33,165,952	44,689,387
Sales Tax for Education	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-	-	-
Personal Property	48,005,747	46,100,586	49,740,946	48,222,257	59,223,115	62,393,129	65,657,356	67,470,336	64,517,810	61,582,798
Machinery and Tools	14,792,937	13,746,350	12,752,759	14,454,966	12,758,274	14,095,200	15,459,814	15,375,569	13,719,545	14,313,100
General Utility Sales	17,066,009	16,680,313	17,646,514	17,659,169	18,455,308	19,351,132	18,269,540	18,858,085	17,124,936	17,898,426
State Communication Taxes	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289	12,616,557	11,017,266
Bank Stock	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,901	8,812,735	8,951,709	11,649,226	4,278,305
Prepared Food	29,986,231	30,065,438	32,290,063	33,206,090	36,002,917	37,009,033	47,860,645	40,470,943	34,201,334	45,762,510
Cigarette Tax	-	-	-	-	-	-	-	3,856,544	3,087,283	2,579,506
Lodging Tax	6,392,330	6,326,387	5,433,289	7,504,354	8,025,516	8,888,653	9,141,366	6,537,135	4,907,209	8,130,205
Admissions	2,448,962	2,923,183	2,866,718	3,036,088	2,747,268	2,775,821	2,900,367	2,561,066	244,726	1,909,783
Real Estate Taxes - Delinquent	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420	12,904,616	5,712,148
Personal property Taxes - Delinquent	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,459	6,513,004	8,715,611	6,074,682	7,591,720
Private Utility Poles and Conduits	158,568	169,729	160,950	68,699	260,117	163,837	157,378	99,758	100,896	-
Penalties and Interest	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,569	4,509,826	4,839,234	6,722,385	5,286,509
Titling Tax-Mobile Home	5,817	6,132	9,083	8,266	9,474	14,583	9,267	8,206	5,235	-
State Recordation	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327	-	-
Property Rental 1%	139,796	133,774	82,388	79,202	154,115	122,066	171,168	71,218	95,085	99,631
Vehicle Rental Tax	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598	1,001,954	1,298,495
Telephone Commissions	337,349	522,578	538,474	628,014	196,579	198,990	210,793	418,395	481,556	350,057
Investment Earnings	80,854	36,020	38,344	53,281	114,158	221,163	829,719	824,899	282,753	83,342
Miscellaneous	2,823,922	1,607,458	15,739,412	19,083,117	20,034,985	18,452,974	27,257,144	23,481,934	44,509,573	19,361,204
Transfers	23,612,453	27,377,577	28,080,617	32,669,758	33,908,419	30,764,389	26,928,463	30,828,438	37,922,671	32,997,988
Special Item	485,000	-	1,500,000	-	2,215,826	2,720,280	2,220,055	-	-	-
Extraordinary Item	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>465,575,039</b>	<b>455,690,181</b>	<b>495,768,705</b>	<b>512,891,832</b>	<b>541,510,031</b>	<b>522,607,629</b>	<b>577,842,079</b>	<b>596,731,178</b>	<b>618,846,351</b>	<b>649,393,241</b>
Business-type Activities:										
Investment Earnings	\$ 685,839	\$ 811,070	\$ 675,983	\$ 695,117	\$ 1,937,972	\$ 4,297,491	\$ 7,214,006	\$ 5,965,690	\$ 956,970	\$ 985,279
Miscellaneous	1,271,707	(4,802,222)	643,748	922,473	1,019,326	102,671	5,207,384	3,073,871	2,040,401	1,373,748
Transfers	(23,612,453)	(27,377,577)	(28,080,617)	(32,669,758)	(33,551,050)	(30,764,389)	(26,928,463)	(30,828,438)	(37,922,671)	(32,997,988)
<b>Total Business-type Activities</b>	<b>(21,654,907)</b>	<b>(31,368,729)</b>	<b>(26,760,886)</b>	<b>(31,052,168)</b>	<b>(30,593,752)</b>	<b>(26,364,227)</b>	<b>(14,507,073)</b>	<b>(21,788,877)</b>	<b>(34,925,300)</b>	<b>(30,638,961)</b>
<b>Total Primary Government</b>	<b>\$ 443,920,132</b>	<b>\$ 424,321,452</b>	<b>\$ 469,007,819</b>	<b>\$ 481,839,664</b>	<b>\$ 510,916,279</b>	<b>\$ 496,243,402</b>	<b>\$ 563,335,006</b>	<b>\$ 574,942,301</b>	<b>\$ 583,921,051</b>	<b>\$ 618,754,280</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (4,538,541)	\$ (275,657,761)	\$ (62,790,062)	\$ 38,492,178	\$ 77,540,687	\$ 26,215,570	\$ 72,160,574	\$ 29,934,765	\$ 43,057,206	\$ 150,608,808
Business-type Activities	46,598,177	(644,771,577)	42,550,453	31,046,734	40,672,683	48,409,110	69,725,677	43,534,571	19,413,239	46,950,939
<b>Total Primary Government</b>	<b>\$ 42,059,636</b>	<b>\$ (920,429,338)</b>	<b>\$ (20,239,609)</b>	<b>\$ 69,538,912</b>	<b>\$ 118,213,370</b>	<b>\$ 74,624,680</b>	<b>\$ 141,886,251</b>	<b>\$ 73,469,336</b>	<b>\$ 62,470,445</b>	<b>\$ 197,559,747</b>

**Special Item:**

Fiscal Year 2013 - Gain on Sale of Land  
Fiscal Year 2015 - Bargain Purchase of Property-Diamond  
Fiscal Years 2017 to 2019 - Proceeds from Sect 108 and EDA which starting in FY 2020 were included in Transfers in accordance with GFOA

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>City Taxes</b>										
Real Estate	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447	\$ 301,191,413	\$ 313,510,367	\$ 364,450,861
Sales-1% Local	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051	33,165,952	44,689,387
Sales Tax for Education	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-	-	-
Personal Property	48,005,747	46,100,586	49,740,946	48,222,257	59,223,115	62,393,129	65,657,356	67,470,336	64,517,810	61,582,798
Machinery and Tools	14,792,937	13,746,350	12,752,759	14,454,966	12,758,274	14,095,200	15,459,814	15,375,569	13,719,545	14,313,100
General Utility Sales	17,066,009	16,680,313	17,646,514	17,659,169	18,455,308	19,351,132	18,269,540	18,858,085	17,124,936	17,898,426
State Communication Taxes	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289	12,616,557	11,017,266
Bank Stock	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,901	8,812,735	8,951,709	11,649,226	4,278,305
Prepared Food	29,986,231	30,065,438	32,290,063	33,206,090	36,002,917	37,009,033	47,860,645	40,470,943	34,201,334	45,762,510
Transient Lodging	6,392,330	6,326,387	5,433,289	7,504,354	8,025,516	8,888,653	9,141,366	6,537,135	4,907,209	8,130,205
Admissions	2,448,962	2,923,183	2,866,718	3,036,088	2,747,268	2,775,821	2,900,367	2,561,066	244,726	1,909,783
Cigarette Tax	-	-	-	-	-	-	-	3,856,544	3,087,283	2,579,506
Real Estate Taxes - Delinquent	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420	12,904,616	5,712,148
Personal Property Taxes -Delinquent	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,459	6,513,004	8,715,611	6,074,682	7,591,720
Private Utility Poles and Conduits	158,568	169,729	160,950	68,699	260,117	163,837	157,378	99,758	100,896	-
Penalties and Interest	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,569	4,509,826	4,839,234	5,722,385	5,286,509
Titling Tax-Mobile Home	5,817	6,132	9,083	8,266	9,474	14,583	9,267	8,206	5,235	-
State Recordation	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327	-	-
Property Rental 1%	139,796	133,774	82,388	79,202	154,115	122,066	171,168	71,218	95,085	99,631
Vehicle Rental Tax	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598	1,001,964	1,298,495
Telephone Commissions	337,349	522,578	538,474	628,014	196,579	198,990	210,793	418,395	481,556	350,057
<b>Total Primary Government</b>	<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>	<u>\$ 535,131,364</u>	<u>\$ 596,950,707</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund:										
Nonspendable	\$ 1,029,600	\$ -	\$ 382,200	\$ 383,338	\$ 399,742	\$ 9,953	\$ -	\$ 8,822	\$ 13,822	\$ 11,496
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	39,427,954	10,793,000	13,000,000	10,000,000	12,019,176	14,047,172	14,068,892	20,090,612	23,969,210	25,329,469
Assigned	11,573,916	35,163,526	7,788,553	5,850,728	15,219,451	13,597,476	26,278,802	33,685,155	37,729,147	73,045,704
Unassigned	75,000,000	80,393,997	84,995,561	98,210,321	107,729,940	108,511,921	111,580,122	112,767,905	100,458,026	107,862,492
Total General Fund	\$ 127,031,470	\$ 126,350,523	\$ 106,166,314	\$ 114,444,387	\$ 135,368,309	\$ 136,166,522	\$ 151,927,816	\$ 166,552,494	\$ 162,170,205	\$ 206,249,161
All Other Governmental Funds:										
Nonspendable	\$ 74,327	\$ 74,372	\$ 38,930	\$ -	\$ -	\$ 38,925	\$ -	\$ -	\$ -	\$ -
Restricted	15,294,132	19,024,423	4,253,603	19,857,793	29,302,519	32,471,242	56,860,588	66,025,313	73,681,182	77,063,140
Committed	5,587,993	745,000	-	745,000	-	-	-	-	-	-
Assigned	866,410	3,468,218	14,800,003	3,312,542	-	-	-	-	-	-
Unassigned	(168,475,248)	(49,720,104)	(101,563,859)	(83,439,150)	(57,853,866)	(103,646,117)	(69,278,805)	(99,213,840)	(46,226,506)	(52,750,324)
Total All Other Governmental Funds	\$ (146,652,386)	\$ (26,408,091)	\$ (82,471,323)	\$ (59,523,815)	\$ (28,551,347)	\$ (71,135,950)	\$ (12,418,217)	\$ (33,188,527)	\$ 27,454,676	\$ 24,312,816

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

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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Taxes	\$ 431,705,312	\$ 433,518,092	\$ 430,868,542	\$ 450,712,602	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869	\$ 545,617,448	\$ 602,055,396
Licenses, Permits and Privilege Fees	39,403,213	42,404,133	38,093,334	39,403,545	39,552,169	37,131,444	43,521,211	44,298,799	44,821,666	50,681,523
Intergovernmental	152,837,949	133,166,823	150,232,431	144,718,110	215,446,474	179,177,023	156,446,068	153,924,075	191,053,585	166,477,883
Service Charges	26,390,218	28,093,614	23,205,623	23,437,359	24,702,348	33,085,235	28,041,105	29,982,993	30,464,977	35,686,499
Fines and Forfeitures	9,744,457	10,200,629	10,221,786	5,822,882	7,543,881	6,586,811	5,972,902	6,857,701	9,320,553	8,422,102
Utility Payments	24,141,572	25,266,237	27,175,174	28,848,885	32,000,694	31,162,094	30,470,118	26,245,139	20,762,997	23,469,741
Investment Income	125,526	80,854	36,019	38,344	53,281	114,158	221,141	829,723	282,861	83,369
Miscellaneous	79,323,182	18,100,667	10,564,344	15,345,228	19,302,223	18,080,483	14,097,621	21,074,188	35,852,389	18,885,054
Total Revenues	<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>878,176,476</u>	<u>905,761,567</u>
<b>Expenditures:</b>										
General Government	90,060,892	99,140,475	77,804,633	91,170,260	88,378,032	84,393,859	65,355,730	73,844,016	74,967,777	77,596,969
Public Safety and Judiciary	177,042,195	179,438,014	178,712,513	190,291,231	191,072,187	192,552,805	209,315,536	215,041,275	254,530,281	217,139,079
Highways, Streets, Sanitation and Refuse	61,164,440	60,345,016	67,017,239	61,720,615	61,691,779	61,226,383	65,685,371	65,147,686	77,463,186	94,731,038
Human Services	80,913,299	74,156,376	76,378,833	81,890,683	81,456,560	83,890,504	83,549,468	76,303,161	76,244,738	72,087,586
Culture and Recreation	22,988,592	22,746,588	24,326,572	26,212,041	23,153,407	23,606,485	24,410,469	24,589,800	24,629,021	29,116,980
Education	150,651,924	153,205,535	154,267,395	162,170,840	170,833,592	176,983,321	155,175,684	156,721,265	187,522,399	187,142,096
Non-Departmental	46,835,962	72,870,264	44,145,152	52,352,720	54,638,951	46,901,510	75,498,843	84,171,652	75,245,104	88,151,311
Capital Outlay	96,796,091	179,946,671	153,252,930	106,538,511	115,975,232	97,879,286	64,920,024	62,975,872	97,368,807	50,708,011
Debt Service:										
Principal Retirement	30,683,823	36,604,656	37,129,045	31,040,730	64,113,008	35,149,119	37,079,297	40,892,796	50,135,816	56,157,819
Interest Payments	22,026,533	19,517,107	24,157,031	24,077,465	27,633,704	28,505,952	25,138,282	29,385,791	30,872,732	31,805,500
Issuance Costs	-	-	738,870	1,324,747	827,439	556,713	2,583,813	1,054,023	-	833
NOT CODED	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<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>948,979,861</u>	<u>904,637,222</u>
<b>Other Financing Sources (Uses):</b>										
Transfers In	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	117,565,674
Transfers Out	(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)	(108,274,010)
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	-	-	-
Receipts from EDA	-	-	-	-	-	1,429,408	1,933,462	1,833,891	1,433,945	1,437,262
Payments for Refunding Bonds	-	-	-	(141,723,901)	(21,721,208)	-	(95,000,000)	-	-	-
Proceeds from Issuance of Bonds	113,379,713	36,487	124,144,030	183,106,648	94,240,683	90,000,000	-	103,585,134	166,930,991	28,651,791
Premium on Issuance of Bonds	-	-	-	-	-	-	54,765,293	85,098	-	-
Total Other Financing Sources, Net	<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>	<u>39,380,717</u>
<b>Special Items:</b>										
Gain on Sale of Land	-	485,000	-	-	-	-	-	-	-	-
Total Special Items	<u>-</u>	<u>485,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Extraordinary Item:</b>										
Disaster Costs	1,320,829	-	-	-	-	-	-	-	-	-
Total Extraordinary Item	<u>1,320,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<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>\$ 65,468,472</u>	<u>\$ 40,937,093</u>
Debt Service as a Percentage of Non-Capital Expenditures	7.7%	7.8%	9.0%	7.6%	12.0%	8.7%	8.4%	9.2%	9.5%	10.3%

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Real Estate	\$ 213,234,953	\$ 216,006,348	\$ 223,491,278	\$ 234,445,036	\$ 234,294,879	\$ 247,700,125	\$ 273,627,368	\$ 300,312,274	\$ 314,554,821	\$ 364,442,735
Sales-1% Local	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051	33,165,952	44,689,387
Sales Tax for Education	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-	-	-
Personal Property	47,234,956	44,753,528	49,260,306	48,531,320	57,603,912	60,801,789	63,646,292	65,221,194	67,189,886	64,524,543
Machinery and Tools	15,001,324	13,607,934	12,838,347	14,060,308	13,828,602	13,996,708	14,917,609	14,769,176	14,439,966	14,313,100
Utility Sales Tax Gas	4,761,197	4,833,897	4,872,622	4,467,916	4,711,342	4,600,765	5,039,881	5,037,801	5,306,763	5,016,694
Utility Sales Tax Electric	12,303,832	11,463,513	12,479,100	12,707,360	13,494,359	14,517,989	13,630,830	14,520,162	12,279,000	13,600,827
Utility Sales Tax Tele	-	382,903	294,792	483,893	249,607	232,377	222,609	8,723	196,468	776
State Communication Taxes	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289	12,616,557	11,017,266
Bank Stock	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,900	8,812,736	8,951,709	11,649,226	4,278,305
Prepared Food	28,320,613	30,444,280	31,686,926	35,455,141	35,605,363	36,948,484	45,740,073	38,099,329	37,018,912	45,762,510
Lodging Tax	6,018,453	5,974,584	5,456,014	8,079,083	8,042,016	8,823,693	9,009,423	6,389,571	5,082,521	8,130,205
Admission	2,372,848	2,964,390	2,357,256	2,885,747	3,287,979	3,074,924	2,848,979	2,503,594	313,005	1,909,783
Cigarette Tax	-	-	-	-	-	-	-	3,856,544	3,087,283	2,579,506
Real Estate Taxes - Delinquent	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420	12,902,394	5,714,370
Personal Property Taxes - Delinquent	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,460	6,513,005	8,715,611	6,074,682	7,591,720
Private Utility Poles and Conduits	158,568	169,729	160,950	68,699	260,117	163,837	157,378	99,758	100,896	-
Penalties and Interest	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,280	6,474,466	7,059,151	8,055,276	6,735,486
Titling Tax-Mobile Home	5,817	6,132	9,083	8,266	9,474	14,583	9,267	8,206	5,235	-
State Recordation	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327	-	-
Property Rental 1%	139,796	133,774	82,388	79,202	154,115	122,066	171,168	71,218	95,085	99,631
Vehicle Rental Tax	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598	1,001,964	1,298,495
Telephone Commissions	337,349	522,578	538,474	628,014	196,579	198,990	210,793	418,395	481,556	350,057
<b>Total General Governmental Tax Revenues</b>	<b>\$ 433,517,112</b>	<b>\$ 430,868,542</b>	<b>\$ 450,712,602</b>	<b>\$ 473,333,440</b>	<b>\$ 481,288,421</b>	<b>\$ 478,743,768</b>	<b>\$ 517,551,869</b>	<b>\$ 538,213,101</b>	<b>\$ 545,617,448</b>	<b>\$ 602,055,396</b>

**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			
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%	
2021	\$ 21,328,512,000	\$ 15,295,611,691	\$ 1,838,971,775	\$ 636,822,212	\$ 8,606,625,691	\$ 30,493,291,987	\$ 1.20	\$ 3.70	\$ 2.30	\$ 30,493,291,987	100.00%	
2022	\$ 25,503,343,000	\$ 15,927,280,027	\$ 2,192,733,292	\$ 615,324,140	\$ 9,397,823,000	\$ 34,840,857,459	\$ 1.20	\$ 3.70	\$ 2.30	\$ 34,840,857,459	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, 2022 and 2013**

Taxpayer	2022			Taxpayer	2013		
	Taxable Assessed Value	Rank	Total Taxable Assessed Value		Taxable Assessed Value	Rank	Total Taxable Assessed Value
Philip Morris Inc.	\$ 361,704,000	1	1.14%	Philip Morris USA Inc.	\$ 314,977,000	1	1.62%
Philip Morris USA Inc.	324,474,000	2	1.02%	Philip Morris Inc.	299,436,000	2	1.54%
Dominion Resources Services Inc.	307,141,000	3	0.97%	Hines Riverfront Plaza LP	237,150,000	3	1.22%
Richmond Riverfront Plaza LP	187,589,000	4	0.59%	James Center Property LLC	174,954,000	4	0.90%
RP James Center LLC	156,243,000	5	0.49%	Chippenham Hospital Inc.	106,605,000	5	0.55%
Costar Realty Information Inc.	145,703,000	6	0.46%	Dominion Resources Inc	105,249,000	6	0.54%
Chippenham Hospital Inc.	129,413,000	7	0.41%	Federal Reserve Bank of Richmond	103,142,000	7	0.53%
Southwood Apartments LLC	124,089,000	8	0.39%	Foundry Park I Inc.	81,209,000	8	0.42%
Lex Richmond Tenant LP	108,581,000	9	0.34%	Parmenter 919 Main Street LP	78,527,000	9	0.40%
Kireland South 10th Street LLC	91,842,000	10	0.29%	AREP Riverside I LLC	66,779,000	10	0.34%
Federal Reserve Bank of	84,135,000	11	0.26%	AT Main Street Richmond LLC	63,961,000	11	0.33%
Suntrust Bank	77,380,000	12	0.24%	American Retirement Corp	63,150,000	12	0.33%
Logistics Park 95 LLC	72,773,000	13	0.23%	Crestar Bank	61,222,000	13	0.32%
AREP Riverside I LLC	71,233,000	14	0.22%	Stony Point Fashion PK Assoc LLC	57,000,000	14	0.29%
Parma Richmond LLC	70,083,000	15	0.22%	AH Richmond Tower I LLC	54,832,000	15	0.28%
LS Biotech Eight LLC	67,418,000	16	0.21%	Dominion Resources Serv Inc.	52,478,000	16	0.27%
Scotts View LLC	67,049,000	17	0.21%	Robins AH Co Inc.	48,065,000	17	0.25%
Imperial Propco LLC	61,399,000	18	0.19%	Southwood Apartments LLC	44,860,000	18	0.23%
SJW II LLC	60,494,000	19	0.19%	Miller & Rhoads Building LLC	42,010,000	19	0.22%
Dominion Resources Serv Inc.	58,509,000	20	0.18%	John Marshall Building LLC	39,530,000	20	0.20%
Nob Hill Stony Point LLC	56,134,000	21	0.18%	Eck Enterprises Inc.	37,994,000	21	0.20%
Sauer Properties Inc.	55,259,000	22	0.17%	Apple Seven SPE Richmond Inc.	35,722,000	22	0.18%
Aden Park Richmond Associates	54,933,000	23	0.17%	SJW Limited Partnership	33,765,000	23	0.17%
Alacer Corp	52,173,000	24	0.16%	VCU Holdings LLC	33,625,000	24	0.17%
Locks Tower LLC	51,538,000	25	0.16%	Gambles Hill Lab LLC	33,472,000	25	0.17%
Total of 25 Taxpayers	2,897,289,000		9.12%	Total of 25 Taxpayers	2,269,714,000		11.69%
All Other Properties	28,860,719,000		90.88%	All Other Properties	17,153,186,000		88.31%
Total	31,758,008,000		100.00%	Total	\$ 19,422,900,000		100.00%

Source: City's Real Estate Assessor

**CITY OF RICHMOND, VIRGINIA AND METROPOLITAN STATISTICAL AREA  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

2022				2013		
Rank	Employer	Business Category	Approximate Number of Employees	Employer	Business Category	Approximate Number of Employees
1	VCU Health System	Health Care	13,500	Capital One Financial Corp.	Financial Services, Call Center	10,918
2	Capital One Financial Corp.	Financial Services, Call Center	13,000	VCU Health System	Health Care	8,226
3	HCA Virginia Health System	Health Care	11,000	HCA Virginia Health System	Health Care	6,904
4	Bon Secours Richmond	Health Care	8,416	Bon Secours Richmond	Health Care	5,892
5	Virginia Commonwealth University	Public four-year University	7,832	Walmart	Retail	5,331
6	Dominion Energy	Corporate HQ and energy	5,433	Dominion Resources, Inc.	Energy	5,328
7	Truist	Banking	4,549	SunTrust Banks Inc.	Banking	4,400
8	Amazon	Online Retail	4,100	Altria Group Inc.	Cigarettes and Wine	3,900
9	Altria Group	Corporate HQ, tobacco products, R&D	3,850	Food Lion	Grocer	3,830
10	Federal Reserve Bank Richmond	Federal Reserve Bank	2,700	Wells Fargo	Banking	2,806

Source: 2022 - Greater Richmond Partnership Largest Employers (Richmond, VA MSA)  
2013 - Richmond Times Dispatch Largest Employers (Richmond, VA MSA)

**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	Current Tax Collections			Total Tax Collections		
			Amount	Percentage of Levy	Delinquent Tax Collections	Amount	Percentage of Levy	
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	\$ 300,312,274	92.5%	\$ 9,300,420	\$ 309,612,694	95.3%	
2021	1.20	\$ 336,209,976	\$ 314,554,821	93.6%	\$ 12,902,394	\$ 327,457,215	97.4%	
2022	1.20	\$ 372,078,029	\$ 364,442,735	97.9%	\$ 5,714,370	\$ 370,157,105	99.5%	

Source: City of Richmond Department of Finance

**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	Current Tax Collections		Delinquent Tax Collections	Total Tax Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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%	\$ 8,715,611	\$ 73,936,805	100.2%
2021	3.70	\$ 74,726,366	\$ 67,189,886	89.9%	\$ 6,074,682	\$ 73,264,568	98.0%
2022	3.70	\$ 86,090,351	\$ 64,524,543	74.9%	\$ 7,591,720	\$ 72,116,263	83.8%

Source: City of Richmond Department of Finance

**CITY OF RICHMOND, VIRGINIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government		
	General Obligation Bonds	Virginia Public School Authority Bonds	General Obligation Notes	HUD Section 108 Notes	Lease Revenue Bond	General Obligation Bonds & Notes	Utility Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
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	14.9%	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	15.2%	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	14.4%	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	13.3%	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	13.2%	7,107
2018	653,984,975	-	625,000	9,080,000	3,235,406	107,283,878	738,777,749	1,512,987,008	11.7%	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	11.7%	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	12.3%	7,463
2021	789,671,007	-	35,181,209	9,811,000	-	63,250,159	820,746,072	1,718,659,447	N/A	N/A
2022	734,132,077	-	61,775,000	9,126,000	-	58,553,470	794,084,478	1,657,671,025	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.

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	Total	Percentage of	Debt Per Capita
							Estimated Actual Taxable Value of Property	
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%	3,727
2021	846,340,165	-	41,762,209	9,811,000	-	897,913,374	3.20%	3,962
2022	783,051,547	-	71,409,000	9,126,000	-	863,586,547	2.72%	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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit	\$ 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	\$ 2,801,749,800	\$ 3,175,800,800
Total Net Debt Applicable to Limit	<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>	<u>897,913,374</u>	<u>863,586,548</u>
Legal Debt Margin	<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>	<u>\$ 1,903,836,426</u>	<u>\$ 2,312,214,252</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	38.55%	43.42%	41.07%	39.49%	39.53%	33.95%	32.51%	31.21%	32.05%	27.19%

**Legal Debt Margin Calculation for Fiscal Year 2022**

Assessed Value (Taxable)	\$ 31,758,008,000
Debt Limit (10% of Total Assessed Value)	3,175,800,800
Debt Applicable to Limit:	
General Obligation Bonds	<u>863,586,548</u>
Legal Debt Margin	<u>\$ 2,312,214,252</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 6/30/2022 does not include \$794,084,478 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  
PLEDGED - 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>	
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	\$ 34,499,388	\$ 33,895,709	\$ 68,395,097	1.69
2017	\$ 313,083,986	\$ 194,664,661	\$ 118,419,325	\$ 31,768,170	\$ 26,875,875	\$ 58,644,045	2.02
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	\$ 212,975,445	\$ 135,665,021	\$ 33,288,486	\$ 30,958,745	\$ 64,247,231	2.11
2021	\$ 345,985,066	\$ 233,563,896	\$ 112,421,170	\$ 38,304,313	\$ 33,515,516	\$ 71,819,829	1.57
2022	\$ 421,122,925	\$ 277,336,986	\$ 143,785,939	\$ 34,906,703	\$ 32,507,800	\$ 67,414,503	2.13

**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**

<b>Calendar Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income (Amounts Expressed in Thousands)<sup>2</sup></b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment<sup>3</sup></b>	<b>City Unemployment Rate<sup>4</sup></b>	<b>State Unemployment Rate<sup>4</sup></b>
2013	214,114	\$ 10,076,103	\$ 47,060	32.6	23,649	6.6%	5.6%
2014	217,853	\$ 10,638,553	\$ 48,834	32.6	23,775	6.0%	5.1%
2015	220,289	\$ 11,322,825	\$ 51,400	32.9	23,957	5.1%	4.4%
2016	223,170	\$ 11,707,912	\$ 52,462	33.2	23,987	4.6%	4.0%
2017	227,032	\$ 12,376,504	\$ 54,514	33.5	24,868	4.3%	3.7%
2018	228,783	\$ 12,669,576	\$ 55,378	34.0	25,015	3.5%	2.9%
2019	230,436	\$ 13,033,423	\$ 56,560	34.2	24,763	3.2%	2.7%
2020	226,610	\$ 13,735,773	60,614.15	N/A	25,212	8.8%	6.2%
2021	226,604	N/A	N/A	N/A	28,226	6.1%	4.5%
2022	N/A	N/A	N/A	N/A	21,177	3.8%	3.0%

1 Source: U.S. Census Bureau

2 Source: U.S. Bureau of Economic Analysis

3 Source: Virginia Department of Education

4 Source: Virginia Employment Commission LAUS (Unadjusted)

N/A: Data currently not available

**CITY OF RICHMOND, VIRGINIA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Governmental Activities:										
General Government	764	739	739	684	566	763	781	776	782	697
Public Safety and Judiciary										
Police	915	918	918	849	845	847	839	848	778	704
Firefighters and Officers	411	439	439	432	409	411	425	415	404	457
Others	528	542	542	521	526	563	554	559	484	721
Highways, Streets, Sanitation and Refuse										
Engineering & Maintenance	389	391	391	327	318	340	346	357	341	342
Human Services										
Human Services Advocacy	13	15	15	14	12	10	16	9	10	9
Social Services	426	353	353	392	368	349	340	310	339	326
Culture and Recreation	161	146	146	235	232	163	158	152	156	163
Transportation	-	-	-	-	-	-	-	-	-	-
Business-Type Activities:										
Stormwater Utility	55	52	52	52	47	54	50	96	52	50
Gas Utility	284	291	291	281	282	275	274	242	260	238
Water Utility	106	101	101	112	116	132	118	106	119	121
Wastewater Utility	176	166	166	169	150	147	144	121	133	137
Electric Utility	26	24	24	21	15	15	14	13	17	15
Stores and Transportation Division	6	8	8	7	6	6	4	5	5	4
Coliseum	14	14	14	-	-	-	-	-	-	-
Cemeteries NCO	19	17	17	18	18	18	12	9	10	11
Parking	-	-	-	6	6	6	8	10	11	11
<b>Total</b>	<b>4,293</b>	<b>4,216</b>	<b>4,216</b>	<b>4,120</b>	<b>3,916</b>	<b>4,099</b>	<b>4,083</b>	<b>4,028</b>	<b>3,901</b>	<b>4,006</b>

Source: City of Richmond Department of Human Resources

**CITY OF RICHMOND, VIRGINIA  
OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years**

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Governmental Activities:</b>										
Police:										
Physical Arrests	11,184	10,668	11,453	14,156	14,482	13,646	12,703	10,345	7,863	5,878
Parking Violations	125,905	115,961	131,783	118,263	87,503	131,571	144,112	116,105	106,813	127,006
Traffic Violations	18,168	17,233	17,434	10,440	22,068	15,540	16,042	9,424	9,327	10,426
Fire:										
Number of Calls Answered	33,774	34,236	34,616	36,079	38,516	38,267	38,550	35,673	33,058	42,762
Inspections	6,392	2,921	3,254	2,657	2,367	1,449	1,247	1,092	1,700	1,451
Highways and Streets:										
Street Resurfacing (Miles)	108	130	127	138	82	94	93	203	261	206
Potholes Repaired	13,126	20,957	20,161	19,476	20,232	23,547	25,623	36,007	8,017	7,640
Sanitation and Refuse:										
Refuse Collected (Tons/Day)	295	295	300	356	350	303	276	364	336	316
Recyclables Collected (Tons/Day)	37	37	37	49	50	50	41	51	44	46
Culture and Recreation:										
Parks Permits Issued	546	546	644	448	606	666	645	901	534	707
<b>Business-Type Activities:</b>										
Gas:										
Maximum Daily Send Out (MCF)	150,761	169,141	183,745	163,678	171,337	190,134	165,557	155,768	153,988	178,963
Annual Send Out (MCF)	17,522,110	19,014,696	19,997,009	18,230,067	17,588,052	19,394,749	17,649,213	23,810,540	20,844,134	24,307,518
Water:										
Average Daily Consumption (MGD)	57	55	61	60	60	62	57	60	63	62
Maximum Daily Consumption (MCD)	88	83	83	81	87	87	80	98	95	83
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)	51	53	46	54	54	54	68	55	65	59
Maximum Daily Sewage Treatment (MGD)	82	79	54	83	83	83	80	80	83	130
Coliseum:										
Average Daily Attendance per Activity <sup>1</sup>	3,889	1,038	994	4,133	4,857	4,403	4,020	-	-	-
Cemeteries:										
Number of Interments	860	826	875	804	790	695	683	678	890	790
Number of Lot Sales	13	7	12	7	14	14	33	26	18	16
Number of Single Grave Sales	607	555	584	547	526	456	424	561	682	552
Number of Foundations	519	512	544	572	593	514	482	571	696	586

Source: Various City departments

<sup>1</sup> 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**

<b>Function</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Police:</b>										
Stations	7	7	9	4	4	4	4	4	4	4
Patrol Units	223	223	220	194	222	275	279	265	289	278
<b>Fire:</b>										
Stations	20	20	20	20	20	20	20	20	20	20
Fire Trucks	51	41	39	67	51	42	49	55	56	56
<b>Highways and Streets:</b>										
Streets (Miles)	822	1,860	1,860	1,835	1,832	1,836	1,835	1,835	1,830	1,830
Streetlights	36,230	31,247	31,247	31,247	31,247	34,000	34,062	34,123	34,123	34,500
Traffic Signals <sup>1</sup>	471	521	475	475	475	475	479	479	480	479
<b>Sanitation and Refuse:</b>										
Collection Trucks	33	33	33	33	33	46	35	35	35	34
<b>Culture and Recreation:</b>										
Parks Acreage	2,808	2,808	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844
Parks	72	73	73	73	73	73	73	73	73	73
Baseball/Softball Diamonds	48	48	48	48	48	48	45	45	45	44
Athletic Fields	31	31	30	30	30	30	27	27	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	136	136	136	136	136	136	136	133
Community Centers	20	20	20	20	20	20	21	21	19	19
Theatres	2	2	2	2	2	2	2	1	1	1
Coliseums	1	1	1	1	1	1	-	-	-	-
<b>Gas:</b>										
Miles of Service Lines	1,138	1,149	1,130	1,139	1,146	1,157	1,167	1,181	1,192	1,234
Number of Gate Stations	8	8	8	8	8	8	8	8	8	8
<b>Water:</b>										
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
<b>Wastewater:</b>										
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

<sup>1</sup> The total number of traffic signals does not include pedestrian signals, schools flashers, or beacons.



## **DEPARTMENT OF FINANCE**

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