



FY2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023
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, 2023

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, 2023**

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INTRODUCTORY



SECTION

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City of Richmond



LEVAR M. STONEY MAYOR

November 20, 2023

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

We are pleased to present the City of Richmond, Virginia's (City) Annual Comprehensive Financial Report (ACFR) for the fiscal year (FY) ended June 30, 2023. 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.

The financial statements included in this report conform to United States (U.S.) generally accepted accounting principles (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.

CliftonlarsenAllen LLP (CLA), a certified public accounting firm, audited the City's basic financial statements. As an independent auditor, CLA rendered an unmodified opinion stating that the City's basic financial statements for the fiscal year ended June 30, 2023 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 229,395 as of the U.S. Census Bureau 2022 population estimate. In the Commonwealth, cities have sole jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping jurisdictions and, consequently, residents of Virginia cities are not subject to overlapping debt or taxation.

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

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 *Travel & Leisure* called Richmond "#1 Best Place to Live in Virginia."

Profile of the Government

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

The City remains focused on being a welcoming, inclusive, diverse, innovative, and equitable City that ensures a high quality of life for all, moving toward the goal of becoming "One City" with a Triple-A (AAA) bond rating. The City has maintained strong credit ratings in recent years, Moody's Investor Services, Standard & Poor's and Fitch Ratings reaffirmed the City's Aa1 and AA+ ratings respectively during FY2023. 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 to 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 Council. The Chief Administrative Officer serves at the pleasure of

City of Richmond



the Mayor, carries out the City Council's policies, and appoints administrative department heads as well as other officers and employees of the administration.

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

The City provides a full range of general governmental services for its residents. These services include police and fire protection, sanitation services, the construction and maintenance of roads, streets and other infrastructure, recreational activities, and cultural events. In addition to general government activities, the City's gas, water and wastewater utilities are regional providers of services to customers in the City as well as in the surrounding counties. The City government also provides most 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, as the primary government, as well as all 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 2023 budget was presented to City Council in March 2022. 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 2023 budget, a public hearing was held in April with budget adoption in May 2022.

Legal budgetary restrictions for Fiscal Year 2023 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.

City of Richmond



Revenue and Expenditures

As part of the City's Well Managed Government building blocks, many improvements have been made in 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 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.

Economic Overview

At the forefront of the U.S. and global economy during FY2023 were the coordinated efforts by central banks to combat stubbornly high inflationary pressures with tightening monetary policy. In the U.S., the Federal Reserve Open Market Committee increased overnight interest rates from 5.25 percent rate in May 2023 to 5.5 percent in July 2023, a target not seen since 2001. Against this backdrop, the Gross Domestic Product weakened, exacerbated by labor shortages, and hiring demand. Consumer and business confidence were trending lower, but the employment situation remained stable over the year. Economic outlook is marked with uncertainty around the persistence of inflation and possibility for further tightening of federal funds target.

Consistent with labor force statistics at the national and state level, the City's employment market remained strong throughout FY2023. The national unemployment rate remained unchanged as the year closed out at 3.6 percent as of June 2023 compared to 3.6 percent in the prior year (U.S. Bureau of Labor Statistics, Current Population Survey, seasonally adjusted). Virginia saw its statewide unemployment rate increase slightly from 2.5 percent in June 2022 to 2.7 percent in June 2023 (U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted). At the local level, the City of Richmond's unemployment rate remained unchanged, closing out at 3.4 percent in June 2023 compared to 3.4 percent in June 2022 (U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, not seasonally adjusted).

Total nonfarm employment in the Richmond Metropolitan Statistical Area (MSA) increased approximately 3.30.4 percent from June 2022 to June 2023 (U.S. Bureau of Labor Statistics, Current Employment Statistics, seasonally adjusted). Employment in the leisure and hospitality, trade, transportation, and utilities, professional and business services, other services, financial activities, and education and health services grew, while employment in manufacturing, information, and mining, logging, and construction decreased. Leisure and hospitality saw the largest increase of 8.5 percent among the metropolitan area's private industry sector (U.S. Bureau of Labor Statistics, State and Area Employment Statistics, not seasonally adjusted).

Richmond has seen population growth as people moved into the City. Generally, the City's population has grown since 2014, reaching 229,395 in 2022 according to the U.S. Census Bureau's American Community Survey 2022 1-year estimates.

In response to demand in growth, priority initiatives focused on community development and business attraction, retention, and expansion efforts are underway. In June 2022, the City Council approved the Mayor's FY22-FY26 Economic Development Strategic Plan for the City of Richmond (Strategic Plan for Equitable Economic Development – SPEED ("SPEED")). SPEED establishes the strategic framework for equitable economic development in the City of Richmond while increasing opportunities for job creation, capital investment, and General Fund revenue generation in the City.

The City's broad and diverse economy provided stability through the pandemic and the accompanying period of disruption. Throughout the last several years, many new public and private construction project investments have been completed in the

City of Richmond



City, and many new construction projects are underway. This economic growth is occurring throughout the City, as evidenced by the many neighborhoods and districts seeing new projects. In the past year alone, 61 projects were announced, under construction and/or completed representing \$2.1 billion in investment. Notable projects include:

- In October 2022, CoStar, the leading provider of commercial real estate information and analytics, broke ground on what will be a signature addition to the City's skyline. CoStar will invest \$460 million in its campus expansion, featuring a 26-story, 750,000-square-foot, LEED Platinum office complex adjacent to their current office tower at 501 South 5th Street.
- In 2022 and 2023, several projects were delivered in the Central Business District. Shamin Hotels opened the Marriott-branded Moxy Hotel in November 2022. The adaptive reuse of a former office building has 100 boutique hotel rooms and a reported capital investment of \$15M.
- In April 2023, the Wonder Tower at Children's Hospital of Richmond at VCU opened, completing an entire City block dedicated to children's health. A reported \$400 million was invested to create the new downtown facility, which connects to the existing outpatient Children's Pavilion and houses emergency, trauma, and inpatient care.
- In early 2023, Douglas Development completed Harper's Flat, a mixed-use residential and commercial building on the 200 block of East Broad Street. This building includes 11 residential units with more than 7,600 square feet of commercial space.
- In May 2023, VPM, Virginia's home for public media, announced that it would relocate from its longtime home in neighboring Chesterfield County to build a new, state-of-the-art headquarters on East Broad Street in Historic Monroe Ward in the heart of downtown Richmond. The five-story, 53,700-square-foot facility will feature multiple audio, television, and digital content production studios and a street-level community studio and event space.
- Red Light Ventures, one of the nation's largest music management companies and the developer and operator of popular outdoor venues in Charlottesville and Nashville, and Live Nation, the nation's largest promoter of live events, plan to invest \$30.5 million to build a 7,000-person capacity amphitheater at 470 Tredegar Street, commonly known as Gambles Hill. With its prime spot overlooking the James River, the amphitheater will host 25-30 performances annually, serving as a quality-of-life asset for the region and attracting new tourism dollars from outside Richmond. The project's anticipated completion is in 2025.
- In September 2022, the Alliance for Building Better Medicine, a coalition of advanced pharmaceutical manufacturers, researchers, and government and nonprofit partners in the Richmond-Petersburg region, announced that over \$111 million had been invested by federal, state, local, and private supporters to accelerate efforts, including \$ 52.9 million from the U.S. EDA's national Build Back Better Regional Challenge. In February 2023, Activation Capital, the organization that runs Bio+ Tech Park, received \$15 million from the Commonwealth of Virginia that will be used, in part, to support the creation of a new 102,000-square-foot Innovation Center to meet space demands.

This does not include the City's two largest economic development projects:

- **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 with the implementation of the FY 2023 Adopted Budget. The Administration completed 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 5 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.

The Administration has begun addressing chronic underfunded Richmond Retirement System (RRS) with taking a holistic approach, which includes a thorough plan to transition to Virginia Retirement System (VRS); issuance of approximately \$120.0 million Pension Obligation Bonds to accelerate actuarial funded status of RRS to 80 percent and implementation of financial policies to project RRS funded status of maintaining the minimum target of 80 percent and reach goal of 100 percent; and plan to issue an additional \$30.0 million at a future date to establish a reserve fund as needed to maintain RRS funded status of at least 80 percent. In September 2023, City Council unanimously passed a resolution to close RRS to new members and provided an option for all existing RRS participants to transfer to VRS should they choose to join VRS. The Administration expects the VRS transition work continuing into FY2024 and beyond.

Throughout the fiscal year, the Administration continued carrying out the Equitable Affordable Housing Plan supported by the Mayor and adopted by City Council in FY2022. This plan is a strategic framework outlining how the City will meeting its goal to provide housing and services across all spectrums and meet the housing needs of the residents in the City over the next ten years. The identification of the funding is the key to the success of the Plan as it provides for the alignment of the funding the City allocates to the Affordable Housing Trust Fund and the federal entitlement monies allocated for programs and services. In FY2023, the Administration allocated another \$10 million from the American Rescue Plan Act to the Affordable Housing Trust Fund and appropriated funding for the City’s Eviction Diversion Program for a total of \$727,710.

Several proactive financial reporting actions continued through FY2023 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 FY2024, 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.

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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.

Fund Balance Guidelines

As of June 30, 2023, the General Fund Unassigned Fund Balance was \$139.9 million, which equals 14.7 percent of the adopted FY2024 General Fund budgeted expenditures, including transfers. The City considers the Unassigned Fund Balance to be comprised of funds that have no limitations or restrictions or planned use.

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

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

Debt Guidelines

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

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

- Total debt service to be paid on general obligation, moral obligation, and subject to appropriation debt shall not exceed 10 percent of the General Fund and Richmond Public Schools' budgets plus the non-local portion of the recurring special fund for Street Maintenance.
- General obligation, moral obligation, and subject to appropriation debt will not exceed 3.75 percent of the assessed value of real estate, personal property, and machinery and tools in the City.
- General Fund supported debt will be structured in a manner such that 60 percent of the outstanding debt will be repaid within ten years.

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- 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, 2023 the City had a legal debt limit of \$3,593,369,500 and the statutory capacity to issue approximately \$2,748,452,48 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, 2023 ¹	\$3,593,369,500
Less: bonds and notes payable ²	<u>(844,917,015)</u>
Legal margin for creating additional debt	\$2,748,452,485

¹ Source: City Assessor of Real Estate

² Does not include \$776,022,947 of Richmond Public Utility Revenue Bonds that by State law are not required to be included in calculations for legal margin for creation of debt.

C. Short-Term Debt

As of June 30, 2023, the City had a Bond Anticipation Note Line of Credit Facility (BAN) in place in the amount of \$70.0 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 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

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long-term bonds are sold to finance current operations.


E. Authorized but Unissued Bonds and Notes

As of June 30, 2023, the City had a total of \$828,858,005 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, \$468,250,676 is earmarked for self-supporting Public Utility revenue bond funded projects, \$37,103,330 for Stormwater Utility Projects, \$315,700,000 for various General Fund supported capital projects and \$7,803,999 for funding of equipment purchases.


Acknowledgements

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 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,



Levar M. Stoney
Mayor



J.E. Lincoln Saunders
Chief Administrative Officer

City of Richmond



LEVAR M. STONEY
MAYOR

MANAGEMENT REPORT ON RESPONSIBILITY FOR FINANCIAL REPORTING

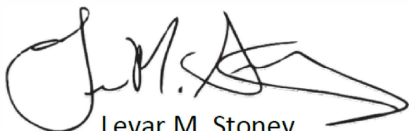
The management of the City of Richmond, Virginia has the responsibility for preparing the accompanying financial statements with integrity and objectivity. The School Board of the City of Richmond, Economic Development Authority of the City of Richmond, Virginia, Richmond Ambulance Authority, Richmond 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, 2023

CITY MAYOR
Levar M. Stoney

CHIEF ADMINISTRATIVE OFFICER
J.E. Lincoln Saunders

CITY COUNCIL

Michael J. Jones - President (9th District)
Kristen Nye - Vice President (4th District)
Andreas D. Addison (1st District)
Katherine Jordan (2nd District)
Ann-Frances Lambert (3rd District)

Stephanie A. Lynch (5th District)
Ellen F. Robertson (6th District)
Cynthia I. Newbille (7th District)
Reva M. Trammell (8th District)

CITY
AUDITOR
Louis Lassiter, CPA

ATTORNEY
Laura Drewry

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

FY2023 ORG CHART



FINANCIAL



SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Richmond's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following aggregate discretely presented component units: Richmond School Board, Richmond Economic Development Authority, Richmond Behavioral Health Authority, and Richmond Redevelopment and Housing Authority, which represents 45 percent, 38 percent, and 86 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 54 percent, 96 percent and 12 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, Richmond Redevelopment and Housing 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), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications"), issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Our responsibilities under those standards and Specifications are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Richmond and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2022, the City adopted new accounting guidance for SBITAs. The guidance requires lessees to recognize a right-to-use SBITA asset and corresponding SBITA liability and lessors to recognize a SBITA receivable and corresponding deferred inflow of resources for all SBITA 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 of Richmond'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, *Government Auditing Standards*, and the Specifications will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

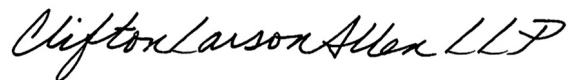
Other Information

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 December 13, 2023, on our consideration of the City of Richmond'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 of Richmond'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 City of Richmond's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Arlington, Virginia
December 13, 2023

CITY OF RICHMOND, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023
(Unaudited)

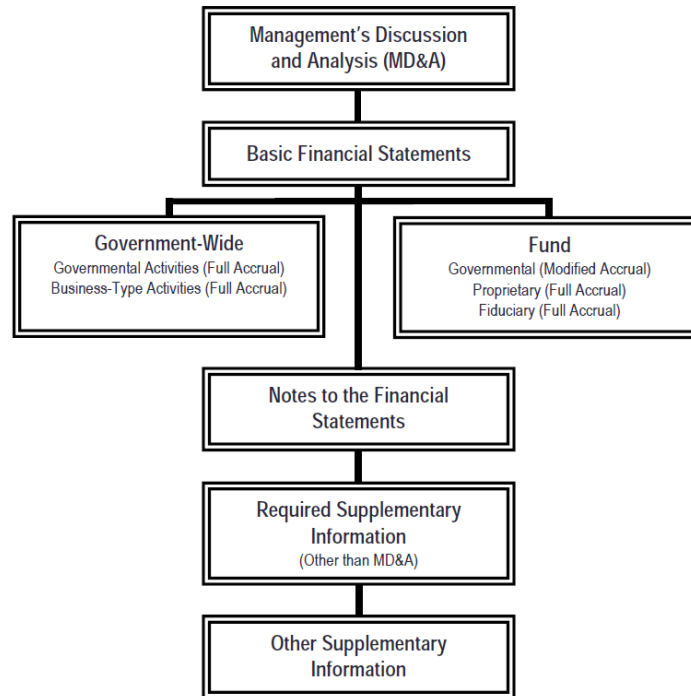
The following discussion and analysis provided by the City's management presents a narrative overview and analysis of the financial activities of the City through the presentation of its Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023. City management encourages readers 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 2023

- The City's General Fund reported an ending Fund Balance of \$262.5 million, an increase of \$56.3 million or 27.3 percent compared to the prior year. Of the total General Fund balance: \$14.2 thousand is Nonspendable, \$29.6 million is Committed to Revenue Stabilization, \$209.2 thousand committed to School Board Operations, \$40.4 million is Assigned to subsequent years' Expenditures, \$19.1 million to Capital Reserve, \$0.3 million for the Arts, \$18.4 million for School Facilities, \$7.3 million for Unspent Building Code Fees, \$547.6 thousand for COVID-19 Contingencies, \$1.3 million for Special Purpose, \$2.0 million for Employee Compensation Reserve, 1.8 million for Unfunded Liability, 1.8 Revolving Land Acquisition, and \$139.9 million is Unassigned. The Unassigned Fund Balance represents 16.2 percent of actual Expenditures and Transfers out of \$866.2 million.
- The City's total taxable assessed value for Real and Personal Property including Machinery and Tools increased by \$4.6 billion or 13.3 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 \$1,528.7 million. Net Position was comprised mainly of \$1,209.4 million attributable to the City's Net Investment in Capital Assets, \$78.2 million in Restricted and \$241.1 million in Unrestricted.
- Net Position for Governmental Activities increased \$110.8 million or 25.4 percent compared to the prior year.
- For this Fiscal Year, General Fund Revenues and Financing Sources were \$922.5 million. General Fund Expenditures and Other Financing Uses were \$866.2 million. City Taxes accounted for 74.4 percent of Revenue.
- The City's Business-Type Activities Net Position increased by \$56.8 million or 6.1 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

FY2023, Total Assets for the Primary Government were \$4,117.0 million, an increase from prior year total Assets by \$249.1 million. Total Assets for only Governmental Activities were \$2,129.4 million, up by \$216.6 million or 11.3 percent. Total Assets from Business-Type Activities increased by \$32.6 million in FY2023, accounting for 48.3 percent of total Primary Government Assets compared to 50.5 percent in FY2022.

Total Liabilities were \$2,565.0 million up \$65.8 million from \$2,499.2 million in FY2022. Total Liabilities associated with Governmental Activities increased by \$83.6 million up 5.7 percent while total Liabilities associated with Business-Type Activities decreased \$(17.8) million or (1.7) percent.

Total Net Position was \$1,528.7 million up \$167.6 million over the prior year's balance. Table 1 summarizes the City's Government-Wide Net Position at June 30, 2023 and 2022.

Table 1
City of Richmond's Schedule of Net Position
As of the Fiscal Years Ended June 30, 2023 and 2022
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 741.1	\$ 596.8	\$ 484.3	\$ 516.0	\$ 1,225.4	\$ 1,112.8
Capital Assets, Net	1,388.3	1,316.0	1,503.3	1,439.1	2,891.6	2,755.1
Total Assets	<u>2,129.4</u>	<u>1,912.8</u>	<u>1,987.7</u>	<u>1,955.1</u>	<u>4,117.0</u>	<u>3,867.9</u>
Deferred Outflow of Resources	105.0	97.2	26.2	28.3	131.2	125.5
Current and Other Liabilities	448.8	419.5	108.1	107.6	556.9	527.1
Long-Term Obligations Outstanding	1,092.9	1,038.6	915.2	933.5	2,008.1	1,972.1
Total Liabilities	<u>1,541.7</u>	<u>1,458.1</u>	<u>1,023.3</u>	<u>1,041.1</u>	<u>2,565.0</u>	<u>2,499.2</u>
Deferred Inflows of Resources	98.3	116.3	8.1	16.7	106.4	133.0
Net Position:						
Net Investment in Capital Assets	543.3	456.8	666.1	616.6	1,209.4	1,073.3
Restricted	47.2	77.1	31.0	31.5	78.2	108.6
Unrestricted	(44.1)	(98.3)	285.2	277.4	241.1	179.2
Total Net Position	<u>\$ 546.4</u>	<u>\$ 435.6</u>	<u>\$ 982.3</u>	<u>\$ 925.5</u>	<u>\$ 1,528.7</u>	<u>\$ 1,361.1</u>

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

Activities

REVENUES

In FY2023, total Primary Government Revenues were \$1,542.8 million, which reflects an increase over prior year. Program Revenues (Charges for Service, Grants, and Contributions) of \$783.7 million accounted for 50.8 percent of all Primary Government Revenues, while property and other local taxes attributable to Governmental Activities accounted for \$713.6 million, most of the remainder. Total Revenues for all Governmental Activities were \$1,073.0 million. Governmental Activities' Program Revenues of \$328.0 million accounted for 30.6 percent.

For the fiscal year ended June 30, 2023, revenues from governmental activities totaled \$1,073.0 million, an increase of \$181.5 million from fiscal year 2022. Real estate tax revenue is the City's largest revenue source, and reflects the recognition of the first half and second half of calendar year 2023 real property tax. The Real estate tax revenue collected during fiscal year 2023 was \$400.4 million, which was an increase of \$36.0 million or 9.9 percent, from fiscal year 2022 due to increased property values.

During fiscal year 2023, the City collected \$66.8 million in personal property tax revenue from City residents which includes Personal Property Tax Relief received from the Commonwealth of Virginia (the Commonwealth) of \$16.7 million. Under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA), the Commonwealth's share of the local personal property tax payment for a calendar year was frozen 70 percent for qualified vehicles. During the 2004 General Assembly, the Commonwealth's obligation for car tax relief was capped at \$950 million annually. Each jurisdiction's share of the \$950 million is based on the total 2004 reimbursement as of December 31, 2005. The fiscal year 2023 property tax collections were up by \$2.2 million or 3.5 percent over fiscal year 2022.

Business-type activities produced revenues of \$469.8 million, an increase of \$27.6 million from fiscal year 2022. The City's Gas activity produced \$218.6 million in charges for services, and the City's Water and Sewer activity produced \$200.6 million in charges for services. Program revenues of \$1.0 million in operating grants and contributions, and \$14.6 million in capital grants and contributions were received in fiscal year 2023.

EXPENSES

Total Expenses for Primary Government were \$1,328.1 million. Four activities: General Government, Public Safety and Judiciary, Education, and Business-Type Activities accounted for the following amounts and percentages: \$119.4 million (9.0 percent), \$312.1 million (23.5 percent), \$220.6 million (16.6 percent), and \$389.7 million (29.3 percent), respectively. Table 2 summarizes the City's Government-Wide Activities for the years ended June 30, 2022 and 2021.

For the fiscal year ended June 30, 2023, expenses for the governmental activities totaled \$938.4 million, an increase of \$164.5 million or 21.3 percent from fiscal year 2022 (Table 2). Included in this activity are employee compensation and benefits, payments for education expenses to the School Board (Richmond Public Schools), and the cost of general governmental activities such as public safety, recreation, and libraries. The largest expense increases occurred in Public Safety, Education, and Human Services.

Education continues to be one of the City's highest priorities and commitments. Spending on Education was up \$32.1 million or 17.0 percent, which includes a direct payment by the primary government of \$220.6 million for School operations.

Public Safety and Judiciary expenses increased by \$86.6 million or 38.4 percent (Table 2). City Police Officers, and Firefighters received across the board market salary adjustments.

The expenses of business-type activities totaled \$389.7 million, an increase of \$27.5 million or 7.6 percent over fiscal year 2022 business-type activities.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

For the fiscal year ending June 30, 2023, the governmental funds reflect a combined fund balance of \$281.2 million, an increase of \$50.7 million from fiscal year 2022. The General Fund accounts for \$262.5 million of the total combined balance. This is an increase of \$56.3 million or 27.3 percent from the General Fund balance of \$206.2 million recorded at June 30, 2022. The General Fund Balance was impacted by General Fund Revenues, which increased by \$107.9 million or 13.3 percent from fiscal year 2022. The largest increases occurred in Real Estate Taxes by \$36.0 million, Personal Property Taxes-Delinquent by \$11.1 million, and Intergovernmental by \$14.5 million. The increases were offset by decreases of \$(0.6) in Utility Payments and of \$(0.6) million in Penalties & Interest.

At the same time, General Fund Expenditures increased by \$78.8 million or 11.7 percent from fiscal year 2022. The following items affected the fund balance and should be noted:

- The General Fund transferred \$12.1 million to the Capital Projects Fund to finance various capital projects, \$15.4 million to the Special Revenue Fund and \$89.9 million for debt service. The total transfers were up \$11.0 million from the previous year.
- The General Fund contributed \$200.3 million to fund fiscal year 2023 School Board operations, an increase of \$13.2 million or 7.0 percent increase from the fiscal year 2022 contribution.

Highlights of other Governmental Funds are as follows:

- The Other Governmental Fund balance of \$52.0 million (Exhibit D) increased by \$11.8 million or 29.5 percent from fiscal year 2022. The increase is due to revenues of \$107.5 million and other financing sources of \$107.5 million exceeding expenditures of \$108.5 million. The major function of the Other Governmental Fund is to account for State and Federal grants received by the City, Social Services programs, and solid waste operations. State and Federal grants are received on a reimbursement basis and accounted for \$91.3 million in revenues. The City's Department of Social Services operations accounted for \$13.5 million in State and Federal grant revenue and \$42.4 million in expenditures during fiscal year 2023.
- The Debt Service Fund Balance increased by \$2.6 million from \$15.4 million during fiscal year 2023. The fund received transfers from the General Fund of \$89.9 million, and expenditures for debt service were \$142.8 million. Other financing sources included issuance of refunding bonds of \$53.0 million and receipts from EDA of \$1.4 million.

- The Capital Projects Fund Balance of \$(51.3) million (Exhibit D) is an increase of \$(20.1) million, or 64.4 percent, in comparison to fiscal year 2022. During the fiscal year, expenditures for capital projects were \$85.5 million, and revenues were \$15.8 million. Other financing sources include transfers from the general fund of \$12.1 million, and issuance of bonds and notes of \$37.5 million during fiscal year 2023.

Table 2
City of Richmond's Schedule of Activities
As of the Fiscal Years Ended June 30, 2023 and 2022
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 258.4	\$ 228.2	\$ 440.0	\$ 418.7	\$ 698.4	\$ 646.9
Operating Grants and Contributions	53.9	34.2	1.0	0.1	54.9	34.4
Capital Grants and Contributions	15.7	12.7	14.6	20.9	30.4	33.6
General Revenues:						
Property Taxes	542.3	453.6	-	-	542.3	453.6
Other Taxes	171.3	143.3	-	-	171.3	143.3
Investment Income	1.3	0.1	14.9	1.0	16.2	1.1
Miscellaneous	30.0	19.4	(0.7)	1.4	29.3	20.7
Total Revenues	<u>1,073.0</u>	<u>891.5</u>	<u>469.8</u>	<u>442.2</u>	<u>1,542.8</u>	<u>1,333.6</u>
Expenses:						
Primary Government						
General Government	119.4	104.8	-	-	119.4	104.8
Public Safety and Judiciary	312.1	225.5	-	-	312.1	225.5
Highway, Street, Sanitation and Refuse	109.7	110.1	-	-	109.7	110.1
Human Services	93.5	73.7	-	-	93.5	73.7
Culture and Recreation	41.2	32.2	-	-	41.2	32.2
Education	220.6	188.5	-	-	220.6	188.5
Transportation	8.6	8.3	-	-	8.6	8.3
Interest and Fiscal Charges	33.1	30.7	-	-	33.1	30.7
Business-Type Activities	-	-	389.7	362.2	389.7	362.2
Total Expenses	<u>\$ 938.4</u>	<u>\$ 773.9</u>	<u>\$ 389.7</u>	<u>\$ 362.2</u>	<u>\$ 1,328.1</u>	<u>\$ 1,136.2</u>
Income Before Transfers	134.7	117.6	80.1	79.9	214.7	197.3
Transfers	23.1	33.0	(23.1)	(33.0)	-	-
Changes in Net Position	157.6	150.6	57.1	47.0	214.7	197.3
Net Position, Beginning of Year	435.6	285.0	925.5	878.5	1,361.1	1,163.5
Net Position, End of Year	<u>\$ 593.3</u>	<u>\$ 435.6</u>	<u>\$ 982.5</u>	<u>\$ 925.5</u>	<u>\$ 1,575.8</u>	<u>\$ 1,360.8</u>

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

GENERAL FUND

The General Fund is the City's largest governmental Fund and, therefore, deserves special attention. Total Revenues and Other Financing Sources totaled \$922.5 million in FY2023, an increase of \$102.1 million from the prior year. Property and other local taxes accounted for \$683.1 million or 74.4 percent of total Revenues

Actual General Fund Revenues were more than the original budgeted revenues by \$83.8 million during fiscal year 2023. Actual revenue collections exceeded the amended budget by \$11.3 million. This increase is attributable in part to collections of general property taxes such as real property and personal property taxes, which exceeded the amended budget by \$24.0 million, and other local taxes, such as meals tax and bank franchise taxes, which exceeded budget by \$3.0 million (Table 3).

On the other side of the ledger, Expenditures and Transfers Out totaled \$866.2 million, an increase of \$89.5 million or 11.5 percent, from the prior year. Public Safety & Judiciary and Education, the two largest program areas, totaled \$439.8 million, or 58.5 percent of total General Fund Expenses.

Actual General Fund Total Expenses and Other Financing Sources were greater than the original budget by \$27.5 million, and less than the amended budget by \$(90.6) million. During the fiscal year, City Council amended the budget several times. These budget amendments or supplemental appropriation resolutions were primarily for the following purposes:

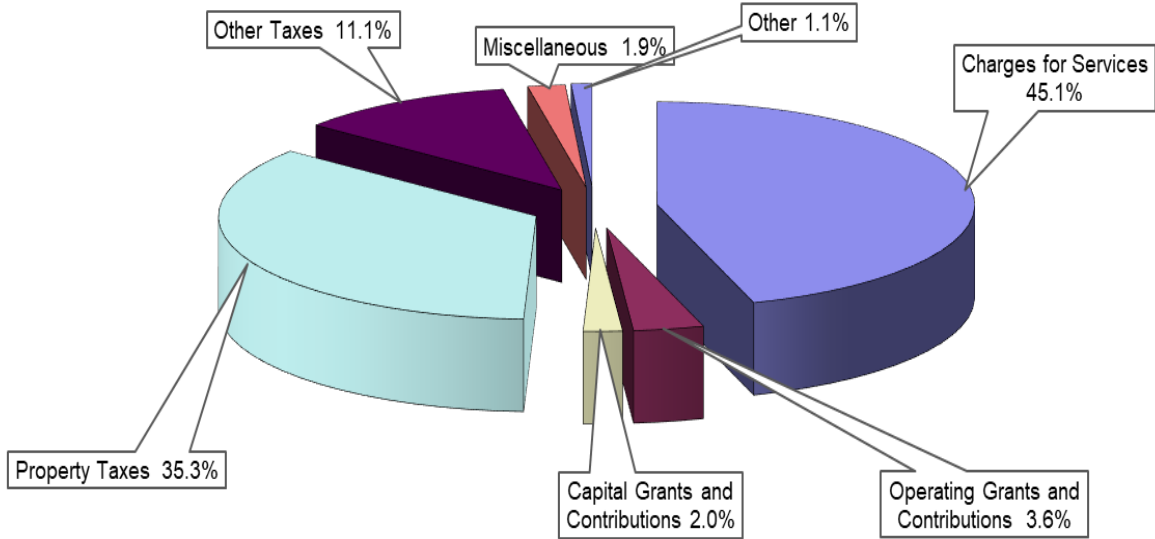
- To reappropriate monies to pay for continuing programs for whose fiscal years extended beyond June 30, 2022.
- To reappropriate grant revenues authorized in fiscal year 2022 or earlier, but not expended or encumbered as of June 30, 2022 and to appropriate grants or donations accepted or adjusted in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

Table 3
City of Richmond's Budgetary Comparison
General Fund
For the Fiscal Years Ended June 30, 2023 and 2022
(In Millions, rounded)

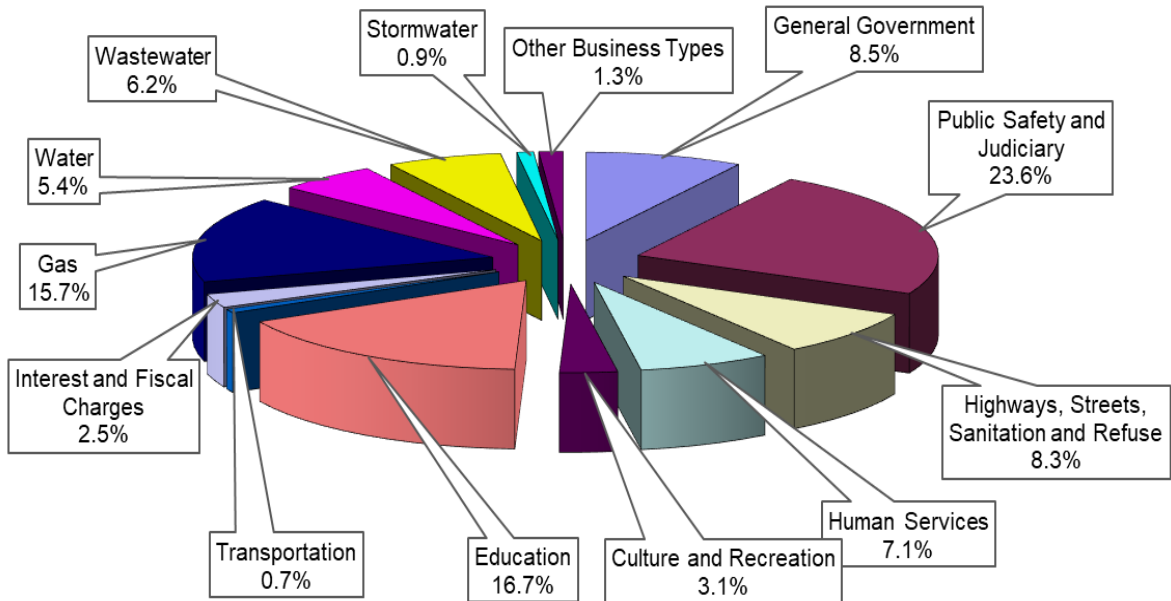
	Original Budget		Amended Budget		Actual		Positive (Negative) Variance	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues:								
Property Taxes	\$ 467.9	\$ 414.8	\$ 488.9	\$ 426.3	\$ 512.9	\$ 456.6	\$ 23.9	\$ 30.3
Other Taxes	158.6	148.5	167.2	148.5	170.3	145.5	3.0	(3.0)
Intergovernmental	87.4	86.1	101.3	123.0	97.5	83.1	(3.8)	(39.8)
Miscellaneous	112.2	104.0	123.1	131.0	137.8	125.5	14.8	(5.5)
Other Financing Sources	12.7	19.4	30.8	0.2	4.0	9.8	(26.7)	9.6
Total Revenues and Other Financing Sources	<u>\$ 838.7</u>	<u>\$ 772.8</u>	<u>\$ 911.2</u>	<u>\$ 828.9</u>	<u>\$ 922.5</u>	<u>\$ 820.4</u>	<u>\$ 11.4</u>	<u>\$ (8.4)</u>
Expenses:								
General Government	\$ 72.4	\$ 60.7	\$ 120.0	\$ 74.6	\$ 74.2	\$ 62.7	\$ 45.7	\$ 11.8
Public Safety and Judiciary	236.2	213.0	248.8	217.9	239.6	207.1	9.3	10.8
Highway, Street, Sanitation and Refuse	37.2	36.0	43.7	41.4	41.3	39.3	2.4	2.1
Human Services	66.4	62.9	68.8	68.0	60.4	59.2	8.5	8.8
Culture and Recreation	28.7	24.1	32.2	26.3	32.0	27.7	0.2	(1.3)
Education	200.3	187.1	200.3	187.1	200.3	187.1	-	-
Non-Departmental	76.8	79.9	122.1	93.9	102.4	88.4	19.7	5.7
Other Financing Uses	120.8	109.1	120.8	109.2	116.1	105.3	4.7	3.7
Total Expenses and Other Financing Uses	<u>\$ 838.7</u>	<u>\$ 772.8</u>	<u>\$ 956.8</u>	<u>\$ 818.4</u>	<u>\$ 866.2</u>	<u>\$ 776.7</u>	<u>\$ 90.8</u>	<u>\$ 41.6</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, 2023**



**Primary Government Functional Expenses
Year Ended June 30, 2023**



CAPITAL ASSETS

The Department of Public Utilities' spent \$131.02 million during the Fiscal Year to expand, upgrade, and renew its Infrastructure. The Gas Utility invested approximately \$6.06 million to support our expanding market base and \$20.05 million in upgrades to existing Infrastructure. The Water Utility invested approximately \$31.46 million in upgrades to our Infrastructure including \$7.00 million of investments in major plant and pumping improvements, \$1.38 million into water transmission, and \$23.08 million into water distribution . The Wastewater Utility invested approximately \$54.14 million in upgrades to existing Infrastructure, of which \$5.28 million was spent on major plant improvements, \$17.42 million of improvements to the Combined Sewer System, and \$30.41 million into sanitary sewers. The Storm water Utility invested \$19.31 million to upgrade their existing Infrastructure.

Table 4
City of Richmond's Capital Assets
As of the Fiscal Years Ended June 30, 2023 and 2022
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 103.9	\$ 105.5	\$ 26.3	\$ 26.3	\$ 130.2	\$ 131.8
Construction In Progress	177.7	136.2	70.1	48.8	247.8	185.0
Works of Art/Historical Treasures	8.1	8.3	-	-	8.1	8.3
Total Assets Not Being Depreciated	<u>289.7</u>	<u>250.0</u>	<u>96.4</u>	<u>75.1</u>	<u>386.2</u>	<u>325.1</u>
Capital Assets Being Depreciated:						
Infrastructure	1,097.7	1,043.9	-	-	1,097.7	1,043.9
Buildings and Structures	1,112.8	1,140.2	2,202.1	2,066.8	3,314.9	3,207.0
Right of Use Land & Land Rights			14.5	14.5	14.5	
Right of Use Equipment and Other Assets	33.5		-	-	-	
Equipment and Other Assets	146.7	146.7	333.9	384.4	480.6	531.1
Improvements Other Than Buildings	34.9	33.9	-	-	34.9	33.9
Total Other Assets	<u>2,425.6</u>	<u>2,364.8</u>	<u>2,550.5</u>	<u>2,465.7</u>	<u>4,942.6</u>	<u>4,815.9</u>
Less Accumulated Depreciation For:						
Infrastructure	706.3	681.1	-	-	706.3	681.1
Buildings and Structures	482.6	492.3	917.5	830.5	1,400.1	1,322.8
Equipment and Other Assets	114.1	114.3	225.9	271.0	340.0	385.3
Right of Use Land & Land Rights			0.2	0.2	0.2	
Right of Use Equipment and Others	5.2		-	-	5.2	
Improvements Other Than Buildings	18.7	16.9	-	-	18.7	16.9
Total Accumulated Depreciation	<u>1,327.0</u>	<u>1,304.6</u>	<u>1,143.6</u>	<u>1,101.7</u>	<u>2,470.5</u>	<u>2,406.1</u>
Total Capital Assets Being Depreciated, Net	<u>1,098.6</u>	<u>1,060.1</u>	<u>1,406.9</u>	<u>1,364.0</u>	<u>2,472.1</u>	<u>2,409.8</u>
Total Capital Assets, Net	<u>\$ 1,388.2</u>	<u>\$ 1,310.1</u>	<u>\$ 1,503.3</u>	<u>\$ 1,439.1</u>	<u>\$ 2,858.2</u>	<u>\$ 2,734.9</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, 2023, the City's had a total of \$1.72 billion of outstanding Bonds, Notes and Premiums, a decrease of \$(54.7) million compared to the previous year. Outstanding debt of the City's Governmental Activities at year end was \$840.5 million, while the Business Type Activities outstanding debt (primarily Utilities and Parking operations) was \$875.0 million.

During FY2023, the City issued its \$57.99 million General Obligation Bonds, series 2022A. The proceeds of the bond were used to pay off the existing Series 2021A Line of Credit Bond Anticipation Note that was outstanding at the end of FY2022.

Subsequently in FY2023, the City established Series 2022A Line of Credit Bond Anticipation Note of \$70.0 million to provide interim financing for ongoing City and Stormwater Utility Capital projects. The cumulative amount advanced was \$49.9 million at the end of the fiscal year. Additionally, Series 2022B Line of Credit Bond Anticipation Note of \$10.0 million was also established to fund preliminary design and engineering costs related to major capital improvement projects in the City. As of June 30, 2023, the cumulative amount advanced under series2022B was \$2.6 million.

The City's Utility Department has issued its \$14.7 million Public Utility Revenue Bond, Series 2023A to evidence a loan made to the City by the Commonwealth's Virginia Resources Authority. The bond is priced with a zero percent interest rate. The proceeds of this bond issue will be used to finance capital projects of the City's Department of Public Utilities' Wastewater utility. Total amount outstanding is \$130,794 as of June 30, 2023.

In addition to the new loan, the City's wastewater Utility also made \$12.7 million draws on its series 2021A Utility Revenue Bond, bring the outstanding principal balance on this bond issue to \$17.2 million at June 30, 2023. The bond issue financing is also 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, 2023
(In Thousands, rounded)

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Not Due Within One Year	Due Within One Year
Primary Government - Governmental Activities						
General Obligation Bonds	\$ 727,607.8	\$ 48,010.0	\$ 58,329.1	\$ 717,288.7	\$ 667,600.0	\$ 49,688.7
General Obligation Bond - Direct Borrowing	6,524.3	-	-	6,524.3	-	6,524.3
Total General Obligation Bonds	<u>734,132.1</u>	<u>48,010.0</u>	<u>58,329.1</u>	<u>723,813.0</u>	<u>667,600.0</u>	<u>56,213.1</u>
Line of Credit - Bond Anticipation Note -	52,600.0	37,500.0	52,600.0	37,500.0	2,600.0	34,900.00
General Obligation Serial Equipment Notes	9,175.0	3,220.0	2,543.0	9,852.0	7,347.0	2,505.0
Total General Obligation Notes	<u>61,775.0</u>	<u>40,720.0</u>	<u>55,143.0</u>	<u>47,352.0</u>	<u>9,947.0</u>	<u>37,405.0</u>
HUD Section 108 Notes	9,126.0	-	700.0	8,426.0	7,715.0	711.0
Premium on Debt Issued	66,604.4	5,315.4	10,967.1	60,952.7	51,150.5	9,802.2
Total Obligations	<u>\$ 871,637.5</u>	<u>\$ 94,045.4</u>	<u>\$ 125,139.2</u>	<u>\$ 840,543.7</u>	<u>\$ 736,412.5</u>	<u>\$ 104,131.3</u>
Compensated Absences	<u>\$ 22,704.5</u>	<u>\$ 23,618.2</u>	<u>\$ 20,897.7</u>	<u>\$ 25,425.0</u>	<u>\$ 17,261.1</u>	<u>\$ 8,163.8</u>
Net Other Post Employment Benefit Obligations	<u>\$ 20,207.1</u>	<u>\$ 3,376.6</u>	<u>\$ 24,794.4</u>	<u>\$ (1,210.7)</u>	<u>\$ (1,210.7)</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 215,509.7</u>	<u>\$ 74,784.8</u>	<u>\$ 6,702.6</u>	<u>\$ 283,591.9</u>	<u>\$ 283,591.9</u>	<u>\$ -</u>

Table 6
City of Richmond's Long-Term Obligations
For the Fiscal Year Ended June 30, 2023
(In Thousands, rounded)

Primary Government - Business-Type Activities

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Not Due Within One Year	Due Within One Year
General Obligation Bonds:						
Utilities						
General Obligation Bonds	\$ 7,640.4	\$ 6,760.0	\$ 4,239.7	\$ 10,160.7	\$ 6,195.0	\$ 3,965.7
General Obligation Bond - Direct Borrowing	976.5	811.1	103.6	1,684.0	1,571.2	112.8
Total Utilities General Obligation Debt	<u>8,616.9</u>	<u>7,571.1</u>	<u>4,343.3</u>	<u>11,844.7</u>	<u>7,766.2</u>	<u>4,078.4</u>
Non-Major Enterprise Funds						
General Obligation Bonds	40,301.7	-	3,501.2	36,800.6	33,300.0	3,500.6
General Obligation Bond - Direct Borrowing	0.7	-	-	0.8	0.1	-
Premium on Non-Major Debt, Net	932.5	-	173.2	759.3	759.3	-
Total Non-Major Enterprise Funds General Obligation Debt	<u>41,234.8</u>	<u>-</u>	<u>3,674.3</u>	<u>37,560.7</u>	<u>34,059.4</u>	<u>3,500.6</u>
Total General Obligation Debt	49,851.8	7,571.1	8,017.7	49,405.4	41,825.6	7,579.0
Revenue Bonds:						
Public Utility Revenue Bonds	752,565.0	12,669.1	28,626.7	736,607.3	707,513.3	29,094.0
Public Utility Revenue Bond - Direct Borrowing	41,519.5	130.8	2,234.6	39,415.5	37,049.3	2,366.2
Premium on Public Utility Debt, Net	54,669.7	-	5,115.4	49,554.3	49,554.3	-
Total Revenue Bonded Debt	<u>848,754.3</u>	<u>12,799.8</u>	<u>35,976.8</u>	<u>825,577.3</u>	<u>794,116.9</u>	<u>31,460.1</u>
Total Bonded Debt	<u>\$ 898,606.1</u>	<u>\$ 20,370.9</u>	<u>\$ 43,994.5</u>	<u>\$ 874,982.7</u>	<u>\$ 835,942.5</u>	<u>\$ 39,039.1</u>
Compensated Absences:						
Gas	\$ 1,140.6	\$ 1,158.7	\$ 1,051.9	\$ 1,247.3	\$ 897.7	\$ 349.6
Water	866.2	881.2	798.8	948.6	682.7	265.9
Wastewater	866.5	872.5	799.8	939.2	675.9	263.3
Storm water	301.0	297.3	278.3	320.1	230.3	89.7
Stores Operating Fund	19.0	20.5	17.4	22.1	15.9	6.2
Cemeteries	66.3	61.6	61.6	66.3	45.1	21.2
Other Non-major Enterprise Funds	54.9	45.9	45.9	54.9	37.4	17.5
Total Compensated Absences	<u>\$ 3,314.5</u>	<u>\$ 3,337.7</u>	<u>\$ 3,053.7</u>	<u>\$ 3,598.3</u>	<u>\$ 2,585.1</u>	<u>\$ 1,013.4</u>
Net Other Post Employment Benefit Obligations	<u>\$ 3,920.8</u>	<u>\$ 592.5</u>	<u>\$ 4,721.7</u>	<u>\$ (208.3)</u>	<u>\$ (208.3)</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 41,662.1</u>	<u>\$ 13,709.8</u>	<u>\$ 4,993.1</u>	<u>\$ 50,378.9</u>	<u>\$ 50,378.9</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.

The City's population has grown since 2014, reaching 229,395 in 2022 according to the U.S. Census Bureau's American Community Survey 2022 1-year estimates. The overall Richmond metropolitan region now includes a population of more than 1.3 million in central Virginia. The City of Richmond's unemployment rate remained unchanged, closing out at 3.4 percent in June 2023 compared to 3.4 percent in June 2022. The City's current unemployment rate is slightly below the national average. 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 13.9 percent in FY 2023, from \$32.0 billion to \$36.2 billion. Current and Delinquent Real Estate tax collections grew from \$370.2 million to \$411.2 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, 10th floor Suite 1003, Richmond, Virginia 23219.

BASIC FINANCIAL



STATEMENTS

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CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2023

Exhibit A, Continued

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets:				
Cash and Cash Equivalents (Note 3)	\$ 548,660,035	\$ 246,322,778	\$ 794,982,813	\$ 107,603,577
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes and Licenses	97,585,848	-	97,585,848	-
Accounts Receivable	36,945,543	87,508,290	124,453,833	12,910,736
Leases Receivable	761,786	-	761,786	56,959
Internal Balances, Net	2,692,112	(2,692,112)	-	-
Due From Primary Government	-	-	-	119,692
Due From Other Governments (Note 5)	11,308,755	12,776,183	24,084,938	38,779,419
Inventories of Materials and Supplies	287,769	17,911,385	18,199,154	1,324,437
Prepaid Assets	9,913	7,952,841	7,962,754	96,449,047
Total Current Assets	698,251,761	369,779,365	1,068,031,126	257,243,867
Non-Current Assets:				
Restricted Assets - Cash and Investments (Note 3)	38,215,948	114,570,286	152,786,234	44,646,146
Lease Receivable	4,626,342	-	4,626,342	-
Capital Assets, Net (Note 6):				
Land, Land Improvement and Works of Art/Historical Infrastructure, Net	112,036,922	26,342,255	138,379,177	10,915,731
Buildings, Structures, Improvements, and Equipment, Net	391,397,157	1,099,434,711	1,490,831,868	-
Construction in Progress	679,040,664	293,157,288	972,197,952	211,569,856
Right of Use Assets, Net	177,703,698	70,127,811	247,831,509	19,181,547
Total Capital Assets, Net	28,139,006	14,265,601	42,404,607	(82,260,293)
Total Non-Current Assets	1,431,159,737	1,617,897,952	3,049,057,689	204,052,987
Total Assets	2,129,411,498	1,987,677,317	4,117,088,815	461,296,854
Deferred Outflows of Resources				
Deferred Losses on Refunding	16,515,340	11,615,204	28,130,544	-
Pension/OPEB Related Activities (Note 11 and 12)	88,499,456	14,586,153	103,085,609	106,109,270
Total Deferred Outflows of Resources	\$ 105,014,796	\$ 26,201,357	\$ 131,216,153	\$ 106,109,270
Liabilities				
Current Liabilities:				
Combined RPS City Withholding	\$ 8,965,909	\$ -	\$ 8,965,909	\$ -
Accounts Payable	70,472,946	32,107,774	102,580,720	16,397,008
Accrued Liabilities	5,483,332	5,011,858	10,495,190	33,644,034
Right of Use Liabilities	3,814,542	14,413,474	18,228,016	-
Due To Component Units - Schools	59,495,755	-	59,495,755	-
Due To Other Governments	50,921	-	50,921	2,441,460
Due to Component Units - Other	-	-	-	50,813
Due to Other Funds	4,409,689	-	4,409,689	-
Accrued Interest on Bonds and Notes Payable	11,486,555	14,557,827	26,044,382	-
Unearned Revenues	154,795,135	18,149	154,813,284	48,655,235
General Obligation Bonds,				
Serial Notes Payable (Note 7)	104,131,197	8,254,739	112,385,936	-
Revenue Bonds Payable (Note 7)	-	31,460,295	31,460,295	-
Compensated Absences (Note 7)	8,163,833	1,013,266	9,177,099	3,048,579
Other Liabilities and Claims Payable	17,536,164	1,294,724	18,830,888	3,867,485
Total Current Liabilities	448,805,978	108,132,106	556,938,084	108,104,614

CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2023

Exhibit A, Concluded

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Non-Current Liabilities				
Customers' Deposits	-	9,791,881	9,791,881	850,078
Right of use liabilities	24,109,359	-	24,109,359	874,804
General Obligation Bonds, Serial Notes Payable (Note 7)	736,412,531	58,497,441	794,909,972	297,319,814
Revenue Bonds Payable (Note 7)	-	794,116,981	794,116,981	-
Compensated Absences (Note 7)	17,261,149	2,585,070	19,846,219	-
Other Liabilities and Claims Payable (Note 9)	32,756,896	-	32,756,896	59,621,454
Net Pension and OPEB Liability	282,381,253	50,170,650	332,551,903	37,520,040
Total Non-Current Liabilities	1,092,921,188	915,162,023	2,008,083,211	396,186,190
Total Liabilities	1,541,727,166	1,023,294,129	2,565,021,295	504,290,804
Deferred Inflows of Resources				
Deferred Revenues	40,943,319	-	40,943,319	-
Prepaid Taxes	58,310	-	58,310	-
Deferred Inflow - Leases	5,370,848	-	5,370,848	54,295
Pension/OPEB Related Activities (Note 11 and 12)	51,925,300	8,073,653	59,998,953	67,263,396
Total Deferred Inflows of Resources	98,297,777	8,073,653	106,371,430	67,317,691
Net Position				
Net Investment in Capital Assets	543,284,125	666,087,708	1,209,371,833	134,353,673
Restricted for (Note 8):				
Capital Projects	23,709,704	-	23,709,704	-
Grants and donations	53,272,505	-	53,272,505	2,197,067
Restricted for Debt Service	17,012,635	31,003,119	48,015,754	-
Permanent Funds	-	-	-	1,411,425
Restricted net OPEB asset	1,210,679	208,266	1,418,945	-
Unrestricted	(44,088,297)	285,211,799	241,123,502	(142,164,536)
Total Net Position	\$ 594,401,351	\$ 982,510,892	\$ 1,576,912,243	\$ (4,202,371)

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, 2023

EXHIBIT B

Functions/Program Activities	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
Primary Government:								
Governmental:								
General Government	\$ 119,436,563	\$ 118,323,363	\$ 11,388,692	\$ -	\$ 10,275,492	\$ -	\$ 10,275,492	\$ -
Public Safety and Judiciary	312,086,781	31,331,095	8,714,047	-	(272,041,639)	-	(272,041,639)	-
Highways, Streets, Sanitation and Refuse	109,716,400	60,419,990	27,400,761	15,120,872	(6,774,777)	-	(6,774,777)	-
Human Services	93,607,244	45,552,871	3,636,323	-	(44,418,050)	-	(44,418,050)	-
Culture and Recreation	41,240,794	2,762,926	373,763	-	(38,104,105)	-	(38,104,105)	-
Education	220,622,729	-	-	-	(220,622,729)	-	(220,622,729)	-
Transportation	8,619,754	-	-	-	(8,619,754)	-	(8,619,754)	-
Interest and Fiscal Charges	33,074,979	-	2,415,377	623,585	(30,036,017)	-	(30,036,017)	-
Total Governmental Activities	<u>938,405,244</u>	<u>258,390,245</u>	<u>53,928,963</u>	<u>15,744,457</u>	<u>(610,341,579)</u>	<u>-</u>	<u>(610,341,579)</u>	<u>-</u>
Business-type:								
Gas	\$ 207,645,244	\$ 218,573,161	\$ -	\$ 408,810	\$ -	\$ 11,336,727	\$ 11,336,727	\$ -
Water	71,442,087	84,162,374	883,974	12,551,632	-	26,155,893	26,155,893	-
Wastewater	81,639,278	102,062,493	-	1,517,499	-	21,940,714	21,940,714	-
Stormwater	12,441,815	14,334,996	106,463	139,345	-	2,138,989	2,138,989	-
Cemeteries	2,323,839	1,751,063	-	-	-	(572,776)	(572,776)	-
Parking	14,256,958	19,077,194	-	-	-	4,820,236	4,820,236	-
Total Business-type Activities	<u>389,749,221</u>	<u>439,961,281</u>	<u>990,437</u>	<u>14,617,286</u>	<u>-</u>	<u>65,819,783</u>	<u>65,819,783</u>	<u>-</u>
Total Primary Government	<u>\$ 1,328,154,465</u>	<u>\$ 698,351,526</u>	<u>\$ 54,919,400</u>	<u>\$ 30,361,743</u>	<u>\$ (610,341,579)</u>	<u>\$ 65,819,783</u>	<u>\$ (544,521,796)</u>	<u>\$ -</u>
Component Units:								
School Board	263,183,080	-	-	-	-	-	-	(263,183,080)
Richmond Economic Development Authority	2,214,382	660,661	779,146	-	-	-	-	(774,575)
Richmond Ambulance Authority	20,825,570	13,300,942	232,397	-	-	-	-	(7,292,231)
Richmond Behavioral Health Authority	83,304,565	23,575,899	-	-	-	-	-	(59,728,666)
Richmond Redevelopment and Housing Authority	78,757,507	10,352,507	1,897,448	2,763,920	-	-	-	(63,743,632)
Total Component Units	<u>\$ 448,285,104</u>	<u>\$ 47,890,009</u>	<u>\$ 2,908,991</u>	<u>\$ 2,763,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(394,722,184)</u>
General Revenues:								
City Taxes								
Real Estate					424,771,551	-	424,771,551	-
Sales Tax					50,865,941	-	50,865,941	-
Personal Property					70,822,467	-	70,822,467	-
Machinery and Tools					17,228,901	-	17,228,901	-
General Utility Sales					18,699,801	-	18,699,801	-
State Communication Taxes					11,740,138	-	11,740,138	-
Bank Stock					10,744,703	-	10,744,703	-
Prepared Food					55,399,485	-	55,399,485	-
Cigarette Tax					2,483,993	-	2,483,993	-
Lodging Tax					9,678,534	-	9,678,534	-
Admissions					3,646,975	-	3,646,975	-
Real Estate Taxes - Delinquent					10,824,712	-	10,824,712	-
Personal Property Taxes - Delinquent					18,648,863	-	18,648,863	-
Penalties and Interest					6,181,051	-	6,181,051	-
Property Rental 1%					265,561	-	265,561	-
Vehicle Rental Tax					1,233,191	-	1,233,191	-
Telephone Commissions					325,784	-	325,784	-
Total City Taxes					<u>713,561,651</u>	<u>-</u>	<u>713,561,651</u>	<u>-</u>
Intergovernmental Revenue					-	-	-	429,398,019
Payment From Primary Government - Unrestricted					-	-	-	5,685,881
Pilot					1,188,255	-	1,188,255	-
Investment Earnings					1,339,250	14,879,358	16,218,608	516,983
Miscellaneous					30,012,707	(670,422)	29,342,285	11,018,152
Transfers					23,067,377	(23,067,612)	(235)	-
Total General Revenues and Transfers					<u>769,169,240</u>	<u>(8,858,676)</u>	<u>760,310,564</u>	<u>446,619,035</u>
Changes in Net Position					158,827,661	56,961,107	215,788,768	51,896,851
Net Position - Beginning of Year					435,573,690	925,549,785	1,361,123,475	(56,099,222)
Net Position - End of Year					<u>\$ 594,401,351</u>	<u>\$ 982,510,892</u>	<u>\$ 1,576,912,243</u>	<u>\$ (4,202,371)</u>

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

**CITY OF RICHMOND, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023**

EXHIBIT C, Continued

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents (Note 3)	\$ 423,593,113	\$ 1,979,169	\$ -	\$ 55,930,463	\$ 481,502,745
Receivables (Net of Allowance for Doubtful Accounts):					
Taxes and Licenses	97,585,848	-	-	-	97,585,848
Accounts Receivable, Net	19,769,785	2,086,000	-	12,370,768	34,226,553
Account Receivable - Leases	5,388,128	-	-	-	5,388,128
Due From Other Funds (Note 4)	69,393,134	-	-	-	69,393,134
Due From Other Governments (Note 5)	191,275	-	2,913,349	8,204,131	11,308,755
Prepaid Assets	9,913	-	-	-	9,913
Restricted Assets - Cash and Investments (Note 3)	389,080	14,049,538	23,709,704	67,626	38,215,948
Total Assets	<u>616,320,276</u>	<u>18,114,707</u>	<u>26,623,053</u>	<u>76,572,988</u>	<u>737,631,024</u>
Liabilities:					
Accounts Payable	32,860,838	86,257	8,538,885	5,631,543	47,117,523
Accrued Liabilities	739,865	-	-	1,141,369	1,881,234
Accrued Wages	7,278,211	-	84,100	1,054,075	8,416,386
Due To Component Units - Schools	59,495,755	-	-	-	59,495,755
Due To Other Governments	50,918	-	-	-	50,918
Due To Other Funds (Note 4)	-	-	61,622,234	4,999,671	66,621,905
Unearned Revenue	140,480,455	-	7,709,666	6,605,014	154,795,135
Total Liabilities	<u>240,906,042</u>	<u>86,257</u>	<u>77,954,885</u>	<u>19,431,672</u>	<u>338,378,856</u>
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	107,479,326	-	-	-	107,479,326
Deferred Revenue - Opioid Settlement	-	-	-	5,165,313	5,165,313
Prepaid Taxes	58,310	-	-	-	58,310
Deferred Inflow - Leases	5,336,695	-	-	-	5,336,695
Total Deferred Inflows of Resources	<u>112,874,331</u>	<u>-</u>	<u>-</u>	<u>5,165,313</u>	<u>118,039,644</u>
Fund Balances (Note 8):					
Nonspendable	14,170	-	-	-	14,170
Restricted	-	17,012,635	23,709,704	53,272,505	93,994,844
Committed	29,794,892	-	-	-	29,794,892
Assigned	92,828,230	-	-	-	92,828,230
Unassigned	139,902,611	1,015,815	(75,041,536)	(1,296,502)	64,580,388
Total Fund Balances	<u>262,539,903</u>	<u>18,028,450</u>	<u>(51,331,832)</u>	<u>51,976,003</u>	<u>281,212,524</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 616,320,276</u>	<u>\$ 18,114,707</u>	<u>\$ 26,623,053</u>	<u>\$ 76,572,988</u>	<u>\$ 737,631,024</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, 2023

EXHIBIT C, Concluded

Total Fund Balances for Governmental Funds		\$ 281,212,524
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	111,673,533	
Infrastructure, net	391,397,157	
Buildings, structures, improvements, and equipment, net	649,999,716	
Construction in progress	177,414,038	
Right of use assets	26,927,925	1,357,412,369
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	16,515,230	
Deferred Outflows Pension and OPEB	<u>85,044,947</u>	101,560,177
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	66,536,007	
Opioid Settlement	5,165,313	71,701,320
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	(11,434,270)	
Right of use liabilities	(27,923,901)	
Governmental bonds, notes payable, and line of credit	(830,677,402)	
Compensated Absences	(24,005,626)	
Pension and OPEB related - Deferred Inflow of Resources	(50,013,178)	
Pension and OPEB related - Net Pension Liability	<u>(270,499,112)</u>	(1,214,553,489)
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>(2,931,550)</u>
Net Position of Governmental Activities		<u><u>\$ 594,401,351</u></u>

CITY OF RICHMOND, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

EXHIBIT D, Continued

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
Revenues					
City Taxes					
Real Estate	\$ 400,399,011	\$ -	\$ -	\$ -	\$ 400,399,011
Sales Tax	50,865,941	-	-	-	50,865,941
Personal Property	66,758,816	-	-	-	66,758,816
Machinery and Tools	16,240,341	-	-	-	16,240,341
Utility Sales Tax Gas	5,301,303	-	-	-	5,301,303
Utility Sales Tax Electric	14,818,687	-	-	-	14,818,687
State Communications Taxes	11,740,138	-	-	-	11,740,138
Bank Stock	10,744,703	-	-	-	10,744,703
Prepared Food	52,216,109	-	-	-	52,216,109
Cigarette Tax	2,483,993	-	-	-	2,483,993
Lodging Tax	9,123,199	-	-	-	9,123,199
Admission	3,437,719	-	-	-	3,437,719
Real Estate Taxes - Delinquent	10,824,712	-	-	-	10,824,712
Personal Property Taxes - Delinquent	18,648,863	-	-	-	18,648,863
Penalties and Interest	7,700,452	-	-	-	7,700,452
Property Rental 1%	265,561	-	-	-	265,561
Vehicle Rental Tax	1,233,191	-	-	-	1,233,191
Telephone Commissions	325,784	-	-	-	325,784
Total City Taxes	683,128,523	-	-	-	683,128,523
Licenses, Permits and Privilege Fees	49,045,577	-	-	-	49,045,577
Intergovernmental	97,544,027	623,585	15,120,872	91,264,841	204,553,325
Service Charges	35,227,612	-	-	3,043,362	38,270,974
Fines and Forfeitures	7,628,767	-	-	350,222	7,978,989
Utility Payments	22,869,605	-	-	-	22,869,605
Investment Income	9,679,243	385,069	589,893	364,376	11,018,581
Lease Revenue	-	-	-	2,144,211	2,144,211
Miscellaneous	13,352,773	-	133,493	10,312,572	23,798,838
Total Revenues	918,476,127	1,008,654	15,844,258	107,479,584	1,042,808,623
Expenditures					
Current:					
General Government	74,226,119	-	-	18,129,705	92,355,824
Public Safety and Judiciary	239,551,509	-	-	11,989,202	251,540,711
Highways, Streets, Sanitation and Refuse	41,277,232	-	-	58,138,201	99,415,433
Human Services	60,388,091	-	-	18,568,993	78,957,084
Culture and Recreation	31,988,076	-	-	1,650,457	33,638,533
Education	200,307,625	-	-	-	200,307,625
Non-Departmental	102,395,790	-	-	-	102,395,790
Capital Outlay	11,201	-	85,538,964	-	85,550,165
Debt Service:					
Principal Retirement	-	111,562,232	-	-	111,562,232
Interest Payments	-	30,427,920	-	-	30,427,920
Debt Issuance costs	-	795,267	-	-	795,267
Total Expenditures	750,145,643	142,785,439	85,538,964	108,476,558	1,086,946,604
Excess (Deficiency) of Revenues Over (Under) Expenditures	168,330,484	(141,776,785)	(69,694,706)	(996,974)	(44,137,981)
Other Financing Sources and Uses					
Issuance of Bonds and Notes	-	-	37,500,000	-	37,500,000
Issuance of Refunding Bonds	-	53,037,814	-	-	53,037,814
Receipts from EDA	-	1,436,083	-	-	1,436,083
Transfers In - Other Funds	4,037,010	89,941,603	12,089,512	15,297,728	121,365,853
Transfers Out - Other Funds	(116,076,752)	-	-	(2,474,500)	(118,551,252)
Total Other Financing Sources, Net	(112,039,742)	144,415,500	49,589,512	12,823,228	94,788,498
Net Change in Fund Balances	56,290,742	2,638,715	(20,105,194)	11,826,254	50,650,517
Fund Balances - Beginning of Year	206,249,161	15,389,735	(31,226,638)	40,149,749	230,562,007
Fund Balances - End of Year	\$ 262,539,903	\$ 18,028,450	\$ (51,331,832)	\$ 51,976,003	\$ 281,212,524

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, 2023

EXHIBIT D, Concluded

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

Net change in Fund Balances - Total Governmental Funds		\$ 50,650,517
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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	109,103,064	
Depreciation expense	<u>(56,955,772)</u>	52,147,292

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	(94,045,448)	
Principal payments of bonds, net of payments on behalf of Component Units	111,273,995	
Amortization of bond premiums and refunding	<u>10,967,149</u>	28,195,696

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	33,368,053	
Change in Other Deferred Revenue	5,165,313	38,533,366

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	397,328	
Change in Compensated Absences	(2,718,121)	
Change in Net Pension and OPEB Obligations	<u>7,859,156</u>	5,538,363

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

		<u>(16,237,573)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 158,827,661</u></u>

**CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023**

EXHIBIT E-1

	Enterprise Funds						Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other	Total	
Assets							
Current Assets:							
Cash and Cash Equivalents (Note 3)	\$ 5,144,942	\$ 107,701,217	\$ 118,752,410	\$ 74,656	\$ 14,649,553	\$ 246,322,778	\$ 67,157,290
Accounts Receivables (Net of Allowance for Doubtful Accounts)	24,155,181	32,430,531	24,210,837	4,760,181	1,951,560	87,508,290	2,718,990
Due From Other Funds (Note 4)	2,193,076	2,193,076	3,737,081	-	-	8,123,233	-
Due From Other Governments (Note 5)	-	10,391,103	2,067,255	317,825	-	12,776,183	-
Inventories of Materials and Supplies	8,867,105	-	-	-	-	8,867,105	9,332,049
Prepaid Expenses and Other Current Assets	2,634,864	2,333,083	2,848,331	-	45	7,816,323	136,518
Total Current Assets	42,995,168	155,049,010	151,615,914	5,152,662	16,601,158	371,413,912	79,344,847
Noncurrent Assets:							
Restricted Cash	10,598,574	7,363,151	96,608,561	-	-	114,570,286	-
Capital Assets (Note 6):							
Land	219,200	878,307	1,101,261	-	22,456,955	24,655,723	2,049,921
Buildings and Structures	740,031,084	567,264,591	801,424,387	53,800,201	36,131,729	2,198,651,992	59,439,583
Equipment and Other Assets	38,371,397	131,944,289	111,935,960	29,924,392	3,818,791	315,994,829	108,531,242
Construction in Progress	2,910,340	9,568,161	53,310,884	4,338,426	-	70,127,811	289,660
Less: Accumulated Depreciation	(364,536,548)	(300,760,985)	(424,917,751)	(13,830,272)	(18,554,750)	(1,122,600,306)	(138,418,321)
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)
Total capital assets, net accumulated depreciation and amortization	416,995,473	408,894,363	542,854,741	74,232,747	58,118,326	1,501,095,650	33,103,166
Total Noncurrent Assets	427,594,047	416,257,514	639,463,302	74,232,747	58,118,326	1,615,665,936	33,103,166
Total Assets	470,589,215	571,306,524	791,079,216	79,385,409	74,719,484	1,987,079,848	112,448,013
Deferred Outflows of Resources							
Losses on Refunding of Debt	4,336,687	2,777,446	4,501,071	-	-	11,615,204	110
Pension /OPEB Related Activities (Note 11 and 12)	4,998,588	3,512,520	3,942,376	1,204,871	808,819	14,467,174	3,573,488
Total Deferred Outflows of Resources	9,335,275	6,289,966	8,443,447	1,204,871	808,819	26,082,378	3,573,598
Liabilities							
Current Liabilities:							
Combined RPS City Withholding	-	-	-	-	-	-	8,965,909
Accounts Payable	10,101,847	8,589,285	10,591,714	3,788,326	1,098,730	34,169,902	14,774,113
Accrued Liabilities	761,125	1,350,227	466,105	153,757	73,057	2,804,271	3,912,706
Due To Other Funds (Note 4)	-	-	-	4,469,748	2,692,112	7,161,860	8,142,293
Accrued Interest on Bonds Payable	4,719,369	3,279,012	5,921,288	99,564	538,594	14,557,827	52,285
General Obligation Bonds and Notes Payable (Note 7)	2,341,924	1,413,750	-	882,766	3,616,299	8,254,739	2,519,326
Revenue Bonds Payable (Note 7)	9,694,160	7,630,830	14,135,305	-	-	31,460,295	-
Compensated Absences (Note 7)	349,616	265,886	263,251	89,710	38,619	1,007,082	453,452
Other Liabilities & Claims Payable	-	-	-	1,294,724	14,431,623	15,726,347	17,536,164
Total Current Liabilities	27,968,041	22,528,990	31,377,663	10,778,595	22,489,034	115,142,323	56,356,248
Noncurrent Liabilities:							
Customers' Deposits	7,155,685	2,636,196	-	-	-	9,791,881	-
General Obligation Bonds and Notes Payable (Note 7)	-	-	-	24,553,146	33,944,295	58,497,441	7,347,000
Revenue Bonds Payable (Note 7)	246,549,077	176,167,759	371,400,145	-	-	794,116,981	-
Compensated Absences (Note 7)	897,705	682,714	675,946	230,347	82,481	2,569,193	987,965
Net Pension and OPEB Liability	17,193,179	12,081,698	13,560,217	4,144,286	2,782,025	49,761,405	12,291,386
NC Other Liabilities & Claims Payable	-	-	-	-	-	-	32,756,896
Total Noncurrent Liabilities	271,795,646	191,568,367	385,636,308	28,927,779	36,808,801	914,736,901	53,383,247
Total Liabilities	299,763,687	214,097,357	417,013,971	39,706,374	59,297,835	1,029,879,224	109,739,495
Deferred Inflows of Resources							
Pension & OPEB Related Activities (Note 11 and 12)	2,766,791	1,944,232	2,182,164	666,916	447,693	8,007,796	1,977,980
Total Deferred Inflows of Resources	2,766,791	1,944,232	2,182,164	666,916	447,693	8,007,796	1,977,980
Net Position							
Net Investment in Capital Assets	160,874,137	221,284,252	237,621,682	41,299,041	2,776,582	663,855,694	26,431,129
Restricted - Debt Service	9,984,095	7,363,151	13,655,873	-	-	31,003,119	-
Unrestricted	6,535,780	132,907,498	129,048,973	(1,082,051)	13,006,193	280,416,393	(22,126,993)
Total Net Position	\$ 177,394,012	\$ 361,554,901	\$ 380,326,528	\$ 40,216,990	\$ 15,782,775	\$ 975,275,206	\$ 4,304,136

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

CITY OF RICHMOND, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN THE NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023

EXHIBIT E-2

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Operating Revenues							
Charges for Goods and Services	\$ 218,098,658	\$ 83,687,872	\$ 102,062,493	\$ 14,334,996	\$ 20,828,257	\$ 439,012,276	\$ 133,280,069
Operating Expenses							
Purchased Gas	123,459,064	-	-	-	-	123,459,064	-
Intragovernmental Goods and Services Sold	-	-	-	-	-	-	13,367,898
Salaries and Wages and Benefits	13,834,520	13,248,973	13,344,322	3,704,522	4,227,894	48,360,231	16,625,264
Data Processing	-	-	-	-	-	-	12,392,974
Materials and Supplies	2,055,074	2,355,494	1,561,516	156,753	56,476	6,185,313	1,921,374
Rents and Utilities	648,996	5,384,837	6,808,998	137,447	799,287	13,779,565	2,922,824
Maintenance and Repairs	21,417,306	9,427,621	9,555,065	4,575,240	920,719	45,895,951	4,218,789
Depreciation and Amortization	24,456,173	17,632,348	21,300,860	1,829,042	1,545,705	66,764,128	4,335,410
Claims and Settlements	-	-	-	-	49,634	49,634	78,992,857
Uncollectible Expense	5,207,028	3,315,285	3,045,055	677,123	-	12,244,491	9,926
Miscellaneous Operating Expenses	13,337,046	19,311,292	22,020,144	814,231	7,974,243	63,456,956	14,461,175
Total Operating Expenses	204,415,207	70,675,850	77,635,960	11,894,358	15,573,958	380,195,333	149,248,491
Operating Income (Loss)	13,683,451	13,012,022	24,426,533	2,440,638	5,254,299	58,816,943	(15,968,422)
Non-Operating Revenues (Expenses)							
Interest on Long-Term Debt	(9,268,993)	(6,535,680)	(11,632,525)	(547,457)	(1,006,839)	(28,991,494)	(219,816)
Interest Income	758,935	5,084,224	9,036,199	-	-	14,879,358	-
Interest Expense	(36,132)	(10,647)	-	-	-	(46,779)	-
Miscellaneous Revenues (Expenses)	5,832	932,765	(915,108)	139,053	-	162,542	165,691
Total Non-Operating Revenues (Expenses), Net	(8,540,358)	(529,338)	(3,511,434)	(408,404)	(1,006,839)	(13,996,373)	(54,125)
Net Income Before Contributions and Transfers	5,143,093	12,482,684	20,915,099	2,032,234	4,247,460	44,820,570	(16,022,547)
Capital Contributions	408,810	12,551,632	1,517,499	139,345	-	14,617,286	122,832
Transfers Out - Other Funds	(1,110,298)	(1,704,304)	-	-	-	(2,814,602)	-
Change in Net Position	4,441,605	23,330,012	22,432,598	2,171,579	4,247,460	56,623,254	(15,899,715)
Net Position - Beginning of Year, as restated	172,952,407	338,224,889	357,893,930	38,045,411	11,535,315	918,651,952	20,203,851
Net Position - End of Year	\$ 177,394,012	\$ 361,554,901	\$ 380,326,528	\$ 40,216,990	\$ 15,782,775	\$ 975,275,206	\$ 4,304,136

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

CITY OF RICHMOND, VIRGINIA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023

EXHIBIT E-3

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Cash Flows from Operating Activities							
Receipts from Customers	\$ 219,886,743	\$ 74,868,949	\$ 94,583,481	\$ 13,243,556	\$ 19,755,423	\$ 422,338,152	\$ 136,098,802
Payments to Suppliers	(159,290,688)	(30,436,488)	(30,432,675)	(5,087,711)	(9,810,973)	(235,058,535)	(123,990,849)
Payments to Employees	(16,671,293)	(14,029,207)	(13,783,094)	(4,402,476)	(2,363,060)	(51,249,130)	(12,527,851)
Payments to Other Funds	(6,221,598)	(5,881,514)	(7,582,822)	-	-	(19,685,934)	-
Receipts from Other Funds	-	-	-	-	-	-	(247,062)
Other Receipts or (Payments)	103,150	1,191,222	(915,108)	139,053	-	518,317	165,691
Net Cash Provided By Operating Activities	37,806,314	25,712,962	41,869,782	3,892,422	7,581,390	116,862,870	(501,269)
Cash Flows from Noncapital Financing Activities							
Transfers In - Other Funds	-	-	-	-	-	-	-
Transfers Out - Other Funds	(1,110,298)	(1,704,304)	-	-	-	(2,814,602)	-
Due From Other Funds	(1,081,007)	(1,130,008)	312,898	(938,694)	-	(2,836,811)	2,556,220
Due to Other Funds	-	-	-	-	364,171	364,171	2,289,427
Net Cash Provided By (Used In) Noncapital Financing Activities	(2,191,305)	(2,834,312)	312,898	(938,694)	364,171	(5,287,242)	4,845,647
Cash Flows from Capital and Related Financing Activities							
Acquisition of Capital Assets/ROU Assets	(27,996,471)	(29,629,596)	(55,105,214)	(17,357,897)	(68,546)	(130,157,724)	(1,941,852)
Proceeds from Bond Sale	-	-	12,799,844	23,269,168	-	36,069,012	-
Capital Grants and Contributions	408,810	9,889,892	1,519,874	103,515	-	-	-
Repayments of Revenue Bonds, General Obligation Bonds	(11,876,981)	(8,984,690)	(13,884,420)	(8,412,626)	(3,674,386)	(46,833,103)	610,182
Repayments of Notes Payables	-	-	-	-	-	-	166,921
Interest Paid on Long-Term Debt	(10,785,324)	(7,530,418)	(13,508,662)	(481,232)	(1,060,535)	(33,366,171)	(221,470)
Net Cash Used in Capital and Related Financing Activities	(50,249,966)	(36,254,812)	(68,178,578)	(2,879,072)	(4,803,467)	(174,287,986)	(1,386,219)
Cash Flows from Investing Activities							
Interest Earned on Operating Funds	758,935	5,084,224	9,036,199	-	-	14,879,358	-
Interest Paid on Customers' Deposits	(36,132)	(10,647)	-	-	-	(46,779)	-
Net Cash Provided By Investing Activities	722,803	5,073,577	9,036,199	-	-	14,832,579	-
Net Increase (Decrease) in Cash and Cash Equivalents	(13,912,154)	(8,302,585)	(16,959,699)	74,656	3,142,094	(35,957,688)	2,958,159
Cash and Cash Equivalents at July 1, 2021	29,655,670	123,366,953	232,320,670	-	10,328,587	395,671,880	56,697,541
Cash and Cash Equivalents at June 30, 2022	\$ 15,743,516	\$ 115,064,368	\$ 215,360,971	\$ 74,656	\$ 13,470,681	\$ 359,714,192	\$ 59,655,700
Reconciliation of Operating Income							
To Net Cash Provided by Operating Activities							
Operating Income	\$ 13,683,451	\$ 13,012,022	\$ 24,426,533	\$ 2,440,638	\$ 4,606,810	\$ 58,169,454	\$ (8,687,991)
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation and amortization	24,456,173	17,632,348	21,300,860	1,829,042	1,545,705	66,764,128	4,335,409
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	647,475	647,475	-
Pension Expense	(3,084,021)	(962,618)	(579,570)	(740,727)	1,851,642	(3,515,294)	4,697,542
Miscellaneous Revenues (Expenses)	5,832	932,765	(915,108)	139,053	(45)	162,497	385,251
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Accounts Receivable	6,995,113	(5,503,638)	(4,433,958)	(414,318)	(425,359)	(3,782,160)	2,828,658
Inventories of Material and Supplies	5,850,728	-	-	-	-	5,850,728	(3,048,618)
Prepaid Expenses	(101,287)	(139,227)	(53,526)	-	-	(294,040)	920,693
Accounts Payable	(10,342,091)	417,906	1,983,757	517,990	(10,596)	(7,433,034)	5,173,769
Accrued Liabilities	138,360	(17,476)	68,107	23,763	(647,434)	(434,680)	(7,171,698)
Customers' Deposits	97,319	258,457	-	-	-	355,776	-
Compensated Absences	106,737	82,423	72,687	19,010	13,192	294,049	65,716
Other Liabilities	-	-	-	77,971	-	77,971	-
Total Adjustments	24,122,863	12,700,940	17,443,249	1,451,784	2,974,580	58,693,416	8,186,722
Net Cash Provided by Operating Activities	\$ 37,806,314	\$ 25,712,962	\$ 41,869,782	\$ 3,892,422	\$ 7,581,390	\$ 116,862,870	\$ (501,269)

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

CITY OF RICHMOND, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

EXHIBIT F-1

	Pension & Other Employee Benefit Trust Funds	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Assets			
Cash and Cash Equivalents	\$ 6,311,331	\$ 2,612,063	\$ 1,236,746
Receivables:			
Accounts Receivable	2,793,816	-	-
Total Receivables	2,793,816	-	-
Investments at fair value:			
US Equities	156,764,082	-	-
International Equities	107,940,068	-	-
Fixed Income	160,197,674	-	-
Real Estate	72,071,391	-	-
Diversifying Assets	49,161,393	-	-
Private Debt	54,403,207	-	-
Private Equity	48,346,925	-	-
Pooled Investment Funds	10,300,662	-	-
Total investments	659,185,402	-	-
Other Assets	143,563	-	-
Total Assets	<u>\$ 668,434,112</u>	<u>\$ 2,612,063</u>	<u>\$ 1,236,746</u>
Liabilities			
DROP Payable	\$ 14,323,729	\$ -	\$ -
Accounts Payable	2,364,401	-	617,026
Investment Expense Payable	235,998	-	-
Retirement & Death Benefit Payable	359,542	-	-
Due To Other Governments	-	-	29,795
Due to Others	-	2,612,063	565,557
Total Liabilities	<u>17,283,670</u>	<u>2,612,063</u>	<u>1,212,378</u>
Net Position			
Restricted for:			
Pensions	640,849,780	-	-
Postemployment benefits, Other Than Pensions	10,300,662	-	-
Individuals, Organizations, Other governments	-	-	24,368
Total Net Position	<u>\$ 651,150,442</u>	<u>\$ -</u>	<u>\$ 24,368</u>

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, 2023

EXHIBIT F-2

	Pension & Other Employee Benefit Trust Funds	Social Welfare Private-Pur pose Trust Fund	Custodial Funds
Additions			
Contributions:			
Individuals	\$ 2,039,752	\$ -	\$ 484,862
City of Richmond	63,608,195	-	-
RBHA	1,336,217	-	-
Other	26,319	-	-
Total Contributions	<u>67,010,483</u>	-	<u>484,862</u>
Investment earnings/(loss):			
Net increase in fair value of investments	28,187,713	-	-
Interest, dividends, other	8,658,005	-	-
Total Investment Earnings	<u>36,845,718</u>	-	-
Less Investment Costs			
Investment activity costs	1,332,845	-	-
Net Investment Loss	<u>35,512,873</u>	-	-
License and fees collected for State	-	-	39,193
Miscellaneous	-	128,550	-
Total Additions	<u>102,523,356</u>	<u>128,550</u>	<u>524,055</u>
Deductions			
Benefits paid to participants or beneficiaries	77,074,911	-	460,511
Refunds of member contributions	71,269	-	-
Payments to state	-	-	36,561
Administrative expense	1,552,835	128,550	-
Other	66,135	-	-
Total Deductions	<u>78,765,150</u>	<u>128,550</u>	<u>497,072</u>
Change in Net Position	23,758,206	-	26,983
Net Position - July 1, 2022	627,392,236	-	(2,615)
Net Position - June 30, 2023	<u>\$ 651,150,442</u>	<u>\$ -</u>	<u>\$ 24,368</u>

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

**CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
COMPONENT UNITS
6/30/2023**

EXHIBIT G-1

	School Board	Richmond Economic Development Authority	Richmond Ambulance Authority	Richmond Behavioral Health Authority	Richmond Redevelopment and Housing Authority	Total
Assets						
Cash and Cash Equivalents	\$ 62,086,646	\$ 10,632,851	\$ 97,971	\$ 23,539,036	\$ 38,007,749	\$ 134,364,253
Due From Primary Government	-	119,692	-	-	-	119,692
Due From Other Governments	35,638,946	-	-	3,140,473	-	38,779,419
Accounts Receivable	1,318,946	-	4,585,359	2,222,305	1,320,705	9,447,315
Other Current Assets	-	21,848	-	-	3,463,421	3,485,269
Financed purchase notes receivable current portion	-	560,594	-	-	5,384,912	5,945,506
Lease receivable, current portion	-	56,959	-	-	-	56,959
Inventories of Materials and Supplies	516,670	-	246,452	-	-	763,122
Prepaid Expenses and Other Current Assets	25,400	-	469,677	646,728	809,920	1,951,725
Investments	1,711,863	-	3,000,000	-	-	4,711,863
Net Pension Asset	900,420	-	-	-	-	900,420
Property held for sale	-	13,173,607	-	-	-	13,173,607
Financed purchase notes receivable, less current portion	-	18,786,457	-	-	-	18,786,457
Lease receivable, less current portion	-	-	-	-	-	-
Loans receivable, net	-	8,985,738	-	-	-	8,985,738
Accrued interest receivable	-	1,530,697	-	-	-	1,530,697
Mortgage Loans Receivable and Other Non-Current Assets	-	-	-	-	55,944,076	55,944,076
Capital Assets:						
Land	-	1,612,388	-	1,378,964	7,904,139	10,895,491
Construction in Progress	-	20,240	-	-	19,181,547	19,201,787
Buildings and Structures	-	30,121,269	1,038,872	19,823,379	138,389,342	189,372,862
Leasehold Improvements	-	-	-	3,844,315	-	3,844,315
Other Non-Current Assets	-	-	-	-	-	-
Equipment	90,045,888	-	10,060,576	7,592,325	24,770,474	132,469,263
Less: Accumulated Depreciation	(61,543,685)	(20,636,673)	(8,492,103)	(10,725,492)	(108,009,719)	(209,407,672)
Right to Use Assets	7,027,385	1,505,819	1,538,782	15,123,215	612,703	25,807,904
Less: Accumulated Depreciation	(4,620,967)	(58,478)	(330,713)	(3,922,636)	-	(8,932,794)
Leased capital asset, net	-	-	-	-	-	-
Total Capital Assets	30,908,621	12,564,565	3,815,414	33,114,070	82,848,486	163,251,156
Total Assets	133,107,512	66,433,008	12,214,873	62,662,612	187,779,269	462,197,274
Deferred Outflows of Resources						
Deferrals related to OPEB	10,940,388	-	-	519,009	5,084,858	16,544,255
Deferrals related to Pension	82,892,519	-	-	5,654,958	117,118	88,664,595
Total Deferred Outflows of Resources	93,832,907	-	-	6,173,967	5,201,976	105,208,850
Liabilities						
Accounts Payable	10,389,266	6,167	1,143,881	2,247,332	2,610,362	16,397,008
Accrued Liabilities	24,497,346	89,103	208,380	1,971,617	1,775,921	28,542,367
Accrued Interest	-	-	-	17,819	-	17,819
Due To Primary Government	-	50,813	-	-	-	50,813
Due To Other Governments	2,070,640	-	-	-	370,820	2,441,460
Unearned Revenues	20,809,235	-	7,013	26,914,320	924,667	48,655,235
Current portion of long-term liabilities	-	-	-	1,898,675	1,013,523	2,912,198
Customers' Deposits	-	140,013	-	-	710,065	850,078
Bonds, Notes Payable and Capital Leases	-	-	-	-	-	-
Current portion of recoverable Grant Payable	-	750,000	-	-	-	750,000
Other Current Liabilities	-	-	205,287	-	-	205,287
Compensated Absences	-	-	-	2,415,343	633,236	3,048,579
Accrued healthcare claims	5,083,848	-	-	-	-	5,083,848
Non-Current Liabilities:						
Due within one year	4,973,091	-	-	-	-	4,973,091
Due in more than one year	291,315,520	-	-	12,418,254	6,004,294	309,738,068
Bonds, Notes Payable and Capital Leases	-	-	-	-	-	-
Other Noncurrent Liabilities	-	2,524	-	-	17,007,645	17,010,169
Net Other Postemployment Benefit Obligations	-	-	-	4,630,383	3,122,025	7,752,408
Net Pension Liability	-	-	-	9,593,273	492,229	10,085,502
Lease Payable	-	1,469,283	874,804	-	115,657	2,459,744
Recoverable grants payable	-	23,635,000	-	-	-	23,635,000
Total Liabilities	359,138,946	26,142,903	2,439,365	62,107,016	34,780,444	484,608,674
Deferred Inflow of Resources						
Deferrals related to OPEB	19,506,223	-	-	180,229	175,907	19,862,359
Deferrals related to Pension	57,415,579	-	-	2,322,912	7,344,676	67,083,167
Leases	-	54,295	-	-	-	54,295
Total Deferred Inflows of Resources	76,921,802	54,295	-	2,503,141	7,520,583	86,999,821
Net Position						
Net Investment in Capital Assets	25,908,937	5,095,282	2,366,066	18,797,141	82,186,247	134,353,673
Restricted for:						
Capital Projects	1,638,184	7,192,477	-	-	7,776,710	16,607,371
Permanent Funds:	1,411,425	-	-	-	-	1,411,425
Special Revenue Funds:	5,648,260	-	-	-	-	5,648,260
Nutrition Service funds	2,197,067	-	-	-	-	2,197,067
Unrestricted	(245,924,202)	27,948,051	7,409,442	(14,570,719)	60,717,261	(164,420,167)
Total Net Position	\$ (209,120,329)	\$ 40,235,810	\$ 9,775,508	\$ 4,226,422	\$ 150,680,218	\$ (4,202,371)

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, 2023**

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	\$ 449,406,604	\$ 766,432	\$ 176,755,234	\$ 8,813,971	\$ (263,070,967)	\$ -	\$ -	\$ -	\$ -	\$ (263,070,967)
Richmond Economic Development Authority	1,461,515	660,661	779,146	-	-	(21,708)	-	-	-	(21,708)
Richmond Ambulance Authority	20,785,286	13,078,445	232,397	-	-	-	(7,474,444)	-	-	(7,474,444)
Richmond Behavioral Health Authority	83,210,566	23,575,899	-	-	-	-	-	(59,634,667)	-	(59,634,667)
Richmond Redevelopment and Housing Authority	78,743,815	9,419,769	62,963,806	5,333,952	-	-	-	-	(1,026,288)	(1,026,288)
Total Component Units	\$ 633,607,786	\$ 47,501,206	\$ 240,730,583	\$ 14,147,923	\$ (263,070,967)	\$ (21,708)	\$ (7,474,444)	\$ (59,634,667)	\$ (1,026,288)	\$ (331,228,074)
General Revenues:										
Payment From Primary Government					200,307,625	1,685,881	4,000,000	4,909,762	-	210,903,268
Intergovernmental Revenue Not Restricted to Specific Programs					92,876,407	(818,125)	1,011,079	54,973,489	-	148,042,850
Investment Earnings					60,418	-	-	-	183,880	244,298
Gain/(loss) on Disposal of Assets					-	-	222,497	-	932,738	1,155,235
Miscellaneous Other Income					6,896,456	13,354,548	22,964	516,067	-	20,790,035
Miscellaneous Capital Grants					-	-	-	-	2,763,920	2,763,920
Interest Expense					(112,113)	(752,867)	(40,284)	(93,999)	(13,692)	(1,012,955)
Loss or Disposal of capital assets					-	(34,411)	-	-	-	(34,411)
Interest Income					-	63,016	126,804	82,865	-	272,685
Total General Revenues					300,028,793	13,498,042	5,343,060	60,388,184	3,866,846	383,124,925
Changes in Net Position					36,957,826	13,476,334	(2,131,384)	753,517	2,840,558	51,896,851
Net Position - Beginning of Year - as restated					(246,078,155)	26,759,476	11,906,892	3,472,905	147,839,660	(56,099,222)
Net Position - End of Year					\$ (209,120,329)	\$ 40,235,810	\$ 9,775,508	\$ 4,226,422	\$ 150,680,218	\$ (4,202,371)

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

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
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Proprietary Component Units

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

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

Richmond Ambulance Authority (RAA)

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

Richmond Behavioral Health Authority (RBHA)

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

Richmond Redevelopment and Housing Authority (RRHA)

RRHA is responsible for operating a low-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.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
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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 \$7,869,754 for operating subsidies for bus routes and para-transit services within the City for the year ended June 30, 2023. The City also expended \$750,000 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, 2023.

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 \$18,633,948 in funding for City transportation capital projects from the CVTA during the fiscal year ended June 30, 2023.

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 \$3,476,296 in funding to CVWMA for the fiscal year ended June 30, 2023.

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, 2023.

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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 \$1,272,185 to RMCVB for the year ended June 30, 2023.

The *Richmond Regional Planning District Commission (RRPDC)* is comprised of representatives from nine local jurisdictions which include Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, the City of Richmond, and the Town of Ashland. The major functions of the RRPDC are to promote regional cooperation; coordinate the activities and policies of local member governments; resolve service delivery challenges involving more than one government within the region; and provide planning assistance to local governments. The City has seven representatives serving on the RRPDC. The City provided funding to RRPDC in the amount of \$1,264,636 for the year ended June 30, 2023.

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 \$10,442,608 in transient occupancy tax revenue for the year ending June 30, 2023.

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

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financial statements and detailed in the combining statements. The Governmental Fund financial statements are presented on current financial resources measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the Governmental Fund financial statements are presented on a different measurement focus and basis of accounting than the Government-Wide financial statements' governmental activities column, a reconciliation is presented, which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the Government-Wide financial statements.

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

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:

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
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- *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.
- *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

CITY OF RICHMOND, VIRGINIA
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long-term liabilities are included in the Government-Wide statements. Operating statements of the Governmental Funds present increases (e.g. revenues and other financial sources) and decreases (e.g. expenditures and other financing uses) in fund balances.

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

The Government-Wide financial statements are reported and accounted for on the economic resources measurement focus and the accrual basis of accounting, which include all assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with governmental and business-type activities. Assets and liabilities associated with fiduciary activities are included in the Statement of Fiduciary Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City either gives or receives value without directly receiving or giving equal value in exchange, include sales and income taxes, real estate and personal property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes are recognized when the underlying 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, 2023, were as follows:

General Fund and Governmental Activities	\$ 2,858,276
Enterprise Funds	<u>30,082,542</u>
Total Allowances for Doubtful Accounts	<u><u>\$ 32,940,818</u></u>

CITY OF RICHMOND, VIRGINIA
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G. Inventories

Inventories on hand at June 30, 2023, have been reported on the Government-Wide Statement of Net Position. Inventories of consumable supplies are recorded at cost determined on a first in, first out basis. Inventories in the Proprietary Funds are accounted for under the lower of cost, determined by using weighted average cost or first-in, first-out methods, or market.

H. Capital Assets

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

Capital assets are stated at historical cost or estimated historical cost based on appraisals or on other acceptable methods when historical cost is not available. Donated capital assets are stated at their acquisition value as of the date of the donation. 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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The leased assets are amortized using the straight-line method over the shorter of the lease term or the underlying asset. Right-to-use leased assets are recorded if the lease term is greater than 12 months and the calculated value is \$50,000 or greater.

Subscription Based Information Technology Arrangements (SBITA) assets are initially measured at the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalized implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized using the straight-line method over the shorter of the subscription term or useful life of the underlying IT asset. SBITA assets are recorded if the term is greater than 12 months and the determined value is \$5,000 or greater.

CITY OF RICHMOND, VIRGINIA
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I. Construction Period Interest

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

J. Compensated Absences

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

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

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

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

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

K. Judgment and Claims

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

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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 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

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were assigned. With the exception of the General Fund, this is the residual fund balance of the classification of all Governmental Funds with positive balances.

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

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

O. Net Position

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

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

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

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

P. Internal and Intra-entity Activity

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

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

Q. Advances to Other Funds

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

R. 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. Leases

The City, acting as a lessor, leases various assets throughout the city. These leases are recorded at the present value of future payments to be received over the term of the lease, plus certain initial payments received at the initiation of the lease. The amount of future lease payments to be received is recognized in the deferred inflow section of the Statement of Net Position and amortized using the straight-line method over the term of the lease.

W. Adoption of New Accounting Pronouncements

During the year ended June 30, 2023, the City implemented the provisions of the following GASB statements:

In April 2020 ***GASB Statement No. 94 Public-Private and Public- Public Partnerships and Availability Payment Arrangements*** was issued 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 May 2020, ***GASB Statement No. 96 Subscription Based Information Technology Arrangements*** was issued. This pronouncement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. The subscription asset should be initially measured as the sum of 1) the initial subscription liability amount, 2) payments made to the SBITA vendor before commencement of the subscription term, and 3) capitalized implementation costs, less any incentives received from the SBITA vendor at or before the

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

The Entity adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

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 implemented the various provisions of this statement as required by the individual components of the statement.

X. Future Accounting Pronouncements

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). The City will implement this statement in fiscal year 2024.

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. The City will implement this statement in fiscal year 2025.

2. REAL AND PERSONAL PROPERTY TAXES

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

Personal property taxes may be paid without penalty and interest on or before June 5 or 60 days from the date the vehicle acquired situs in Richmond. Effective January 1, 2011, real estate taxes are billed on a semi-annual basis. These taxes may be paid without penalty and interest on or before January 14 and June 14. Penalty for late payment is 10 percent or \$10, whichever is greater not to exceed the full amount of the tax. In 2023, 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, 2023, are intended to finance operations of the fiscal year ended June 30, 2023. The real estate taxes assessed and due on January 14, 2023, and June 14, 2023, are intended to finance operations of the fiscal year ended June 30, 2023.

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3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents – Primary Government

At June 30, 2023, cash on hand, cash items and petty cash totaled approximately \$48,139 and the carrying value of the City's demand deposits, savings accounts, and time certificates of deposit with institutions totaled \$25,191,900 and is included in cash and cash equivalents. The City's deposits of \$42,017,489 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, 2023, 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, 2023, the City did not have any deposits that were not covered by depository insurance or collateralized under the Virginia Security for Public Deposits Act.

Custodial credit risk for investments:

As of June 30, 2023, 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, 2023, 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.

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A summary of deposits and investments held by the Government-Wide at June 30, 2023, is as follows:

	<u>Government-Wide</u>
Deposits	
Cash on hand	\$ 48,139
Demand deposits	25,191,900
Investments	
LGIP	786,824,947
Trusts	14,235,653
Money markets	121,468,408
Total deposits and investments	<u>\$ 947,769,047</u>

Reconciliation of Cash Schedule to Statements of Net Position:

	Government-Wide	Fiduciary Funds Statement of Net Position			Total
	Statement of Net Position	Pension and Other Employee Benefit Trust	Social Welfare Private Purpose Trust	Custodial Funds	
Cash and Cash Equivalents	\$ 794,982,813	\$ 6,311,331	\$ 2,612,063	\$ 1,236,746	\$ 805,142,953
Investments	-	659,185,402	-	-	659,185,402
Restricted assets	152,786,234	-	-	-	152,786,234
Total	<u>\$ 947,769,047</u>	<u>\$ 665,496,733</u>	<u>\$ 2,612,063</u>	<u>\$ 1,236,746</u>	<u>\$ 1,617,114,589</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, 2023.

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Investments Measured at Fair Value

	Fair Value at June 30, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Equities				
Consumer Spending	\$ 9,613,259	\$ 9,613,259	\$ -	\$ -
Energy and Industrials	15,348,708	15,348,708	-	-
Information Technology	6,876,339	6,876,339	-	-
Financials	13,041,252	13,041,252	-	-
Healthcare	9,729,264	9,729,264	-	-
Other	5,446,826	5,446,826	-	-
Total U.S. Equities	60,055,648	60,055,648	-	-
International Equities	51,648,212	-	-	51,648,212
US Fixed Income				
Real Estate	19,170,384	-	-	19,170,384
Diversifying Assets	26,355,892	-	-	26,355,892
Private Debt	54,403,207	-	-	54,403,207
Private Equity	48,252,300	-	-	48,252,300
Total US Fixed Income	148,181,783	-	-	148,181,783
Total Investments Measured at Fair Value	\$ 259,885,643	\$ 60,055,648	\$ -	\$ 199,829,995

	Fair Value	Unfunded Commitments	Redemption Frequency	Required Redemption Notice
Investments Measured at Net Asset Value (NAV)				
US Equity Funds	96,708,434	\$ -	Daily	0 - 5 days
International Equities	56,291,856	-	Daily	1 - 30 days
Global Fixed Income	160,197,674	-	Daily	1 - 10 days
Real Estate Investment Trusts and Funds	52,901,007	-	Daily, Quarterly	7 - 45 days
Diversifying Assets	22,805,501	-	Daily, Quarterly	1 - 95 days
Private Equity	94,625	-	Not Applicable	Not Applicable
Total Investments Measured at Net Asset Value (NAV)	\$ 388,999,097			
Total Investments at Fair Value	\$ 648,884,740			

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.

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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.

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

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, 2023, the City had \$96,926,696 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.

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- 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, 2023, the City had \$732,876,665 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.

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, 2023, the City's investment in the fund was valued at \$53,948,281.

- a) The LGIP-EM is rated AAAf / 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, 2023, the City of Richmond's investments in the OPEB Trust Fund had a market value of \$10,300,669. The OPEB Trust Fund issues a separate audited financial report which may be obtained by visiting the website: valocalfinance.org/opeb/ or by contacting the VML/VACo Finance, 8 East Canal Street, Suite 100, Richmond, VA 23219.

4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

		Due From					Total
		Capital Projects	Non-Major Governmental	Non-Major Proprietary	Stormwater	Internal Service	
Due To	General	\$ 61,622,234	\$ 4,999,671	\$ 2,692,112	\$ -	\$ 4,488,807	\$ 73,802,824
	Gas	-	-	-	366,333	1,826,743	2,193,076
	Water	-	-	-	366,334	1,826,742	2,193,076
	Wastewater	-	-	-	3,737,081	-	3,737,081
	Total	\$ 61,622,234	\$ 4,999,671	\$ 2,692,112	\$ 4,469,748	\$ 8,142,292	\$ 81,926,057

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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, 2023, consisted of the following:

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due or 3) to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The City reports inter-fund transfers among many of its funds. Inter-fund transfers for the year ended June 30, 2023, consisted of the following:

		Transfer From					
Transfer To	General Fund	Major Proprietary Funds			Capital Projects Fund	Non-Major Governmental	Total
		Gas	Water	Wastewater			
General	\$ -	\$ 1,110,298	\$ 1,704,304	\$ -	\$ -	\$ 1,222,408	\$ 4,037,010
Capital Projects	11,816,715	-	-	-	-	272,798	12,089,513
Debt Service	88,962,309	-	-	-	-	979,294	89,941,603
Internal Service Fund	-	-	-	-	-	-	-
Non-Major Governmental	15,297,728	-	-	-	-	-	15,297,728
Total	\$ 116,076,752	\$ 1,110,298	\$ 1,704,304	\$ -	\$ -	\$ 2,474,500	\$ 121,365,854

5. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2023, are as follows:

Primary Government	Federal	State	Other Localities	Total
General Fund	\$ -	\$ 191,275	\$ -	\$ 191,275
Capital Projects Fund	2,557,715	355,634	-	2,913,349
Non-Major Governmental Funds	5,923,910	2,223,182	57,039	8,204,131
Stormwater Fund	-	317,825	-	317,825
Water Fund	-	294,849	10,096,254	10,391,103
Wastewater Fund	-	-	2,067,255	2,067,255
	\$ 8,481,625	\$ 3,382,765	\$ 12,220,548	\$ 24,084,938

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

6. CAPITAL ASSETS

Primary Government – Governmental Activities

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 105,502,459	\$ -	\$ 4,582,160	\$ 3,015,243	\$ 103,935,542
Construction in Progress	136,167,692	87,192,230	2,049,375	(43,606,849)	177,703,698
Works of Art/Historical Treasures	8,259,901	-	158,521	-	8,101,380
Total Capital Assets, not being depreciated	<u>249,930,052</u>	<u>87,192,230</u>	<u>6,790,056</u>	<u>(40,591,606)</u>	<u>289,740,620</u>
Capital Assets, Being Depreciated/Amortized					
Infrastructure	1,043,941,426	24,706,467	-	29,032,120	1,097,680,013
Building and Structures	1,140,242,903	15,200	35,133,821	7,722,867	1,112,847,150
Right of Use Assets/SBITA Assets	8,358,214	25,086,848	-	-	33,445,062
Equipment	146,668,204	5,387,426	8,204,307	2,845,397	146,696,720
Improvements Other Than Buildings	33,888,260	28,259	9,441	991,222	34,898,300
Total Capital Assets, being depreciated/amortized	<u>2,373,099,007</u>	<u>55,224,200</u>	<u>43,347,569</u>	<u>40,591,606</u>	<u>2,425,567,245</u>
Less Accumulated Depreciation/Amortized For:					
Infrastructure	681,125,467	25,157,389	-	-	706,282,856
Building and Structures	492,340,553	24,229,993	33,945,254	-	482,625,292
Right of Use Assets /SBITA Assets	2,267,881	3,038,175	-	-	5,306,056
Equipment	114,335,750	7,067,427	7,311,859	-	114,091,318
Improvements Other Than Buildings	16,948,279	1,738,348	1,731	-	18,684,896
Total Accumulated Depreciation/Amortized	<u>1,307,017,930</u>	<u>61,231,332</u>	<u>41,258,844</u>	<u>-</u>	<u>1,326,990,418</u>
Total Capital Assets, Being Depreciated, Net	1,066,081,077	(6,007,132)	2,088,725	40,591,606	1,098,576,827
Governmental Activities, Capital Assets, Net	<u>\$ 1,316,011,129</u>	<u>\$ 81,185,098</u>	<u>\$ 8,878,781</u>	<u>\$ -</u>	<u>\$ 1,388,317,447</u>

Depreciation was charged to functions as follows:

General Government	\$ 25,008,587
Public Safety and Judiciary	1,387,862
Highways, Streets, Sanitation, and Refuse	26,728,402
Human Services	79,426
Culture and Recreation	2,910,890
Educational	2,109,809
Subtotal	<u>58,224,976</u>
Allocation Related to Internal Service Funds excluding stores	3,006,356
Total	<u>\$ 61,231,332</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Primary Government – Business-Type Activities

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Gas Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 219,200	\$ -	\$ -	\$ -	\$ 219,200
Construction in Progress	2,885,423	26,108,085	26,170,276	87,108	2,910,340
Total Capital Assets, not being depreciated	<u>3,104,623</u>	<u>26,108,085</u>	<u>26,170,276</u>	<u>87,108</u>	<u>3,129,540</u>
Capital Assets, Being Depreciated					
Plant-in-service	757,043,802	26,170,276	4,655,511	(156,086)	778,402,481
Total Capital Assets, being depreciated	<u>757,043,802</u>	<u>26,170,276</u>	<u>4,655,511</u>	<u>(156,086)</u>	<u>778,402,481</u>
Less Accumulated Depreciation For:					
Plant-in-service	344,735,886	24,456,173	4,655,511	-	364,536,548
Total Accumulated Depreciation	<u>344,735,886</u>	<u>24,456,173</u>	<u>4,655,511</u>	<u>-</u>	<u>364,536,548</u>
Total Capital Assets, Being Depreciated, Net	412,307,916	1,714,103	-	(156,086)	413,865,933
Gas Utility Capital Assets, Net	<u>\$ 415,412,539</u>	<u>\$ 27,822,188</u>	<u>\$ 26,170,276</u>	<u>\$ (68,978)</u>	<u>\$ 416,995,473</u>
Water Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 878,307	\$ -	\$ -	\$ -	\$ 878,307
Construction in Progress	8,394,670	31,460,680	30,322,820	35,631	9,568,161
Total Capital Assets, not being depreciated	<u>9,272,977</u>	<u>31,460,680</u>	<u>30,322,820</u>	<u>35,631</u>	<u>10,446,468</u>
Capital Assets, Being Depreciated					
Plant-in-service	671,588,649	30,322,820	2,702,589	-	699,208,880
Total Capital Assets, being depreciated	<u>671,588,649</u>	<u>30,322,820</u>	<u>2,702,589</u>	<u>-</u>	<u>699,208,880</u>
Less Accumulated Depreciation For:					
Plant-in-service	285,831,226	17,632,348	2,702,589	-	300,760,985
Total Accumulated Depreciation	<u>285,831,226</u>	<u>17,632,348</u>	<u>2,702,589</u>	<u>-</u>	<u>300,760,985</u>
Total Capital Assets, Being Depreciated, Net	385,757,423	12,690,472	-	-	398,447,895
Water Utility Capital Assets, Net	<u>\$ 395,030,400</u>	<u>\$ 44,151,152</u>	<u>\$ 30,322,820</u>	<u>\$ 35,631</u>	<u>\$ 408,894,363</u>
Wastewater Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,101,261	\$ -	\$ -	\$ -	\$ 1,101,261
Construction in Progress	33,514,323	54,136,586	34,373,320	33,295	53,310,884
Total Capital Assets, not being depreciated	<u>34,615,584</u>	<u>54,136,586</u>	<u>34,373,320</u>	<u>33,295</u>	<u>54,412,145</u>
Capital Assets, Being Depreciated					
Plant-in-service	882,658,855	34,373,320	3,671,828	-	913,360,347
Total Capital Assets Being Depreciated	<u>882,658,855</u>	<u>34,373,320</u>	<u>3,671,828</u>	<u>-</u>	<u>913,360,347</u>
Less Accumulated Depreciation For:					
Plant-in-service	407,288,719	21,300,860	3,671,828	-	424,917,751
Total Accumulated Depreciation	<u>407,288,719</u>	<u>21,300,860</u>	<u>3,671,828</u>	<u>-</u>	<u>424,917,751</u>
Total Capital Assets, Being Depreciated, Net	475,370,136	13,072,460	-	-	488,442,596
Wastewater Utility Capital Assets, Net	<u>\$ 509,985,720</u>	<u>\$ 67,209,046</u>	<u>\$ 34,373,320</u>	<u>\$ 33,295</u>	<u>\$ 542,854,741</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Stormwater Utility					
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 3,994,798	\$ 19,314,509	\$ 18,970,878	\$ (3)	\$ 4,338,426
Total Capital Assets, not being depreciated	<u>3,994,798</u>	<u>19,314,509</u>	<u>18,970,878</u>	<u>(3)</u>	<u>4,338,426</u>
Capital Assets, Being Depreciated					
Plant-in-service	64,851,015	18,970,878	97,300	-	83,724,593
Total Capital Assets, being depreciated	<u>64,851,015</u>	<u>18,970,878</u>	<u>97,300</u>	<u>-</u>	<u>83,724,593</u>
Less Accumulated Depreciation For:					
Plant-in-service	12,098,530	1,829,042	97,300	-	13,830,272
Total Accumulated Depreciation	<u>12,098,530</u>	<u>1,829,042</u>	<u>97,300</u>	<u>-</u>	<u>13,830,272</u>
Total Capital Assets, Being Depreciated, Net	<u>52,752,485</u>	<u>17,141,836</u>	<u>-</u>	<u>-</u>	<u>69,894,321</u>
Storm water Utility Capital Assets, Net	<u>\$ 56,747,283</u>	<u>\$ 36,456,345</u>	<u>\$ 18,970,878</u>	<u>\$ (3)</u>	<u>\$ 74,232,747</u>
Other Business-Type Activity:					
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	36,131,729	-	-	-	36,131,729
Equipment and Other Capital Assets	3,875,861	-	57,070	-	3,818,791
Right of Use Land , Land Rights and SBITA Assets	14,482,020	1,236,665	-	-	15,718,685
Total Capital Assets, being depreciated/amortized	<u>54,489,610</u>	<u>1,236,665</u>	<u>57,070</u>	<u>-</u>	<u>55,669,205</u>
Less-Accumulated Depreciation/Amortization For:					
Buildings and Structures	14,278,153	1,424,561	-	-	15,702,714
Equipment and Other Capital Assets	2,787,961	121,144	57,070	-	2,852,035
Right of Use Land , Land Rights and SBITA Assets	216,419	344,832	-	-	561,251
Total Accumulated Depreciation/Amortization	<u>17,282,533</u>	<u>1,890,537</u>	<u>57,070</u>	<u>-</u>	<u>19,116,000</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>37,207,077</u>	<u>(653,872)</u>	<u>-</u>	<u>-</u>	<u>36,553,205</u>
Other Business-Type Activity Capital Assets, Net	<u>\$ 59,664,032</u>	<u>\$ (653,872)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,010,160</u>
Enterprise Funds Capital Assets, Net	<u>\$ 1,436,839,974</u>	<u>\$ 174,984,859</u>	<u>\$ 109,837,294</u>	<u>\$ (55)</u>	<u>\$ 1,501,987,484</u>
Internal Service Fund - Stores Utility, Net	<u>\$ -</u>	<u>\$ (59,848)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232,016</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 1,436,839,974</u>	<u>\$ 174,925,011</u>	<u>\$ 109,837,294</u>	<u>\$ (55)</u>	<u>\$ 1,504,219,500</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

7. OBLIGATIONS

Changes in obligations during the fiscal year ended June 30, 2023 are summarized below:

Primary Government – Governmental Activities

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Not Due Within One Year	Due Within One Year
General Obligation Bonds	\$ 727,607,776	\$ 48,010,000	\$ 58,329,050	\$ 717,288,726	\$ 667,600,000	\$ 49,688,726
General Obligation Bond - Direct Borrowing	6,524,301	-	-	6,524,301	-	6,524,301
Total General Obligation Bonds	734,132,077	48,010,000	58,329,050	723,813,027	667,600,000	56,213,027
Line of Credit - BAN - 2021A & 2022A/B	52,600,000	37,500,000	52,600,000	37,500,000	2,600,000	34,900,000
General Obligation Serial Equipment Notes	9,175,000	3,220,000	2,543,000	9,852,000	7,347,000	2,505,000
Total General Obligation Notes	\$ 61,775,000	40,720,000	55,143,000	47,352,000	9,947,000	37,405,000
HUD Section 108 Notes	9,126,000	-	700,000	8,426,000	7,715,000	711,000
Premium on Debt Issued	66,604,402	5,315,448	10,967,149	60,952,701	51,150,531	9,802,170
Total Obligations	\$ 871,637,479	\$ 94,045,448	\$ 125,139,199	\$ 840,543,728	\$ 736,412,531	\$ 104,131,197
Compensated Absences	\$ 22,704,497	\$ 23,618,190	\$ 20,897,705	\$ 25,424,982	\$ 17,261,149	\$ 8,163,833
Net Other Post Employment Benefit Liability (Asset)	\$ 20,207,095	\$ 3,376,606	\$ 24,794,380	\$ (1,210,679)	\$ (1,210,679)	\$ -
Net Pension Liability	\$ 215,509,667	\$ 74,784,821	\$ 6,702,556	\$ 283,591,932	\$ 283,591,932	\$ -

As of June 30, 2023, the City's Primary Government has total outstanding general obligation bonds and notes of \$840,543,728, which consists of \$723,813,027 general obligation bonds, \$47,352,000 general obligation notes, \$8,426,000 HUD Section 108 Notes and \$ 60,952,701 unamortized premiums. Total principal payments were \$58.3 million for the General Obligation Bonds, \$2.5 million for the General Obligation serial Equipment Notes and \$700K for the HUD Section 108 Notes.

During the fiscal year, the City issued its Series 2022A General Obligation bonds to finance ongoing capital improvement projects of the City and to purchase equipment and to pay the costs of issuance. Total proceeds were \$64 million, of which \$57.99 million were par amounts and \$6 million were premiums. \$53.0 million was used to pay off the outstanding line of credits series 2021A and costs of issuance. Prior to issuing the bonds, the Mayor and Administration met with the three bond rating agencies to review the City's credit ratings. Both Standard & Poor's and Fitch Ratings affirmed their strong AA+, with Stable outlook ratings, while Moody's rated the City an Aa1, with a "Stable outlook".

The City also established a \$70.0 million Line of Credit Bond Anticipation Note, Series 2022A, with a commercial Bank to finance ongoing City capital projects as well as Stormwater capital projects during the 2023 fiscal year. Of the total \$70.0 million, \$55.0 million is allocated to the City's projects and \$15.0 million is allocated to Stormwater utility projects. As of June 30, 2023, the cumulative amount advanced and outstanding for the City's capital projects was \$34.9 million and \$15.0 million was advanced and outstanding for Stormwater capital projects.

In addition, the City established a \$10.0 million revolving Line of Credit Bond Anticipation Note, Series 2022B, with the same commercial Bank to fund preliminary design/engineering costs related to major capital improvement projects in the City's adopted Capital Improvement Plan. As of June 30, 2023, the cumulative amount advanced and outstanding was \$2.6 million.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Primary Government – Business-Type Activities

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Not Due Within One Year	Due Within One Year
Utilities-General Obligation Bonds	\$ 7,640,391	\$ 6,760,000	\$ 4,239,717	\$ 10,160,674	\$ 6,195,000	\$ 3,965,674
Utilities-General Obligation Bonds - Direct Borrowing	976,547	811,094	103,626	1,684,015	1,571,249	112,766
Utilities-General Oblig Equip Notes-Direct Borrowing	2,234,000	-	554,000	1,680,000	1,120,000	560,000
Utilities-Line of Credit BAN-Ser 2021A Direct Borrowing	7,400,000	-	7,400,000	-	-	-
Utilities-Line of Credit BAN-Ser 2022A Direct Borrowing	-	15,000,000	-	15,000,000	15,000,000	-
Premium on General Obligation Bonds, Net	-	666,898	-	666,898	666,898	-
Total Utilities General Obligation Bonds & Notes	<u>18,250,938</u>	<u>23,237,992</u>	<u>12,297,343</u>	<u>29,191,587</u>	<u>24,553,147</u>	<u>4,638,440</u>
Non-Major Enterprise Funds Bonds	40,301,833	-	3,501,233	36,800,600	33,300,000	3,500,600
Non-Major Enterprise Funds - Direct Borrowing	699	-	-	699	-	699
Premium on Non Major Debt, Net	932,451	-	173,156	759,295	759,295	-
Total Non-Major Enterprise Funds Bonds	<u>41,234,983</u>	<u>-</u>	<u>3,674,389</u>	<u>37,560,594</u>	<u>34,059,295</u>	<u>3,501,299</u>
Total Business-Type General Obligation Bonds	<u>59,485,921</u>	<u>23,237,992</u>	<u>15,971,732</u>	<u>66,752,181</u>	<u>58,612,442</u>	<u>8,139,739</u>
Public Utility Revenue Bonds	752,565,000	12,669,050	28,626,743	736,607,307	707,513,347	29,093,960
Public Utility Revenue Bond - Direct Borrowing	41,519,478	130,794	2,234,632	39,415,640	37,049,306	2,366,334
Public Utility Premium on Revenue Bond Debt, Net	54,669,716	-	5,115,384	49,554,332	49,554,332	-
Total Revenue Bonded Debt	<u>848,754,194</u>	<u>12,799,844</u>	<u>35,976,759</u>	<u>825,577,279</u>	<u>794,116,985</u>	<u>31,460,294</u>
Total Obligations	<u>\$ 908,240,115</u>	<u>\$ 36,037,836</u>	<u>\$ 51,948,491</u>	<u>\$ 892,329,460</u>	<u>\$ 852,729,427</u>	<u>\$ 39,600,033</u>
Compensated Absences						
Gas	\$ 1,140,584	\$ 1,158,682	\$ 1,051,945	\$ 1,247,321	\$ 897,705	\$ 349,616
Water	866,177	881,190	798,767	948,600	682,714	265,886
Wastewater	866,510	872,455	799,768	939,197	675,946	263,251
Stormwater	301,048	297,313	278,304	320,057	230,347	89,710
Stores Operating Fund	18,982	20,493	17,414	22,061	15,877	6,184
Cemeteries	66,197	61,594	61,594	66,197	45,087	21,110
Parking Garages	54,903	45,859	45,859	54,903	37,394	17,509
Total Compensated Absences	<u>\$ 3,314,401</u>	<u>\$ 3,337,586</u>	<u>\$ 3,053,651</u>	<u>\$ 3,598,336</u>	<u>\$ 2,585,070</u>	<u>\$ 1,013,266</u>
Other Post Employment Benefit Liability	<u>\$ 3,920,778</u>	<u>\$ 592,621</u>	<u>\$ 4,721,665</u>	<u>\$ (208,266)</u>	<u>\$ (208,266)</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 41,662,145</u>	<u>\$ 13,709,831</u>	<u>\$ 4,993,060</u>	<u>\$ 50,378,916</u>	<u>\$ 50,378,916</u>	<u>\$ -</u>

As of June 30, 2023, the outstanding debt of the City's Business-Type Activities (Enterprise Funds) totaled debt of \$892,329,460 including \$834,549,106 of publicly issued bonds and premiums and \$57,780,354 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, 2023

Details of Bonds and Notes Outstanding

	Interest Rates	Issue Date	Maturity Date	Original Issue	Balance at June 30, 2023	
					Governmental Activities	Enterprise Funds
General Obligation Bonds						
Public Improvement Bonds 2010B (QSCB)	5.27%	11/16/2010	11/1/2029	14,980,000	14,980,000	-
Public Improvement Bonds 2011A (VRA)	0.00%	6/1/2011	1/15/2032	225,000	-	101,250
Public Improvement Refunding Bonds 2012C	0.35%-2.85%	6/28/2012	7/15/2023	100,030,000	14,326	3,755,674
Public Improvement Bonds 2012 D (QSCB)	4.15%	6/28/2012	1/15/2033	7,500,000	7,500,000	-
Public Improvement Bonds 2013B	3.00% - 4.80%	9/26/2013	3/1/2033	11,295,000	7,175,000	-
Public Improvement Bonds 2014A	3.00% - 5.00%	12/23/2014	3/1/2035	99,295,000	4,535,000	-
Public Improvement Refunding Bonds 2014B	5.00%	12/23/2014	7/15/2026	25,605,000	17,760,000	-
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	46,625,000	-
Public Improvement Bonds 2015C	3.00% - 4.00%	12/8/2015	6/1/2041	23,000,000	18,385,000	-
Public Improvement Bonds 2017A (VRA)	0.00%	3/30/2017	7/15/2037	1,310,278	-	771,672
Public Improvement Refunding Bonds 2017B	3.00% - 5.00%	7/14/2017	7/15/2037	185,070,000	141,435,000	6,685,000
Public Improvement Refunding Bonds 2017C	1.15% - 3.13%	7/14/2017	7/15/2031	43,965,000	-	30,085,000
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	40,060,000	-
Public Improvement Refunding Bonds 2018B	3.45% - 3.75%	8/15/2018	3/1/2033	8,310,000	6,065,000	-
Public Improvement Refunding Bonds 2019A	2.60% - 5.00%	10/23/2019	7/15/2039	132,885,000	107,810,000	-
Public Improvement Refunding Bonds 2020A	2.00% - 5.00%	12/10/2020	7/15/2040	102,130,000	91,749,400	30,600
Public Improvement Refunding Bonds 2020B	0.95% - 2.00%	12/10/2020	7/15/2034	51,020,000	49,885,000	-
Public Improvement Bonds 2021A (VRA)	0.00%	6/24/2021	1/15/2040	874,400	-	811,094
Public Improvement Bonds 2022A	4.00% - 5.00%	9/8/2022	3/1/2042	57,990,000	48,875,000	6,405,000
General Obligation Notes						
Equipment Note - Series 2020A	1.11%	6/17/2020	6/1/2025	4,960,000	1,430,000	586,000
Equipment Note - Series 2020B	1.19%	6/17/2020	6/1/2027	3,826,000	1,130,000	1,094,000
Equipment Note - Series 2021	0.99%	6/10/2021	6/1/2028	6,730,000	4,537,000	-
Line of Credit BAN - Series 2022A	Variable	12/6/2022	12/1/2024	70,000,000	34,900,000	15,000,000
Line of Credit BAN - Series 2022B	Variable	12/6/2022	12/1/2025	10,000,000	2,600,000	-
HUD Section 108 Notes						
HUD Section 108 Note Series 2015A	0.83% - 3.60%	5/28/2015	8/1/2032	10,125,000	6,340,000	-
HUD Section 108 Note Series 2019A	2.54% - 3.64%	3/28/2019	8/1/2038	2,607,000	2,086,000	-
Revenue Bonds						
Public Utility Revenue Bonds 2006A - VRA	2.20%	6/29/2006	1/15/2028	11,000,000	-	3,366,578
Public Utility Revenue Bonds 2008A- VRA	2.52%	6/27/2008	1/15/2029	6,900,000	-	2,426,089
Public Utility Revenue Bonds 2009B-VRA	0.00%	6/24/2009	7/15/2030	32,000,000	-	12,000,000
Public Utility Revenue Bonds 2010A-VRA	0.00%	2/3/2010	7/15/2040	188,218	-	110,110
Public Utility Revenue Bonds 2012A-VRA	0.00%	4/17/2012	1/15/2035	23,289,955	-	13,973,973
Public Utility Revenue Bonds 2015A - VRA	0.00%	3/5/2015	1/15/2036	2,600,000	-	1,047,716
Public Utility Revenue Refunding Bonds 2016A	4.00% - 5.00%	12/7/2016	1/15/2046	502,260,000	-	421,900,000
Public Utility Revenue Bonds 2020A	2.81% - 5.00%	4/15/2020	1/15/2050	135,445,000	-	130,915,000
Public Utility Revenue Refunding Bonds 2020B	1.63% - 3.54%	4/15/2020	1/15/2043	180,000,000	-	172,905,000
Public Utility Revenue Bonds 2021A - VRA	0.00%	6/24/2021	7/15/2041	20,343,302	-	17,247,686
Public Utility Revenue Bonds 2023A - VRA	0.00%	3/30/2023	1/15/2044	14,693,793	-	130,794
Premiums on Debt Issued					60,952,701	50,980,525
Total Bonds and Notes					\$ 840,543,728	\$ 892,329,460

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
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Governmental Activities:

Fiscal Year	(In Thousands)					
	General Obligation Bonds (Bonds)		General Obligation Bonds (Direct Borrowing)		General Obligation Equip Notes (Direct Borrowing)	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	49,689	28,238	6,525	76	2,505	212
2025	51,330	25,934	-	-	2,548	169
2026	48,680	23,555	-	-	1,863	126
2027	47,575	21,208	-	-	1,339	89
2028	47,300	18,900	-	-	1,082	56
2029 - 2033	254,530	59,757	-	-	515	26
2034 - 2038	157,420	21,697	-	-	-	-
2039 - 2043	60,765	3,270	-	-	-	-
Subtotal	717,289	202,559	6,525	76	9,852	678
Premium	60,953	-	-	-	-	-
Total	<u>\$ 778,242</u>	<u>\$ 202,559</u>	<u>\$ 6,525</u>	<u>\$ 76</u>	<u>\$ 9,852</u>	<u>\$ 678</u>

Fiscal Year	(In Thousands)			
	HUD Section 108 Notes (Direct borrowing)		Line of Credit Bond Anticipation Notes (Direct Borrowing)	
	Principal	Interest	Principal	Interest
2024	711	261	34,900	285
2025	725	241	2,600	-
2026	740	220	-	-
2027	751	197	-	-
2028	760	174	-	-
2029 - 2033	3,957	486	-	-
2034 - 2038	652	81	-	-
2039 - 2043	130	2	-	-
Total	<u>\$ 8,426</u>	<u>\$ 1,662</u>	<u>\$ 37,500</u>	<u>\$ 285</u>

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

Business-Type Activities:

(In Thousands)

Fiscal Year	General Obligation Bonds (Bonds)		General Obligation Bonds & Notes (Direct Borrowing)		Line of Credit Bond Anticipation Notes (Direct Borrowing)	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 7,372	\$ 1,168	\$ 883	\$ 313	\$ 15,000	\$ 30
2025	3,700	999	899	296	-	-
2026	3,820	885	623	279	-	-
2027	3,940	764	636	264	-	-
2028	4,065	637	373	248	-	-
2029 - 2033	17,660	1,158	2,052	1,034	-	-
2034-2038	-	-	2,386	624	-	-
2039 - 2043	-	-	1,917	187	-	-
Subtotal	40,557	5,611	9,769	3,245	15,000	30
Premium	1,426	-	-	-	-	-
Total	\$ 41,983	\$ 5,611	\$ 9,769	\$ 3,245	\$ 15,000	\$ 30

(In Thousands)

Fiscal Year	Utility Revenue Bonds (Bonds)		Utility Revenue Bonds (Direct Borrowing)	
	Principal	Interest	Principal	Interest
2024	\$ 27,420	\$ 30,125	\$ 4,171	\$ 132
2025	31,930	29,022	4,965	108
2026	32,945	27,657	4,990	83
2027	33,945	26,231	5,015	57
2028	34,550	24,753	5,042	31
2029 - 2033	199,505	99,268	15,767	8
2034 - 2038	171,145	55,580	7,446	-
2039 - 2043	128,005	25,841	2,906	-
2044 - 2048	53,205	7,958	-	-
2049 - 2053	13,070	789	-	-
Subtotal	725,720	327,224	50,302	419
Premium	49,554	-	-	-
Total	\$ 775,274	\$ 327,224	\$ 50,302	\$ 419

Debt issued during the fiscal year ended June 30, 2023

On December 6, 2022, the City established its \$70.0 million Series 2022A General Obligation Line of Credit Bond Anticipation Note ("BAN") with a commercial bank. By the end of the fiscal year, the City drew \$49,900,000 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 with a SOFR index. The Line of Credit has a final maturity of December 1, 2024 and the outstanding principal balance as of June 30, 2023 was \$49,900,000. The City anticipates refinancing this debt into a long-term general obligation bond in the future.

On December 6, 2022, the City established an additional \$10.0 million Series 2022B General Obligation Line of Credit Bond Anticipation Note ("BAN") with a commercial bank. By the end of the fiscal year, the City drew \$2,600,000 on the Line of Credit to

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

finance the planning and designing phases of future City capital projects. The City pays monthly variable interest on the Line of Credit borrowings priced with a SOFR index. The Line of Credit has a final maturity of December , 2025 and the outstanding principal balance as of June 30, 2023 was \$2,600,000. The City anticipates refinancing this debt into a long-term general obligation bond in the future.

During fiscal year 2023, the City issued its \$14,693,793 Public Utility Revenue Bond, Series 2023A to evidence a loan made to the City by the Virginia Resources Authority issued on March 30, 2023. The City initially drew \$130,794 on the Virginia Resource Authority's loan and on June 30, 2023 the outstanding balance was \$130,794. The proceeds of the bond issue will be used to finance a capital project of the City's Department of Public Utilities' Wastewater Utility. The bond issue is priced with a zero percent interest rate, with semi-annual principal payments due on July 15 and January 15, with a final maturity on January 15, 2044.

During fiscal year 2023, the City issued its \$57,990,000 General Obligation Bond, Series 2022A dated September 8th, 2022. The proceeds of the 2022A GO bonds, along with premiums received, were used to pay off the \$60.0 million outstanding balance of the Series 2021A Line of Credit Bond Anticipation Note, as to finance \$3.5 million of public safety vehicles. The Series 2022A GO bonds have coupon interest rate 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 1st, of each year with a final principal payment due on March 1st, 2042. At the time of the 2022A GO bond sale, Moody's, Standard & Poor's, and Fitch affirmed their Aa1, AA+, and AA+ credit ratings, respectively, of the City, with a stable outlook.

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, 2023, the principal amount of defeased bonds is \$37,500,000. The call date for the Series 2014A is March 1, 2024.

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, 2023, the principal amount of defeased bonds is \$31,260,000. The call date 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, 2023, the City had a legal debt limit of \$3,593,369,500 (10.0 percent of the taxable real estate value in the City) and the statutory capacity to issue additional General Obligation debt of approximately \$2,748,452,485 (remaining legal debt margin).

Authority to Issue Debt

As of June 30, 2023, the City had a total of \$828,858,005 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, \$468,250,676 is earmarked for self-supporting Public Utility revenue bond funded projects, \$37,103,330 for Stormwater Utility Projects, \$315,700,000 for various General Fund supported capital projects and \$7,803,999 for funding of equipment purchases.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

Bond Ratings

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

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

Subsequent Event

In September of 2023, the City issued its \$209,705,000 Public Utility Revenue Refunding Bonds, Series 2023B to evidence a loan made to the City by Wells Fargo Bank, National Association. The proceeds of the bonds will be used to refund certain outstanding indebtedness of the City. Pursuant to a resolution adopted by the City Council of Richmond, Virginia, the City has entered into a Forward Bond Purchase Agreement, dated September 28, 2023, between the City and Wells Fargo Municipal Capital Strategies, LLC, providing for the purchase of the City's Public Utility Revenue Refunding Bonds, 2026. The Proceeds of the bonds will be used to refund the City's \$209,705,000 Public Utility Revenue Refunding Bonds, Series 2023B.

Also on September 28, 2023, the City issued its \$110,970,000 Public Utility Revenue and Refunding Bonds, Series 2023C. The bonds are limited obligations of the City of Richmond, payable solely from certain revenues derived by the City from its natural gas, water, wastewater utilities and other funds pledged for their payment under the terms of the Master Indenture and the Twenty-Fifth Supplemental Indenture. The proceeds of the bonds will be used to finance or reimburse expenditures for certain improvements to and expansion of the Utility System, to fund certain maturities of the City's Public Utility Revenue Refunding Bonds, Series 2020B (Federally Taxable) and to fund certain costs of issuance of the Bonds.

In the coming months of fiscal year 2024, the City will close on the General Obligation Public Improvement Bonds. Proceeds of the anticipated General Obligation Bonds will be used to pay off the \$49.9 million outstanding balance of the Series 2022A Line of Credit Bond Anticipation Note, as well as to finance several applicable capital improvement projects.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

8. FUND BALANCES

Fund balances have been classified to reflect the limitations and restrictions placed on the respective funds. Fund balances at June 30, 2023, are composed of the following:

	General Fund	Debt Service	Capital Projects Fund	Other Non-Major Governmental Funds
Nonspendable:				
Prepaid	\$ 14,170	\$ -	\$ -	\$ -
Total Nonspendable	<u>14,170</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted To:				
Capital Projects	-	17,012,635	23,709,704	-
NM Governmental Funds	-	-	-	53,272,505
Total Restricted	<u>-</u>	<u>17,012,635</u>	<u>23,709,704</u>	<u>53,272,505</u>
Committed To:				
Budget and Revenue Stabilization Contingency	29,585,710	-	-	-
School Board Operations	209,182	-	-	-
Total Committed	<u>29,794,892</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned To:				
Encumbrance Roll Forward	40,419,057	-	-	-
Capital Reserve	19,099,962	-	-	-
Percent for the Arts	254,396	-	-	-
School Facilities	18,387,070	-	-	-
Unspent Building Code Fees	7,312,298	-	-	-
COVID-19 Contingencies	547,557	-	-	-
Special Purpose	1,261,278	-	-	-
Employee Compensation Reserve	2,000,000	-	-	-
Unfunded Liability	1,796,612	-	-	-
Revolving Land Acquisition	1,750,000	-	-	-
Total Assigned	<u>92,828,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned:				
Total Unassigned	139,902,611	1,015,815	(75,041,536)	-
Total Fund Balances	<u>\$ 262,539,903</u>	<u>\$ 18,028,450</u>	<u>\$ (51,331,832)</u>	<u>\$ 53,272,505</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 \$2M 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.

CITY OF RICHMOND, VIRGINIA
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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.

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 continues to the necessary Fiduciary coverage for the Richmond Retirement System Fund and Malicious Acts coverage for the City.

During the fiscal year ended June 30, 2023, 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, 202, was \$52,995,995 (undiscounted) and \$41,560,137 (discounted at 3.50 percent). Changes in the aggregate for these liabilities for FY2022 and FY2023 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>
2022	\$ 41,107,222	\$ 9,229,181	\$ (7,781,634)	\$ 42,554,769
2023	\$ 42,554,769	\$ 9,137,709	\$ (10,132,341)	\$ 41,560,137

Workers' compensation, general liability, and automobile liability future payment projections for fiscal period July 1, 2023, through June 30, 2024, are as follows:

<u>Probability Level</u>	<u>Discounted</u>	<u>Undiscounted</u>
90.00%	\$ 10,867,946	\$ 11,056,499
75.00%	\$ 9,705,322	\$ 9,873,704
Central Estimate	\$ 8,603,192	\$ 8,752,453

10. HEALTH CARE PLAN

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

Retiree Eligibility

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

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

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
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Sworn Police, Sworn Fire, Sworn VRS, and Executives currently are not in the defined contribution group are also able to participate in the post-retirement medical coverage even if they were hired after January 1, 1997.

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

City Subsidy

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

<u>Years of Active Service</u>	<u>Monthly Health Assessment Subsidy</u>	<u>Monthly No Health Assessment Subsidy</u>
25 +	\$ 425.00	\$ 400.00
20 to 24	\$ 325.00	\$ 300.00
15 to 19	\$ 225.00	\$ 200.00
10 to 14	\$ 125.00	\$ 100.00
Less than 10	\$ 0.00	\$ 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 four tier co-pay structure and optional mail order to refill prescriptions. Retirees are only allowed to enroll in the Classic or Choice Fund HDHP plans as of January 2022. 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.

	Health Insurance Primary Government	
	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
Unpaid Claims Beginning of Fiscal Year	\$ 3,114,000	\$ 3,477,000
Incurred Claims (including IBNR)	50,671,803	48,806,134
Claim Payments	(50,374,803)	(49,169,134)
Unpaid Claims End of Fiscal Year	<u>\$ 3,411,000</u>	<u>\$ 3,114,000</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 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 ad hoc COLA increases, or actuarial gains or losses amortized over a closed period not to exceed 30 years.

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 – 8 years for remaining unfunded accrued liability as of July 1, 2023; 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, 2023 and 2022, the annual money-weighted rates of return were 5.8% and -6.0%, 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.

**CITY OF RICHMOND, VIRGINIA
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D. Plan Membership

As of June 30, 2023, membership in the RRS was comprised as follows:

Active vested Plan members	1,113
Active Non-vested Plan members	268
Terminated Vested Plan members	1,534
Retirees and beneficiaries receiving benefits	4,158
Total	7,073

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, 2023, for the RRS was as follows.

Total pension liability (TPL)	\$ 932,341,679
Plan fiduciary net position	601,699,695
City's net pension liability (NPL)	<u>\$ 330,641,984</u>
Plan fiduciary net position as a percentage of the total pension liability	64.54%
Covered payroll	\$ 92,777,107
City's net pension liability as a percentage of covered payroll	356.38%

The plans net pension liability is calculated based on a measurement date of June 30, 2022.

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, 2023 are summarized in the table below:

Asset Class	10-Yr. Assumptions 2021 Geometric Return	Target Asset Allocation
Broad U.S. equities	7.35%	29.00%
International equities	7.25%	16.00%
Diversifying assets	5.55%	6.00%
Private equity	8.50%	6.00%
Fixed income	4.25%	29.00%
Private Debt	7.00%	6.00%
Real estate (core)	5.75%	10.00%

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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 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	Sensitivity of the NPL to Changes in the Discount Rate		
	1.00% Decrease	Current Discount Rate	1.00% Increase
	6.00%	7.00%	8.00%
Plan Net Pension Liability	\$ 417,348,851	\$ 330,641,984	\$ 255,851,257

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:

Summary of Deferred Outflows and Inflows of Resources - RRS		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,079,380
Net difference between expected and actual investment earnings	29,245,588	-
Change in assumptions	3,363,940	-
Employer contributions subsequent to the measurement date	53,387,868	-
Total	\$ 85,997,396	\$ 1,079,380

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:

Amortization Schedule of Deferred Outflows and Inflows of Resources	
Year Ended June 30,	
2024	\$ 8,249,832
2025	\$ 5,251,062
2026	\$ (120,716)
2027	<u>\$ 18,149,970</u>
Total	\$ 31,530,148

For the year ended June 30, 2023, the City recognized RRS pension expense of \$50,293,366.

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The components of this pension expense include the following:

PENSION EXPENSE - RRS	
Service Cost	\$ 10,740,313
Interest Cost	62,432,160
Benefit Changes	-
Experience Loss/(Gain)	1,121,314
Contribution Employee	(1,727,540)
Net Investment Income	
Expected Return on Investments	(45,941,272)
Investment Gain or Loss Expensed	18,149,971
Administrative Expense	1,536,064
Amortization	3,982,356
Pension Expense	<u>\$ 50,293,366</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 2,518 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

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.

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- Members hired before July 1, 2010, and who were vested as of January 1, 2013, are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit as early as age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010, and who were not vested on January 1, 2013, are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Non-hazardous duty employees hired on or after January 1, 2014, are covered under the Hybrid Plan. The VRS Hybrid Retirement Plan combines features of a defined benefit and a defined contribution plan. Employees covered under the VRS Hybrid Plan are eligible for an unreduced benefit when they reach their normal Social Security retirement age or when their age and service equal the sum of 90. Benefits are payable monthly for life in an amount equal to 1.00 percent of their Average Final Salary (AFS) for each year of credited service. Hybrid members make mandatory contributions to the defined contribution component of the plan and may make additional voluntary contributions to the plan, which the employer is required to match. Employees vest in the 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.

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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.

The City's contractually required contribution rate for the year ended June 30, 2023, was 13.45 percent of covered employee compensation. This rate was based on an actuarial determined rate from an actuarial valuation of June 30, 2021. 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, 2023, and June 30, 2022, were \$4,488,171 and \$4,531,551, respectively.

C. Plan Membership

At June 30, 2022, the valuation date, City membership in the VRS was comprised as follows:

Active members	431
Inactive members	-
Members and their beneficiaries receiving benefits	529
Members active elsewhere in VRS	304
Inactive Non-vested members	131
Inactive Vested members	207
Total	1,602

D. Net Pension Liability

For the City of Richmond, the net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of July 1, 2021. 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, 2023, was as follows:

Total Pension Liability	\$	151,624,612
VRS Fiduciary Net Position		148,295,748
Net Pension Liability/Asset	\$	3,328,864
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		97.80%
Covered Payroll	\$	24,376,351
City's Net Pension Liability as a Percentage of Covered Payroll		13.66%

E. Actuarial Methods and Assumptions

The City's net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, 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, 2022.

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Actuarial Assumptions for General Employees

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

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

Actuarial Assumptions for Public Safety Employees

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

- Inflation 2.50 percent
- Salary Increase 3.50 percent to 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:

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

* The above allocation provides a one year return of 7.83 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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, 2022, 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, 2021. The valuation was based upon data furnished by the VRS staff concerning active, retired and inactive members, along with pertinent financial information. The projected cash flows used to determine the discount rate assumed that plan member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the policies established by VRS at rates equal to the difference between actuarial determined contribution rates adopted by the VRS board and the member rate.

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

Summary of Deferred Outflows and Inflows of Resources - VRS		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,426,540
Changes in assumptions	1,358,403	-
Net difference between projected and actual earnings on plan investments	-	4,427,720
Employer contribution subsequent to the measurement date	4,488,171	-
Total	\$ 5,846,574	\$ 5,854,260

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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 \$4,488,171 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Amortization Schedule of Deferred Outflows and Inflows of Resources		
Year Ended June 30,		
2024	\$	(1,513,219)
2025		(2,059,239)
2026		(2,978,358)
2027		<u>2,054,959</u>
Total	\$	<u>(4,495,857)</u>

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

	Sensitivity of the NPL to Changes in Discount Rate		
	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
Plan Net Pension Liability	\$ 22,400,154	\$ 3,328,864	\$ (12,364,040)

For the year ended June 30, 2023, the City recognized VRS pension expense of \$31,870. The components of this pension expense include the following:

PENSION EXPENSE - VRS	
Service Costs	\$ 3,251,586
Interest on the total pension liability	9,947,561
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(536,555)
Expensed portion of current period changes in assumptions	-
Member contributions	(1,336,414)
Projected earning on plan investments	(10,163,241)
Expensed portion of current-period differences between actual and projected earnings on plan investments	2,054,959
Administrative expenses	95,550
Other	5,428
Recognition of beginning deferred outflows of resources as pension expense	2,694,901
Recognition of beginning deferred inflows of resources as pension expense	<u>(5,981,905)</u>
Pension Expense	<u>\$ 31,870</u>

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Aggregated Pension Expense

For the year ended June 30, 2023, the City recognized total pension expense of \$50,325,236 RRS accounted for \$50,293,366 of the total and VRS accounted for the remainder of \$31,870.

	<u>RRS</u>	<u>VRS</u>	<u>Total</u>
Service Cost	\$ 10,740,313	\$ 3,251,586	\$ 13,991,899
Interest Cost	62,432,160	9,947,561	72,379,721
Benefit Changes	-	-	-
Experience Loss (Gain)	1,121,314	(536,555)	584,759
Member Contributions	(1,727,540)	(1,336,414)	(3,063,954)
Change in Assumptions			
Net Investment Income			
Expected Return on Investments	(45,941,272)	(10,163,241)	(56,104,513)
Investment Gain or Loss Expensed	18,149,971	2,054,959	20,204,930
Administrative Expense	1,536,064	100,978	1,637,042
Amortization	3,982,356	(3,287,004)	695,352
Pension Expense	<u>\$ 50,293,366</u>	<u>\$ 31,870</u>	<u>\$ 50,325,236</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 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 July 1, 2006. 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 July 1, 2006. 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 Choice Fund Open Access Plus HSA Plan Healthcare Plan 1 and the Open Access Plus Plan Healthcare Plan 2. Retirees that become Medicare Eligible are no longer eligible for the City of Richmond retiree medical plan..

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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

Disabled participants are provided coverage under the same benefit terms and eligibility as non-disabled participants

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, 2023, the effective date of the biennial OPEB valuation, follows. There have been no significant changes in the number covered or the type of coverage since that date.

Active Employees	1,560
Retired Employees	<u>88</u>
Total	1,648

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 6.25% of the valuation year:

	OPEB Classic Plan	High Deductible Plan
Retiree Only	\$1,264.20	\$1,037.80
Retiree + Spouse	\$2,548.40	\$2,095.09

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 2023, \$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, 2023 valuation include:

- Salary Increases – Not applicable
- Discount Rate – The discount rate is 6.75 percent per annum as of June 30, 2023 compared to the prior discount rate of 4.09 percent as of June 30, 2023.
- Valuation Date - June 30, 2023
- Expected Long – Term Rate of Return on Plan Assets – Not applicable
- Plan Participation – 10.00 percent of employees will elect coverage at retirement.
- Dependent Coverage – 30.00 percent of retirees who elect coverage at retirement will also cover their spouse at retirement.
- Administrative Expenses - The weighted average admin expense based on current retiree enrollment between plan designs is \$71.00 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 10 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-2021 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.

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c. Annual Per Capita Healthcare Cost

Effective for the July 1, 2023 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.

July 1 2023 annual per capita claim	<u>Medical/RX*</u>
Retiree Age 65 Pre-Medicare	\$22,823
Spouse Age 65 Pre-Medicare	\$22,823

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 6.25% in 2023 grading uniformly to 5.20% over 2 years and following the Getzen Model thereafter until reaching an ultimate rate of 3.94% in the year 2075.

Net OPEB Liability

The cost trend rate which is 6.25% grading uniformly to 5.20% over a 2 year period. The following table shows the components of City's annual OPEB liability at June 30, 2023 using a measurement date as of June 30, 2023.

Total OPEB Liability	\$ 7,497,608
Plan Fiduciary Net Position	(10,300,662)
Net OPEB Liability - June 30	\$ (2,803,054)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	137.39%
Covered Payroll	\$ 127,355,724
Net OPEB Liability as a Percent of Covered Payroll	(2.20)%

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The table below shows the Net OPEB Liability measured as of June 30, 2023, which totals \$(2,803,054). The total OPEB Liability of \$7,497,608 when combined with the Fiduciary Net Position of the OPEB Pooled Trust Assets 10,300,662 generates a \$(2,803,054) Net OPEB Liability. While the plan has been a pay-as-you-go plan, in 2019 the City began to invest Assets in a Pooled Investment Trust for the purpose of accumulating Assets to pay OPEB expenses.

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2022	\$ 30,920,236	\$ 8,234,777	\$ 22,685,459
Changes for the Year			
Service Cost	2,653,431	-	2,653,431
Interest on Total OPEB Liability	1,315,796	-	1,315,796
Benefit changes	-	-	-
Experience Losses (Gains)	(11,425,054)	-	(11,425,054)
Changes in Assumptions	(14,564,193)	-	(14,564,193)
Contributions - Employer	-	2,802,608	(2,802,608)
Contributions - Members	-	-	-
Net Investment Income	-	675,005	(675,005)
Benefits Paid	(1,402,608)	(1,402,608)	-
Administrative Expenses	-	(9,120)	9,120
Recognition of Prior Post-measurement Contribution	-	-	-
Other Changes	-	-	-
Amortization of or Change in Beginning Balances	-	-	-
Net Changes	(23,422,628)	2,065,885	(25,488,513)
Balances as of June 30, 2023	\$ 7,497,608	\$ 10,300,662	\$ (2,803,054)

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 6.75%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the assumed trend rate.

Sensitivity of NOL to Change in Discount Rate			
	1.00% Decrease	Current Discount Rate	1.00% Increase
Net OPEB Liability	\$ (3,266,871)	\$ (2,803,054)	\$ (2,261,991)

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

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

Sensitivity of NOL to Change in Healthcare Cost Trend Rate			
	1.00% Decrease	Current Trend Rate	1.00% Increase
	5.75%	6.75%	7.75%
Net OPEB Liability	\$ (2,210,862)	\$ (2,803,054)	\$ (3,331,544)

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
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e. Summary of Deferred Inflows and Outflows of Resources for Richmond OPEB Plan

Summary of Deferred Outflows and Inflows of Resources - City of Richmond		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience Losses	\$ 8,143,757	\$ 31,433,484
Change of Assumptions	2,169,574	20,898,316
Investment Losses	632,060	248,035
Total	\$ 10,945,391	\$ 52,579,835

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

Amortization of Deferred Inflows & Deferred Outflows of Resources		
Year Ending June 30:		
2024	\$	(2,117,160)
2025		(2,117,161)
2026		(7,273,827)
2027		(2,748,512)
2028		(7,422,504)
Thereafter		<u>(15,519,280)</u>
Total	\$	(37,198,444)

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

For the year ended June 30, 2023 the City recognized OPEB expense of \$1,496,225. The components of this OPEB expense include the following:

OPEB EXPENSE		
Service Cost	\$	2,653,431
Interest Cost		1,315,796
Benefit Changes		(1,142,505)
Experience Loss/(Gain)		(1,456,419)
Contribution Employee		-
Change in Assumptions		-
Net Investment Income		(426,970)
Expected Return on Investments		-
Investment Gain or Loss Expensed		-
Administrative Expense		9,120
Amortization		543,772
Pension Expense	\$	<u>1,496,225</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
 - 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 \$8,984 as of June 30, 2023.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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 1.34 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 0.54 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 \$135,019 and \$138,121 for the years ended June 30, 2023, and June 30, 2022, respectively.

c. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50 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*

Net Group Life Insurance (GLI) OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date June 30, 2022, Net OPEB Liability (NOL) for the Group Life Insurance Program is as follows:

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 4,221,062
Plan Fiduciary Net Position	<u>2,836,953</u>
Employers' Net GLI OPEB Liability	<u>\$ 1,384,109</u>
Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability	67.21%

At June 30, 2023, the City of Richmond reported a liability of \$ 1,384,109 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2022. 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, 2022 relative to the total of the actuarial determined employer contributions for all participating employers. At June 30, 2022, the City of Richmond proportion was 0.11495 percent as compared to 0.12389 percent at June 30, 2021.

CITY OF RICHMOND, VIRGINIA
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For the year ended June 30, 2023, the City recognized GLI OPEB expense of \$(26,317). 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, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB program from the following sources:

Summary of Deferred Outflows and Inflows of Resources - VRS GLI		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 109,604	\$ 55,527
Net difference between projected and actual earnings on GLI OPEB program investments	-	86,486
Change of assumptions	51,625	134,818
Changes in proportionate share	-	208,648
Employer Contributions subsequent to the measurement date	135,019	-
Total	\$ 296,248	\$ 485,479

The \$135,019 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Amortization of Deferred Inflows & Deferred Outflows of Resources	
Year ended June 30,	
2024	\$ (87,114)
2025	(75,692)
2026	(111,458)
2027	(18,931)
2028	(31,055)
Thereafter	-
Total	\$ (324,250)

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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.

Sensitivity of NOL to Changes in Discount Rate			
	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
VRS Net Group Life OPEB Liability	\$ 2,014,040	\$ 1,384,109	\$ 875,038

e. Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 7.83 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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/2022-annual-report.pdf> or by writing to VRS Chief Financial Officer at P.O. Box 2500 Richmond, VA 23218-2500.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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 2023 whichever is less. The compensation deferred is not available to employees until termination, retirement, death, or an unforeseeable emergency. 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 Vantage-Trust Company is the Trustee for the plan and the City 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, 2023 and the fair value of the plan investments were \$9,546,789 and \$149,186,083, respectively.

14. RIGHT-OF-USE ASSETS

A. 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	
2024	\$ 1,891,700	\$ 528,693	\$ 72,780	\$ 429,290	\$ 2,922,463
2025	1,813,846	465,287	74,994	427,076	2,781,203
2026	1,083,217	409,719	77,275	424,795	1,995,006
2027	925,508	389,205	79,624	422,445	1,816,782
2028	977,281	371,444	82,047	420,023	1,850,795
2029-2033	3,780,036	1,543,208	449,220	2,061,129	7,833,593
2034 and thereafter	9,899,459	2,232,825	13,506,902	14,065,100	39,704,286
Total minimum lease payments	\$ 20,371,047	\$ 5,940,381	\$ 14,342,842	\$ 18,249,858	\$ 58,904,128

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$ 2,008,929	\$ -
Buildings and structures	22,769,022	-
Land and land use	-	14,482,020
Less: accumulated amortization	4,695,163	435,081
	<u>\$ 20,082,788</u>	<u>\$ 14,046,939</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, the Entity recognized \$1,196,157 and \$191,071 in lease revenue and interest revenue, respectively, pursuant to these contracts.

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 761,786	\$ 164,343	\$ 926,129
2025	548,586	145,158	693,744
2026	393,036	132,365	525,401
2027	287,635	119,769	407,404
2028	137,233	109,417	246,650
2029-2033	446,277	497,586	943,863
2034 and thereafter	2,813,575	1,131,425	3,945,000
Total minimum lease payments	<u>\$ 5,388,128</u>	<u>\$ 2,300,063</u>	<u>\$ 7,688,191</u>

B. Subscription-Based Information Technology Arrangements

The entity has entered into subscription-based information technology arrangements (SBITA's) for various software applications. The SBITA arrangements expire at various dates through 2029 and provide for renewal options.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$8,494,148 and \$553,238, respectively, for Governmental Type Activities and \$1,409,627 and \$183,824, respectively, for Business Type Activities.

The future subscription payments under SBITA agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,922,842	\$ 285,052	\$ 260,210	\$ 38,846	\$ 2,506,950
2025	1,909,672	212,894	273,221	31,636	2,427,423
2026	1,230,585	143,933	151,252	23,765	1,549,535
2027	1,284,598	99,214	158,814	19,671	1,562,297
2028	1,197,634	50,268	166,755	15,203	1,429,860
2029 - 2033	7,523	1,326	339,724	15,378	363,951
2034 and thereafter	-	-	-	-	-
Total	<u>\$ 7,552,854</u>	<u>\$ 792,687</u>	<u>\$ 1,349,976</u>	<u>\$ 144,499</u>	<u>\$ 9,840,016</u>

15. CONTINGENCIES, COMMITMENTS AND OTHER MATTERS

A. Combined Sewer Overflow (CSO)

The City operates an advanced wastewater treatment facility with a service area of 81.3 square miles that collects and treats a dry weather flow up to 45 million gallons per day (MGD) and a combination of dry weather flow and combined storm water at flows up to 140 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 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 Department of Environmental Quality (DEQ) and 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 in 1988 and most recently updated that control plan in 2002. As noted earlier, the 2020 CSO Law requires the City to make changes to its CSO control program. Specifically, the City submitted, as required an Interim plan in July 2021 and the Plan included 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 subject to sufficient available funding and financing.

The City CSO control plan was estimated at \$295 million in 1995 dollars and is now estimated at between \$700 million and \$1.0 billion in future inflated dollars based upon initial scope of the potential Final Plan options (\$354 million spent to date). Funding for the past and future CSO control plan implementation is a combination of ratepayer dollars, state revolving loan fund debt, utility revenue bond debt and state and federal grants. Under the 2005 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 1.60% of MHI as of July 2023.

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 \$720 million at June 30, 2023.

16. DISCONTINUED OPERATIONS

The City did not have any operations which were discontinued during Fiscal Year 2022-2023.

17. SUBSEQUENT EVENTS

On September 25, 2023 City Council approved the irrevocable election of the City of Richmond to join the Virginia Retirement System and to provide retirement benefits for its eligible employees beginning the first day of January 2024. New full-time, eligible employees will automatically join VRS on or after that date. Employees hired before December 31, 2023, will have until December 31, 2024, to decide to transition to VRS or remain in RRS.

The transition was adopted with a recommended three-pronged strategy and financial policies to ensure employee investment, equity in contributions, and that the Richmond Retirement System (RRS) reaches and is maintained at an 80.0 percent funded status. This approach is consideration in October and November 2023 through Ordinances 2023-312 and 2023-313.

If adopted, the city will continue its dedication to funding the RRS actuarially determined contribution annually, establish financial policies that do not increase current benefits resulting in additional costs without pre-funding, and set up a reserve trust account which includes short-term investment strategies. The administration will issue \$120 million in Pension Obligation Bonds (POBs) to fund RRS to 80.0 percent and maintain RRS' funded status at 80.0 percent minimum through future infusions to RRS from the dedicated reserve. The fund will be considered an offset to the city's unfunded accrued liability and represent a step to reaching a funding ratio of 100.0 percent. POBs are anticipated to be issued sometime during 2024.

On September 28, 2023, the City closed on the issuance of Public Utility Revenue Refunding Bonds, Series 2023B in the amount of \$209.7M. Proceeds of the Series 2023B Bonds, together with other available funds, were used (a) to advance refund certain portions of the City's Public Utility Revenue and Refunding Bonds, Series 2016A (the "2016A Bonds") and (b) to fund certain costs of issuance of the Series 2023B Bonds. Series 2023B are federally taxable until conversion into series 2026A, which will then be federally tax-exempt. Upon issuance, the series 2026A will be in the principal amount equal to the outstanding principal amount of the Series 2023B Bonds at the time of issuance. Series 2026A Bonds and will bear interest at a rate of 3.94% and will mature on January 15, 2035. The refunding resulted in a net present value savings of 9%.

On October 10, 2023, the City introduced ordinance number 2023-293 to authorize the Chief Administrative Officer to accept funds in the amount of \$1,259,411.69 from the National Opioids Settlement Fund. A special fund for the Office of the Deputy Chief Administrative Officer for Human Services called the National Opioid Settlement Special Fund was created. The funding will be used an opioid response coordinator position and opioid abatement strategies and programs.

In December 2023, the City anticipates issuing tax-exempt GO Bonds series 2023A in the amount of \$70M with proceeds used to pay off an existing Line of Credit that was opened in December 2022. The Line of Credit was used to fund certain planning and general capital needs of the city. Additionally, the City will issue two RFPs to open new lines of credit in the amount of \$250M (tax-exempt) and a \$10M (taxable) which will facilitate capital spending for the next 24 to 36 months for general capital and affordable housing investment. The City anticipates it will close on the GO Bond series 2023A and the two new Lines of Credit in December, 2023.

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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, 2023

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
City Taxes				
Real Estate	\$ 379,009,478	\$ 400,037,582	\$ 400,399,011	\$ 361,429
Sales Tax	40,299,142	50,389,183	50,865,941	476,758
Personal Property	69,675,772	69,675,772	66,758,816	(2,916,956)
Machinery and Tools	15,046,684	15,046,684	16,240,341	1,193,657
Utility Sales Tax Gas	5,202,000	4,943,986	5,301,303	357,317
Utility Sales Tax Electric	13,240,798	9,471,097	14,818,687	5,347,590
Utility Sales Tax Telephone	181,776	181,776	-	(181,776)
State Communication Taxes	14,440,680	11,767,543	11,740,138	(27,405)
Bank Stock	9,006,718	10,000,000	10,744,703	744,703
Prepared Food	41,101,160	43,887,483	52,216,109	8,328,626
Cigarette Tax	3,212,009	2,366,131	2,483,993	117,862
Lodging Tax	6,809,609	7,775,145	9,123,199	1,348,054
Admission	939,257	2,836,024	3,437,719	601,695
Real Estate Taxes - Delinquent	11,276,323	11,270,912	10,824,712	(446,200)
Personal Property Taxes - Delinquent	7,914,790	7,914,790	18,648,863	10,734,073
Private Utility Poles and Conduits	19,636	19,636	-	(19,636)
Penalties and Interest	6,712,397	6,718,888	7,700,452	981,564
Titling Tax-Mobile Home	9,807	9,807	-	(9,807)
State Recordation	1,000,000	-	-	-
Property Rental 1%	100,032	232,490	265,561	33,071
Vehicle Rental Tax	893,846	1,238,497	1,233,191	(5,306)
Telephone Commissions	355,000	329,700	325,784	(3,916)
Total City Taxes	<u>626,446,914</u>	<u>656,113,126</u>	<u>683,128,523</u>	<u>27,015,397</u>
Licenses, Permits, and Privilege Fees				
Business and Professional	35,774,569	35,299,935	38,846,374	3,546,439
Vehicle	6,429,914	6,429,914	7,109,036	679,122
Transfers, Penalties, Interest & Delinquent Collections	9,515	33,899	40,527	6,628
Utilities Right of Way Fees	1,788,600	1,220,605	513,487	(707,118)
Other Licenses, Permits and Fees	1,594,856	2,103,931	2,536,153	432,222
Total Licenses, Permits and Privilege Fees	<u>45,597,454</u>	<u>45,088,284</u>	<u>49,045,577</u>	<u>3,957,293</u>
Intergovernmental				
State Shared Expense	23,282,715	20,343,612	24,469,191	4,125,579
Total State Block Grant	3,620,516	3,277,485	2,879,468	(398,017)
Department of Social Services	14,656,199	14,656,199	13,484,861	(1,171,338)
Federal Revenues	25,230,963	42,235,040	29,657,458	(12,577,582)
State Aid to Localities	16,237,342	16,237,342	16,988,879	751,537
Service Charges on Tax Exempt Property (State PILOT)	3,698,683	3,698,683	6,712,743	3,014,060
All Other Intergovernmental Revenues	693,097	874,041	3,351,547	2,477,506
Total Intergovernmental	<u>\$ 87,419,515</u>	<u>\$ 101,322,402</u>	<u>\$ 97,544,147</u>	<u>\$ (3,778,255)</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Charges				
Refuse Collection Fees	\$ 16,592,941	\$ 17,736,475	\$ 17,777,876	\$ 41,401
Safety Related Charges	426,000	286,545	549,943	263,398
Rental of Property	1,877,270	874,055	711,528	(162,527)
Building Service Charges	556,017	703,699	699,012	(4,687)
Inspection Fees	8,344,801	8,228,432	12,549,591	4,321,159
Recycling Proceeds	2,054,092	1,997,891	2,188,190	190,299
Health Related Charges	125,000	95,741	125,193	29,452
Other Sales - Income	20,155	41,531	35,736	(5,795)
Printing and Telecom Charges	4,000	6,492	9,331	2,839
Other Service Charges	1,014,634	853,131	581,212	(271,919)
Total Service Charges	<u>31,014,910</u>	<u>30,823,992</u>	<u>35,227,612</u>	<u>4,403,620</u>
Fines and Forfeitures				
Richmond Public Library	4,000	4,715	7,609	2,894
Circuit Court	83,672	-	51,870	51,870
General District Court	287	-	-	-
Juvenile and Domestic Relations District Court	7,610,302	8,000	7,569,288	7,561,288
Total Fines and Forfeitures	<u>7,698,261</u>	<u>12,715</u>	<u>7,628,767</u>	<u>7,616,052</u>
Utility Payments				
Utility Pilot Payment	20,494,355	19,645,222	20,253,010	607,788
Utility Payment - City Services	2,474,584	2,474,584	2,474,584	-
Utilities Payment for Collection Service	147,612	147,612	142,011	(5,601)
Total Utility Payments	<u>23,116,551</u>	<u>22,267,418</u>	<u>22,869,605</u>	<u>602,187</u>
Miscellaneous Revenues				
Reimbursement of Interest on Long-term Debt	-	-	1,030,391	1,030,391
Internal Service Fund Payments	248,845	248,845	-	(248,845)
Miscellaneous Revenues	3,894,979	24,444,588	21,832,197	(2,612,391)
Other Payments to General Fund	580,000	170,893	169,308	(1,585)
Total Miscellaneous Revenues	<u>4,723,824</u>	<u>24,864,326</u>	<u>23,031,896</u>	<u>(1,832,430)</u>
Total General Fund Revenues	<u>\$ 826,017,429</u>	<u>\$ 880,492,263</u>	<u>\$ 918,476,127</u>	<u>\$ 37,983,864</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Current				
General Government				
City Council	\$ 1,565,339	\$ 1,781,568	\$ 1,578,923	\$ 202,645
City Clerk	1,196,918	1,196,918	1,015,060	181,858
Planning and Development Review	13,183,977	14,431,048	12,349,034	2,082,014
Assessor of Real Estate	4,475,247	5,850,172	4,001,933	1,848,239
City Auditor	2,212,152	2,230,152	1,748,888	481,264
Department of Law	4,772,393	5,248,191	5,192,739	55,452
General Registrar	4,043,401	5,341,804	5,931,507	(589,703)
Inspector General	902,510	902,510	703,866	198,644
Department of Information Technology	-	-	2,718	(2,718)
Chief Administrative Officer	1,816,932	2,341,762	2,376,081	(34,319)
Citizen Service and Response	2,148,595	2,148,595	2,070,439	78,156
Budget and Strategic Planning	1,951,923	2,233,987	1,581,596	652,391
Department of Human Resources	5,233,237	5,970,832	4,224,639	1,746,193
Department of Finance	12,841,153	28,579,328	13,248,436	15,330,892
Procurement Services	1,748,525	1,896,858	1,829,484	67,374
Office of Press Secretary to Mayor	151,925	151,925	125,333	26,592
City Treasurer	330,265	330,265	337,924	(7,659)
Economic/Community Development	4,271,781	8,675,199	5,124,254	3,550,945
Housing and Community Development	1,770,778	20,359,019	2,838,002	17,521,017
Council Chief of Staff	1,568,281	1,815,074	1,149,637	665,437
Minority Business Development	962,824	1,400,181	1,348,463	51,718
Office of Community Wealth Building	4,116,616	5,861,497	3,936,027	1,925,470
City Mayors Office	1,145,346	1,204,588	1,204,668	(80)
Total General Government	<u>72,410,118</u>	<u>119,951,473</u>	<u>73,919,651</u>	<u>46,031,822</u>
Public Safety and Judiciary				
Judiciary	12,918,617	12,927,444	12,564,716	362,728
Juvenile and Domestic Relations District Court	494,636	494,636	384,809	109,827
City Sheriff	43,506,112	45,448,671	42,381,711	3,066,960
Department of Police	109,246,393	112,507,095	106,168,311	6,338,784
Department of Emergency Communications	6,355,577	8,173,459	7,410,477	762,982
Department of Fire and Emergency Services	61,473,988	66,670,147	67,898,209	(1,228,062)
Animal Control	2,171,983	2,626,544	2,743,276	(116,732)
Total Public Safety and Judiciary	<u>236,167,306</u>	<u>248,847,996</u>	<u>239,551,509</u>	<u>9,296,487</u>
Highways, Streets, Sanitation and Refuse				
Department of Public Works	<u>37,189,867</u>	<u>43,718,878</u>	<u>41,583,700</u>	<u>2,135,178</u>
Human Services				
Office of DCAO for Human Services	2,189,294	4,225,109	3,811,884	413,225
Department of Social Services	48,918,937	49,205,056	42,424,235	6,780,821
Justice Services	10,614,497	10,757,486	9,518,482	1,239,004
Department of Public Health	4,633,490	4,633,490	4,633,490	-
Total Human Services	<u>66,356,218</u>	<u>68,821,141</u>	<u>60,388,091</u>	<u>8,433,050</u>
Culture and Recreation				
Richmond Public Library	6,863,983	6,985,408	7,428,420	(443,012)
Department of Parks, Recreation and Community Facilities	21,862,891	25,209,517	24,559,656	649,861
Total Culture and Recreation	<u>28,726,874</u>	<u>32,194,925</u>	<u>31,988,076</u>	<u>206,849</u>
Education				
Richmond Public Schools	200,307,625	200,307,625	200,307,625	-
Total Education	<u>\$ 200,307,625</u>	<u>\$ 200,307,625</u>	<u>\$ 200,307,625</u>	<u>\$ -</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Non-Departmental				
Payments to Other Government Agencies	\$ 16,207,472	\$ 17,097,472	\$ 20,357,055	\$ (3,259,583)
Tax Relief	4,561,518	4,561,518	4,741,175	(179,657)
GRTC	8,674,090	8,674,090	8,619,754	54,336
RRS Contributions/Retiree's Health Care Program	2,984,232	6,484,232	1,093,250	5,390,982
Contributions	44,333,213	85,318,641	67,584,556	17,734,085
Total Non-Departmental	<u>76,760,525</u>	<u>122,135,953</u>	<u>102,395,790</u>	<u>19,740,163</u>
Total General Fund Expenditures	<u>717,918,533</u>	<u>835,977,991</u>	<u>750,134,442</u>	<u>85,843,549</u>
City Equipment & Other Infrastructure Investment	-	-	11,201	(11,201)
Excess of Revenues Over Expenditures	<u>108,098,896</u>	<u>44,514,272</u>	<u>168,330,484</u>	<u>123,816,212</u>
Other Financing Sources				
Transfers In - Other Funds	12,698,399	30,750,399	4,037,010	(26,713,389)
Transfers Out - Other Funds	(120,797,295)	(120,797,295)	(116,076,752)	4,720,543
Total Other Financing Sources, Net	<u>(108,098,896)</u>	<u>(90,046,896)</u>	<u>(112,039,742)</u>	<u>(21,992,846)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>-</u>	<u>(45,532,624)</u>	<u>56,290,742</u>	<u>101,823,366</u>
Fund Balance - Beginning of Year, as restated	<u>162,170,205</u>	<u>147,656,912</u>	<u>206,249,161</u>	<u>58,592,249</u>
Fund Balance - End of Year	<u>\$ 162,170,205</u>	<u>\$ 102,124,288</u>	<u>\$ 262,539,903</u>	<u>\$ 160,415,615</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, 2023**

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, 2023:

General Registrar	\$ 589,703
Department of Information Technology	2,718
Chief Administrative Officer	34,319
City Treasurer	7,659
City Mayors Office	80
Department of Fire and Emergency Services	1,228,062
Department of Fire and Emergency Communications	1,228,062
Animal Control	116,732
Richmond Public Librayr	443,012

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	2023
Total pension liability									
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	\$ 10,740,313
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	62,432,160
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)	4,485,254
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)	(73,170,570)
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	4,487,157
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	927,854,522
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	\$ 932,341,679
Plan fiduciary net position									
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	\$ 53,387,872
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	1,727,540
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	(44,808,582)
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)	(73,170,570)
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)	(1,536,064)
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	(64,399,804)
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	666,099,499
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	\$ 601,699,695
City's net pension liability - ending (a) - (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	\$ 330,641,984
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%	64.54%
Covered payroll	\$ 107,834,516	\$ 109,038,530	\$ 104,977,759	\$ 104,668,019	\$ 105,442,140	\$ 106,031,020	\$ 101,964,037	\$ 93,295,563	\$ 92,777,107
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%	356.38%

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

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
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	53,387,868
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	53,387,868
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	92,777,107
Contributions as a percentage of covered payroll	37.8%	43.4%	41.7%	39.7%	45.7%	46.6%	57.9%	57.5%	57.5%

**Richmond Retirement System
Schedule of Investment Returns**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
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%	5.8%

Notes to the Required Supplementary Pension Information

Richmond Retirement System Pension Plan

For the Year Ended June 30, 2023

Methods and Assumptions Used to Determine Contribution Rates:

The following changes were made to assumptions:

Remaining Amortization Period - Re-amortize unfunded liability over 8 years as of July 1, 2023. 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>	<u>2023</u>
Total pension liability									
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	\$ 3,251,586
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	9,947,561
Differences between expected and actual expenses	(479,419)	110,367	(196,070)	(2,719,281)	(388,284)	540,139	(733,288)	(1,930,566)	(1,341,387)
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)	(8,705,671)
Changes in assumptions	-	-	-	-	-	-	-	-	-
Net change in total pension liability	<u>4,562,856</u>	<u>5,136,599</u>	<u>4,522,484</u>	<u>1,554,149</u>	<u>4,603,665</u>	<u>9,327,705</u>	<u>3,826,636</u>	<u>6,606,225</u>	<u>3,152,089</u>
Total pension liability - beginning	<u>108,332,204</u>	<u>112,895,060</u>	<u>118,031,659</u>	<u>122,554,143</u>	<u>124,108,292</u>	<u>128,711,957</u>	<u>138,039,662</u>	<u>141,866,298</u>	<u>148,472,523</u>
Total pension liability - ending (a)	<u>\$ 112,895,060</u>	<u>\$ 118,031,659</u>	<u>\$ 122,554,143</u>	<u>\$ 124,108,292</u>	<u>\$ 128,711,957</u>	<u>\$ 138,039,662</u>	<u>\$ 141,866,298</u>	<u>\$ 148,472,523</u>	<u>\$ 151,624,612</u>
Plan fiduciary net position									
Contributions - employer	\$ 3,497,052	\$ 3,471,373	\$ 3,621,503	\$ 3,219,694	\$ 3,176,521	\$ 2,948,781	2,939,040	3,248,868	3,151,757
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	1,336,414
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	(111,554)
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)	(8,705,671)
Administrative expense	(74,396)	(62,657)	(64,054)	(72,905)	(72,921)	(79,792)	(82,204)	(84,660)	(95,550)
Other	723	(962)	(759)	(11,180)	(7,471)	(4,992)	(2,785)	(9,898)	(5,428)
Net change in plan fiduciary net position	<u>12,310,860</u>	<u>3,133,343</u>	<u>336,377</u>	<u>10,516,995</u>	<u>5,969,316</u>	<u>4,693,759</u>	<u>(1,525,421)</u>	<u>29,191,549</u>	<u>(4,430,032)</u>
Plan fiduciary net position - beginning	<u>88,099,002</u>	<u>100,409,862</u>	<u>103,543,205</u>	<u>103,879,582</u>	<u>114,396,577</u>	<u>120,365,893</u>	<u>125,059,652</u>	<u>123,534,231</u>	<u>152,725,780</u>
Plan fiduciary net position - ending (b)	<u>\$ 100,409,862</u>	<u>\$ 103,543,205</u>	<u>\$ 103,879,582</u>	<u>\$ 114,396,577</u>	<u>\$ 120,365,893</u>	<u>\$ 125,059,652</u>	<u>\$ 123,534,231</u>	<u>\$ 152,725,780</u>	<u>\$ 148,295,748</u>
City's net pension liability / (asset) - ending (a) minus (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>	<u>\$ 3,328,864</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%	97.8%
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	\$ 26,194,267
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%	12.7%

* 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

VRS	<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>	<u>2023</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	4,488,171
Actuarially Determined Contribution	3,291,603	3,077,272	3,497,052	3,471,373	3,621,503	3,219,694	3,176,521	3,027,531	3,301,487	3,331,911	3,493,027
Excess (Deficiency)	-	-	-	-	925,532	1,587,578	1,525,822	1,527,798	1,237,056	1,199,640	995,144
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	25,970,460
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%	13.5%

Notes to Required Supplementary Tables VRS Pension Plan

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

REQUIRED SUPPLEMENTARY INFORMATION

NET OPEB LIABILITY

CITY OF RICHMOND OPEB PLAN SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

For The Last Ten Fiscal Years*

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 4,021,865	\$ 4,222,958	\$ 4,434,106	\$ 5,702,876	\$ 5,854,572	\$ 2,653,431
Interest	2,425,532	2,532,946	2,553,264	3,058,492	3,188,970	1,315,796
Change of Benefit Terms	-	-	24,431,269	-	(53,566,193)	-
Difference between expected and actual experience	-	-	6,508,726	-	(28,201,247)	(1,773,421)
Change in Assumptions	-	-	-	-	(10,387,390)	(11,645,592)
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>	<u>(1,402,608)</u>
Net Change in Total OPEB Liability	3,489,371	3,561,236	31,613,624	2,447,627	(87,119,178)	(10,852,394)
Total OPEB Liability - beginning	76,927,555	80,416,926	83,978,162	115,591,786	118,039,413	30,920,236
Total OPEB Liability - ending (a)	<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>	<u>\$ 20,067,842</u>
 Plan Fiduciary Net Position						
Contributions - employer	\$ 2,958,026	\$ 3,194,668	\$ 6,313,741	\$ 6,313,741	\$ 5,407,890	\$ 2,802,608
Net Investment Income	-	-	-	-	(830,909)	675,005
Benefit Payments/Refunds	(2,958,026)	(3,194,668)	(6,313,741)	(6,313,741)	(4,007,890)	(1,402,608)
Administrative Expenses	-	-	-	-	(8,971)	(9,120)
Net Changes in Plan Fiduciary Net Position	<u>\$ 2,958,026</u>	<u>\$ 3,194,668</u>	<u>-</u>	<u>6,313,741</u>	<u>560,120</u>	<u>2,065,885</u>
 Plan Fiduciary Net Position - beginning	-	-	-	-	7,674,657	8,234,777
Plan Fiduciary Net Position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,234,777</u>	<u>10,300,662</u>
Net 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>\$ 22,685,458</u>	<u>\$ 9,767,180</u>
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	36.30%	51.33%
Covered payroll	\$ 107,395,730	\$ 100,320,588	\$ 99,822,621	\$ 115,756,485	\$ 102,167,580	\$ 127,355,724
City's Net OPEB liability as a percentage of covered payroll	74.88%	83.71%	115.80%	101.97%	22.20%	7.67%

*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 six 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:

	2018		2019		2020		2021		2022		2023
Actuarially determined contribution	\$ 9,228,017	\$	8,371,014	\$	13,670,345	\$	14,207,750	\$	14,379,755	\$	3,752,830
Contributions in relation to the actuarially determined contribution	2,958,026		3,194,668		6,313,741		6,313,741		5,407,890		2,802,608
Contribution deficiency (excess)	\$ 6,269,991	\$	5,176,346	\$	7,356,604	\$	7,894,009	\$	8,971,865	\$	950,222
 Covered payroll	 \$ 100,320,588	\$	 99,822,621	\$	 115,756,485	\$	 102,167,580	\$	 87,509,297	\$	 127,355,724

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%	0.00%	0.00%	-10.19%	7.77%

*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 4.09% to 6.75% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023.

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>	<u>2023</u>
City of Richmond's Proportion % of the Net GLI OPEB Liability	0.14%	0.13%	0.13%	0.13%	0.12%	0.11%
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	\$ 1,384,109
Covered Payroll	\$ 25,589,505	\$ 25,944,554	\$ 25,577,974	\$ 25,045,181	\$ 25,045,181	\$ 25,045,181
Employer's Proportionate Share of the NET GLI OPEB Liability as a Percentage of Covered Payroll	8.14%	7.94%	8.30%	8.40%	5.76%	5.53%
Plan Fiduciary Net Position as a Percentage of the total GLI OPEB Liability	48.86%	51.22%	51.22%	52.64%	67.45%	67.21%

*Note - The above schedule is presented to illustrate the requirement for information covering the last Ten Fiscal Years.

However, until a full ten year trend is compiled, information is only presented for the years in which information is available.

REQUIRED SUPPLEMENTARY INFORMATION

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

Date	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency/(Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 135,019	\$ 135,019	\$ -	\$ 25,045,181	0.54%
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%

**Notes to Required Supplemental Information - VRS Group Life OPEB Plan
For the Year Ended June 30, 2023**

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



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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, 2023**

EXHIBIT I-1

	Special Revenue		Permanent Funds			
	Grants Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	Total
Assets						
Cash and Cash Equivalents	\$ 55,929,732	\$ -	\$ -	\$ 204	\$ 527	\$ 55,930,463
Accounts Receivable, Net	6,030,768	6,340,000	-	-	-	12,370,768
Due From Other Governments	3,862,746	4,341,385	-	-	-	8,204,131
Restricted Assets	-	-	6,482	28,083	33,061	67,626
Total Assets	65,823,246	10,681,385	6,482	28,287	33,588	76,572,988
Liabilities:						
Accounts Payable	4,424,738	1,206,805	-	-	-	5,631,543
Accrued Liabilities	1,141,369	-	-	-	-	1,141,369
Accrued Wages	1,032,684	21,391	-	-	-	1,054,075
Due To Other Funds	589,980	4,409,691	-	-	-	4,999,671
Unearned Revenue	265,014	6,340,000	-	-	-	6,605,014
Total Liabilities	7,453,785	11,977,887	-	-	-	19,431,672
Deferred Inflows of Resources:						
Deferred Revenue - Opioid Settlement	5,165,313	-	-	-	-	5,165,313
Total Deferred Inflows of Resources	5,165,313	-	-	-	-	5,165,313
Fund Balances:						
Restricted	53,204,148	-	6,482	28,287	33,588	53,272,505
Unassigned	-	(1,296,502)	-	-	-	(1,296,502)
Total Fund Balances	53,204,148	(1,296,502)	6,482	28,287	33,588	51,976,003
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 65,823,246	\$ 10,681,385	\$ 6,482	\$ 28,287	\$ 33,588	\$ 76,572,988

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, 2023

EXHIBIT I-2

	Special Revenue		Permanent Funds			Total
	Grant Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	
Revenues						
Intergovernmental	\$ 82,491,559	\$ 8,773,282	\$ -	\$ -	\$ -	\$ 91,264,841
Service Charges	3,043,362	-	-	-	-	3,043,362
Fines and Forfeitures	350,222	-	-	-	-	350,222
Investment Income	364,288	-	-	82	6	364,376
Lease Revenue	2,144,211	-	-	-	-	2,144,211
Miscellaneous	9,794,028	518,544	-	-	-	10,312,572
Total Revenues	98,187,670	9,291,826	-	82	6	107,479,584
Expenditures						
Current:						
General Government	10,005,502	8,124,203	-	-	-	18,129,705
Public Safety and Judiciary	11,989,202	-	-	-	-	11,989,202
Highways, Streets, Sanitation and Refuse	58,137,801	-	-	-	400	58,138,201
Human Services	18,501,742	67,251	-	-	-	18,568,993
Culture and Recreation	1,650,457	-	-	-	-	1,650,457
Total Expenditures	100,284,704	8,191,454	-	-	400	108,476,558
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,097,034)	1,100,372	-	82	(394)	(996,974)
Other Financing Sources						
Transfers In - Other Funds	15,297,728	-	-	-	-	15,297,728
Transfers Out - Other Funds	(1,495,206)	(979,294)	-	-	-	(2,474,500)
Total Other Financing Sources, Net	13,802,522	(979,294)	-	-	-	12,823,228
Net Change in Fund Balances	11,705,488	121,078	-	82	(394)	11,826,254
Fund Balance - Beginning of Year	41,498,660	(1,417,580)	6,482	28,205	33,982	40,149,749
Fund Balance - End of Year	\$ 53,204,148	\$ (1,296,502)	\$ 6,482	\$ 28,287	\$ 33,588	\$ 51,976,003

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2023**

EXHIBIT I-3

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental Revenue	\$ 110,729,279	\$ 144,445,397	\$ 91,264,841	\$ 53,180,556
Investment Earnings and Contributions	-	-	364,376	(364,376)
Miscellaneous Revenue	4,892,378	15,978,366	15,850,367	127,999
Total Revenues	115,621,657	160,423,763	107,479,584	52,944,179
Expenditures				
General Government	22,450,937	57,189,437	18,129,705	39,059,732
Public Safety and Judiciary	15,245,022	23,121,714	11,989,202	11,132,512
Highways, Streets, Sanitation and Refuse	54,717,378	55,089,066	58,138,201	(3,049,135)
Human Services	19,421,434	21,236,660	18,568,993	2,667,667
Culture and Recreation	3,786,886	3,786,886	1,650,457	2,136,429
Total Expenditures	115,621,657	160,423,763	108,476,558	7,145,099
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(996,974)	45,799,080
Other Financing Sources (Uses)				
Transfers In - Other Funds	-	-	15,297,728	15,297,728
Transfers Out - Other Funds	-	-	(2,474,500)	(2,474,500)
Total Other Financing Sources, Net	-	-	12,823,228	12,823,228
Net Change in Fund Balance	-	-	11,826,254	11,826,254
Fund Balance - Beginning of Year	40,149,749	40,149,749	40,149,749	-
Fund Balance - End of Year	\$ 40,149,749	\$ 40,149,749	\$ 51,976,003	\$ 11,826,254

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2023**

EXHIBIT I-4

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental Revenues and Service Charges	\$ 40,184,257	\$ 115,719,065	\$ 15,120,866	\$ (100,598,199)
Total Intergovernmental Revenues	<u>40,184,257</u>	<u>115,719,065</u>	<u>15,120,866</u>	<u>(100,598,199)</u>
Investment Earnings and Contributions				
Interest Earned on Restricted Funds	-	-	589,893	589,893
Total Investment Earnings	<u>-</u>	<u>-</u>	<u>589,893</u>	<u>589,893</u>
Miscellaneous Revenues				
Miscellaneous	10,000,000	13,448,000	133,499	(13,314,501)
Total Miscellaneous Revenues	<u>10,000,000</u>	<u>13,448,000</u>	<u>133,499</u>	<u>(13,314,501)</u>
Total Revenues	<u>50,184,257</u>	<u>129,167,065</u>	<u>15,844,258</u>	<u>(113,322,807)</u>
Expenditures				
Capital Outlay:				
City Facility Maintenance & Improvements	15,668,036	23,168,036	20,455,516	2,712,520
Culture & Recreation	10,000,000	10,000,000	10,491,506	(491,506)
Economic & Community Development	2,950,000	70,898,000	204,760	70,693,240
Education	2,500,000	2,500,000	8,581,328	(6,081,328)
Public Safety	35,239,257	42,774,065	33,418,050	9,356,015
Transportation	22,145,000	22,145,000	11,515,195	10,629,805
City Equipment & Other Infrastructure Investment	10,000,000	13,500,000	872,609	12,627,391
Total Expenditures	<u>98,502,293</u>	<u>184,985,101</u>	<u>85,538,964</u>	<u>99,446,137</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(48,318,036)</u>	<u>(55,818,036)</u>	<u>(69,694,706)</u>	<u>(13,876,670)</u>
Other Financing Sources (Uses)				
Proceeds of Bonds and Notes	38,318,036	45,818,036	37,500,000	8,318,036
Premium Rec'd on Bonds	10,000,000	10,000,000	-	(10,000,000)
Transfers In - Other Funds	-	-	12,089,516	12,089,516
Total Other Financing Sources, Net	<u>48,318,036</u>	<u>55,818,036</u>	<u>49,589,516</u>	<u>10,407,552</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(20,105,190)</u>	<u>(3,469,118)</u>
Fund Balance - Beginning of Year, as restated	<u>(29,577,325)</u>	<u>(29,577,325)</u>	<u>(31,226,642)</u>	<u>(1,649,317)</u>
Fund Balance - End of Year	<u>\$ 31,226,668</u>	<u>\$ (31,226,668)</u>	<u>\$ (51,331,832)</u>	<u>\$ (5,118,435)</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2023

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

	Original Budget	Final Budget	Actual	
Revenues				
Transfer in From General Fund - Debt Service	\$ 87,679,734	\$ 88,250,734	\$ 88,962,309	\$ 711,575
Transfer in From General Fund - Non-Departmental	-	-	-	-
Reimbursement from Federal Government	990,626	990,626	623,585	(367,041)
Payments from EDA (Stone Brewing Project)	1,440,113	1,440,113	1,436,083	(4,030)
Transfer from CDBG to pay HUD Notes	979,294	979,294	849,294	(130,000)
Other Revenue	-	-	385,069	385,069
Total Revenue	\$ 91,089,767	\$ 91,660,767	\$ 92,256,340	\$ 595,573
Expenditures				
Principal Payments				
General Government Projects	\$ 25,178,756	\$ 25,178,756	\$ 24,726,440	\$ 452,316
Justice Center Project	4,785,218	4,785,218	4,785,218	-
Carpenter Center Project	1,305,993	1,305,993	1,305,993	-
Transportation Projects	7,866,258	7,866,258	7,863,467	2,791
School Capital Improvement Projects	18,388,314	18,388,314	18,385,420	2,894
Stone Brewing Project	730,000	730,000	730,000	-
Coliseum	465,694	465,694	465,694	-
HUD Section 108 Notes	700,000	700,000	700,000	-
Cemeteries	31,233	31,233	-	31,233
	-	-	-	-
Total Principal Payments	59,451,466	59,451,466	58,962,232	489,234
Interest Payments				
General Government Projects	9,935,813	9,935,813	9,580,539	355,274
Justice Center Project	3,281,196	3,281,196	3,281,196	-
Carpenter Center Project	547,937	547,937	547,937	-
Transportation Projects	4,176,155	4,176,155	4,025,979	150,176
Schools Capital Improvement Projects	11,536,182	11,536,182	11,380,468	155,714
730 Theater Row Bldg Project	-	-	-	-
Stone Brewing Project	710,113	710,113	710,113	-
Coliseum	30,424	30,424	30,424	-
HUD Section 108 Notes	279,294	279,294	279,294	-
Cemeteries	2,320	2,320	-	2,320
	-	-	-	-
Total Interest Payments on Bonds	30,499,434	30,499,434	29,835,950	663,484
Interest - Short Term Debt				
GO Bond Anticipation Notes -City	600,000	600,000	591,970	8,030
Total Interest Payments on Short Term Debt	600,000	600,000	591,970	8,030
Total Interest Payments	31,099,434	31,099,434	30,427,920	671,514
Cost of Issuance	-	-	665,286	(665,286)
Total Expenditures	\$ 90,550,900	\$ 90,550,900	\$ 90,055,438	\$ 495,462
Excess of Revenues Over Expenditures	538,867	1,109,867	2,200,902	1,091,035
Proceeds of GO Bonds	-	-	53,037,814	53,037,814
Premium received on issuance of GO Bonds	-	-	-	-
Payment to Refunding Escrow	-	-	(52,600,000)	(52,600,000)
	-	-	-	-
	\$ -	\$ -	\$ 437,814	\$ 437,814
Net Change in Fund Balance	538,867	1,109,867	2,638,716	1,528,849
Beginning Fund Balance	14,426,685	14,426,685	15,389,735	(963,050)
Ending Fund Balance	\$ 14,965,552	\$ 15,536,552	\$ 18,028,450	\$ 565,799

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, 2023

EXHIBIT J-1

	Cemeteries	Parking Enterprise	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 729	\$ 14,648,824	\$ 14,649,553
Accounts Receivable, Net	-	1,951,560	1,951,560
Prepaid Expenses and Other Current Assets	-	45	45
Total Current Assets	729	16,600,429	16,601,158
Noncurrent Assets:			
Capital Assets:			
Land	8,188,700	14,268,255	22,456,955
Buildings and Structures	611,771	35,519,958	36,131,729
Equipment	157,317	3,661,474	3,818,791
Less Accumulated Depreciation	(673,671)	(17,881,079)	(18,554,750)
ROU Assets Land & Land Rights	-	14,482,020	14,482,020
Less: Accumulated amortization	-	(216,419)	(216,419)
Total Noncurrent Assets	8,284,117	49,834,209	58,118,326
Total Assets	8,284,846	66,434,638	74,719,484
Deferred Outflow of Resources			
Employer Contributions to Pension			
Pension /OPEB Related Activities (Note 11 and 12)	346,383	462,436	808,819
Total Deferred Outflows of Resources	346,383	462,436	808,819
Liabilities			
Current Liabilities:			
Accounts Payable	\$ 358,219	\$ 740,511	\$ 1,098,730
Accrued Liabilities	34,315	38,742	73,057
Due To Other Funds	2,692,112	-	2,692,112
Accrued Interest on Bonds	709	537,885	538,594
General Obligation Bonds	31,299	3,585,000	3,616,299
Compensated Absences	21,110	17,509	38,619
Other Liabilities & Claims Payable	18,149	14,413,474	14,431,623
Total Current Liabilities	3,155,913	19,333,121	22,489,034
Noncurrent Liabilities:			
General Obligation Bonds	-	33,944,295	33,944,295
Compensated Absences	45,087	37,394	82,481
Net Pension and OPEB Liability	1,191,424	1,590,601	2,782,025
Total Noncurrent Liabilities	1,236,511	35,572,290	36,808,801
Total Liabilities	4,392,424	54,905,411	59,297,835
Deferred Inflow of Resources			
Pension & OPEB Related Activities (Note 11)			
	191,728	255,965	447,693
Total Deferred Inflows of Resources	191,728	255,965	447,693
Net Position			
Net Investment in Capital Assets	8,253,701	(5,477,119)	2,776,582
Unrestricted	(4,206,624)	17,212,817	13,006,193
Total Net Position	\$ 4,047,077	\$ 11,735,698	\$ 15,782,775

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, 2023

EXHIBIT J-2

	Cemeteries	Parking Enterprise	Total
Operating Revenues			
Charges for Goods and Services	\$ 1,751,063	\$ 19,077,194	\$ 20,828,257
Operating Expenses			
Salaries and Wages and Benefits	585,805	3,642,089	4,227,894
Materials and Supplies	42,594	13,882	56,476
Rents and Utilities	52,004	747,283	799,287
Maintenance and Repairs	236,138	684,581	920,719
Depreciation and Amortization	10,579	1,535,126	1,545,705
Claims and Settlements	34,948	14,686	49,634
Miscellaneous Operating Expenses	1,360,161	6,614,082	7,974,243
Total Operating Expenses	<u>2,322,229</u>	<u>13,251,729</u>	<u>15,573,958</u>
Operating Income (Loss)	<u>(571,166)</u>	<u>5,825,465</u>	<u>5,254,299</u>
Non-Operating Revenues (Expenses)			
Interest and Fiscal Charges	(1,610)	(1,005,229)	(1,006,839)
Total Non-Operating Revenues (Expenses), Net	<u>(1,610)</u>	<u>(1,005,229)</u>	<u>(1,006,839)</u>
Change In Net Position	(572,776)	4,820,236	4,247,460
Net Position - Beginning of Year	4,619,853	6,915,462	11,535,315
Net Position - End of Year	<u>\$ 4,047,077</u>	<u>\$ 11,735,698</u>	<u>\$ 15,782,775</u>

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023

EXHIBIT J-3

	Cemeteries	Parking Enterprise	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$ 1,751,061	\$ 18,004,362	\$ 19,755,423
Payments to Suppliers	(1,476,353)	(8,334,620)	(9,810,973)
Payments to Employees	(1,067,452)	(1,295,608)	(2,363,060)
Net Cash Provided by (Used in) Operating Activities	<u>(792,744)</u>	<u>8,374,134</u>	<u>7,581,390</u>
Cash Flows from Noncapital Financing Activities			
Due to Other Funds	817,314		
Due From Other Funds	9,709	-	9,709
Net Cash Provided by Noncapital Financing Activities	<u>827,023</u>	<u>-</u>	<u>827,023</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets/ ROU Assets	-	647,475	647,475
Repayments of GO Bonds	(31,230)	(3,643,156)	(3,674,386)
Interest Paid on Long-Term Debt	(2,320)	(1,058,215)	(1,060,535)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(33,550)</u>	<u>(4,053,896)</u>	<u>(4,087,446)</u>
Net Increase in Cash and Cash Equivalents	729	4,320,238	4,320,967
Cash and Cash Equivalents at July 1, 2022	-	10,328,586	10,328,586
Cash and Cash Equivalents at June 30, 2023	<u>\$ 729</u>	<u>\$ 14,648,824</u>	<u>\$ 14,649,553</u>
Reconciliation of Operating Income (Loss) to Net Cash			
Provided by (Used In) Operating Activities			
Operating Income (Loss)	\$ (571,181)	\$ 5,177,991	\$ 4,606,810
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:			
Depreciation	10,579	1,535,126	1,545,705
Gain/(Loss) on Disposal of Capital Assets	-		
Pension Expense	(488,414)	2,340,056	1,851,642
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:			
Accounts Receivable	-	(425,359)	(425,359)
Accounts Payable	249,507	(260,103)	(10,596)
Compensated Absences	6,765	6,427	13,192
Total Adjustments	<u>(221,563)</u>	<u>3,196,147</u>	<u>2,974,584</u>
Net Cash Provided by Operating Activities	<u>\$ (792,744)</u>	<u>\$ 8,374,138</u>	<u>\$ 7,581,394</u>

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, 2023

EXHIBIT K-1

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Assets								
Current Assets:								
Cash and Cash Equivalents	\$ 2,382,086	\$ 2	\$ 36,851,029	\$ 15,883,466	\$ 9,295,496	\$ 2,745,211	\$ -	\$ 67,157,290
Accounts Receivables, Net	1,470	-	-	367	647,414	2,069,739	-	2,718,990
Inventory	-	287,769	-	-	-	-	9,044,280	9,332,049
Prepaid Expenses	-	-	-	-	-	-	136,518	136,518
Total Current Assets	2,383,556	287,771	36,851,029	15,883,833	9,942,910	4,814,950	9,180,798	79,344,847
Noncurrent Assets:								
Capital Assets:								
Land	98,000	-	-	-	-	265,389	1,686,532	2,049,921
Buildings and Structures	1,211,217	13,218	-	-	-	54,736,717	3,478,431	59,439,583
Equipment	69,935,482	508,897	-	5,086,393	-	15,064,167	17,936,303	108,531,242
Construction in Progress	-	-	-	-	-	289,660	-	289,660
Less Accumulated Depreciation	(63,631,501)	(424,661)	-	(3,582,705)	-	(49,910,204)	(20,869,250)	(138,418,321)
ROU Assets-Equip & Other Assets	-	-	-	1,567,894	-	-	-	1,567,894
Less: Accumulated amortization	-	-	-	(356,813)	-	-	-	(356,813)
Total Noncurrent Assets	7,613,198	97,454	-	2,714,769	-	20,445,729	2,232,016	33,103,166
Total Assets	9,996,754	385,225	36,851,029	18,598,602	9,942,910	25,260,679	11,412,814	112,448,013
Deferred Outflows of Resources								
Losses on Refunding of Debt	-	-	-	-	-	110	-	110
Pension /OPEB Related Activities (Note 11 and 12)	828,391	23,210	-	1,874,891	26,272	701,745	118,979	3,573,488
Total Deferred Outflows of Resources	828,391	23,210	-	1,874,891	26,272	701,855	118,979	3,573,598
Liabilities								
Current Liabilities:								
Combined RPS City Withholding	-	-	8,965,909	-	-	-	-	8,965,909
Accounts Payable	619,525	74,246	8,325,999	2,660,361	594,891	2,367,458	131,633	14,774,113
Accrued Liabilities	115,961	14,148	3,411,000	269,407	13,989	74,377	13,824	3,912,706
Due To Other Funds	-	4,488,807	-	-	-	-	3,653,486	8,142,293
Accrued Interest on Bonds and Notes Payable	52,098	-	-	-	-	187	-	52,285
General Obligation Bonds	2,505,000	-	-	-	-	14,326	-	2,519,326
Compensated Absences	224,952	3,446	-	177,347	2,497	39,026	6,184	453,452
Other Liabilities & Claims Payable	-	-	-	1,232,923	16,303,241	-	-	17,536,164
Total Current Liabilities	3,517,536	4,580,647	20,702,908	4,340,038	16,914,618	2,495,374	3,805,127	56,356,248
Noncurrent Liabilities								
General Obligation Bonds Payable	7,347,000	-	-	-	-	-	-	7,347,000
Compensated Absences	480,448	7,324	-	378,775	5,333	100,208	15,877	987,965
Net Pension and OPEB Liability	2,849,338	79,828	-	6,448,884	90,366	2,413,725	409,245	12,291,386
NC Other Liabilities & Claims Payable	-	-	-	-	32,756,896	-	-	32,756,896
Total Noncurrent Liabilities	10,676,786	87,152	-	6,827,659	32,852,595	2,513,933	425,122	53,383,247
Total Liabilities	14,194,322	4,667,799	20,702,908	11,167,697	49,767,213	5,009,307	4,230,249	109,739,495
Deferred Inflows of Resources								
Pension & OPEB Related Activities (Note 11)	458,527	12,847	-	1,037,779	14,543	388,426	65,858	1,977,980
Total Deferred Inflows of Resources	458,527	12,847	-	1,037,779	14,543	388,426	65,858	1,977,980
Net Position								
Net Investment in Capital Assets	(2,045,562)	-	-	-	-	20,417,630	2,232,014	26,431,129
Unrestricted	(1,782,142)	(4,272,211)	16,148,121	8,268,017	(39,812,574)	147,171	5,003,672	(22,126,993)
Total Net Position	\$ (3,827,704)	\$ (4,272,211)	\$ 16,148,121	\$ 8,268,017	\$ (39,812,574)	\$ 20,564,801	\$ 7,235,686	\$ 4,304,136

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, 2023

EXHIBIT K-2

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Operating Revenues								
Charges for Goods and Services	\$ 17,533,206	\$ 1,890,702	\$ 54,498,666	\$ 26,695,033	\$ 21,709,276	\$ 10,004,181	\$ 949,005	\$ 133,280,069
Operating Expenses								
Cost of Goods and Services Sold	12,877,151	490,747	-	-	-	-	-	13,367,898
Salaries and Wages and Benefits	681,516	553,716	-	12,040,086	448,784	2,354,335	546,827	16,625,264
Data Processing	25,523	8,875	-	12,358,511	65	-	-	12,392,974
Materials and Supplies	56,096	39,472	-	967,583	-	857,310	913	1,921,374
Rents and Utilities	41,624	64,222	-	-	-	2,791,996	24,982	2,922,824
Maintenance and Repairs	78,298	160,662	-	388,246	1,236	3,590,347	-	4,218,789
Depreciation and Amortization	2,561,254	23,637	-	421,465	-	1,269,204	59,850	4,335,410
Claims and Settlements	505,591	-	50,671,802	198,566	27,616,898	-	-	78,992,857
Uncollectible Expense	-	-	-	-	-	9,926	-	9,926
Miscellaneous Operating Expenses	882,791	240,583	3,204,123	8,306,843	261,308	1,429,474	136,053	14,461,175
Total Operating Expenses	17,709,844	1,581,914	53,875,925	34,681,300	28,328,291	12,302,592	768,625	149,248,491
Operating Income (Loss)	(176,638)	308,788	622,741	(7,986,267)	(6,619,015)	(2,298,411)	180,380	(15,968,422)
Non-Operating Revenues (Expenses)								
Interest and Fiscal Charges	(219,556)	-	-	-	-	(260)	-	(219,816)
Miscellaneous Revenue (Expenses)	-	-	-	-	-	8,218	157,473	165,691
Total Non-Operating Revenues (Expenses), Net	(219,556)	-	-	-	-	7,958	157,473	(54,125)
Other Financing Sources								
Capital Contributions	-	-	-	-	-	122,832	-	122,832
Total Other Financing Sources, Net	-	-	-	-	-	122,832	-	122,832
Change In Net Position	(396,194)	308,788	622,741	(7,986,267)	(6,619,015)	(2,167,621)	337,853	(15,899,715)
Net Position - Beginning of Year	(3,431,510)	(4,580,999)	15,525,380	16,254,284	(33,193,559)	22,732,422	6,897,833	20,203,851
Net Position - End of Year	\$ (3,827,704)	\$ (4,272,211)	\$ 16,148,121	\$ 8,268,017	\$ (39,812,574)	\$ 20,564,801	\$ 7,235,686	\$ 4,304,136

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

For the Fiscal Year Ended June 30, 2023

EXHIBIT K-3

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Cash Flows from Operating Activities								
Receipts from Customers	\$ 17,531,737	\$ 1,890,701	\$ 54,595,839	\$ 26,695,033	\$ 21,681,862	\$ 12,754,625	\$ 949,005	\$ 136,098,802
Payments to Suppliers	(13,753,065)	(1,056,644)	(49,446,081)	(20,469,878)	(26,989,423)	(8,941,562)	(3,334,196)	(123,990,849)
Payments to Employees	(624,411)	(377,721)	-	(8,820,733)	(408,189)	(1,934,766)	(362,031)	(12,527,851)
Receipts From Other Funds	-	-	-	-	-	-	(247,062)	(247,062)
Other Receipts or (Payments)	-	-	-	-	-	8,218	157,473	165,691
Net Cash Provided by (Used In) Operating Activities	<u>3,154,261</u>	<u>456,336</u>	<u>5,149,758</u>	<u>(2,595,578)</u>	<u>(5,715,750)</u>	<u>1,886,515</u>	<u>(2,836,811)</u>	<u>(501,269)</u>
Cash Flows from Non-Capital Financing Activities								
Due From Other Funds	-	-	-	-	2,556,220	-	-	2,556,220
Due to Other Funds	(1,316,889)	(456,336)	2,220,471	-	(994,630)	-	2,836,811	2,289,427
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>(1,316,889)</u>	<u>(456,336)</u>	<u>2,220,471</u>	<u>-</u>	<u>1,561,590</u>	<u>-</u>	<u>2,836,811</u>	<u>4,845,647</u>
Cash Flows from Capital and Related Financing Activities								
Acquisition/Acquisition of Capital Assets	-	-	-	(293,100)	-	(1,648,752)	-	(1,941,852)
Proceeds and Repayments of GO Bonds/Notes (Net)	677,000	-	-	-	-	(66,818)	-	610,182
Capital Grants and Contributions	44,088	-	-	-	-	122,833	-	166,921
Interest Paid on Long-Term Debt	(219,558)	-	-	-	-	(1,912)	-	(221,470)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>501,530</u>	<u>-</u>	<u>-</u>	<u>(293,100)</u>	<u>-</u>	<u>(1,594,649)</u>	<u>-</u>	<u>(1,386,219)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,338,902	-	7,370,229	(2,888,678)	(4,154,160)	291,866	-	2,958,159
Cash and Cash Equivalents at July 1, 2022	43,184	2	29,480,800	18,772,144	5,949,656	2,453,345	-	56,699,131
Cash and Cash Equivalents at June 30, 2023	<u>\$ 2,382,086</u>	<u>\$ 2</u>	<u>\$ 36,851,029</u>	<u>\$ 15,883,466</u>	<u>\$ 1,795,496</u>	<u>\$ 2,745,211</u>	<u>\$ -</u>	<u>\$ 59,657,290</u>
Reconciliation of Operating Income (Loss)								
To Net Cash Provided by (Used In) Operating Activities								
Operating Income (Loss)	\$ (396,196)	\$ 308,784	\$ 622,741	\$ (7,986,277)	\$ 880,988	\$ (2,298,411)	\$ 180,380	\$ (8,687,991)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:								
Depreciation	2,561,253	23,637	-	421,465	-	1,269,204	59,850	4,335,409
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-
Pension Expense	737,228	171,779	-	3,169,229	34,670	406,506	178,130	4,697,542
Miscellaneous Income/(Expense)	219,560	-	-	-	-	8,218	157,473	385,251
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:								
Accounts Receivable	(1,470)	-	97,173	-	(27,414)	2,760,369	-	2,828,658
Due From General Fund	-	-	-	-	-	-	-	-
Due From Component Unit	-	-	-	-	-	-	-	-
Inventories of Material and Supplies	-	-	-	-	-	-	(3,048,618)	(3,048,618)
Prepaid Expenses	-	-	-	-	946,667	-	(25,974)	920,693
Accounts Payable	16,869	(52,083)	4,132,844	1,749,875	(56,584)	(272,436)	(344,716)	5,173,769
Accrued Liabilities	17,017	-	297,000	-	-	10,701	3,585	328,303
Compensated Absences	-	4,219	-	50,130	5,924	2,364	3,079	65,716
Total Adjustments	<u>3,550,457</u>	<u>147,552</u>	<u>4,527,017</u>	<u>5,390,699</u>	<u>903,263</u>	<u>4,184,926</u>	<u>(3,017,191)</u>	<u>15,686,723</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,154,261</u>	<u>\$ 456,336</u>	<u>\$ 5,149,758</u>	<u>\$ (2,595,578)</u>	<u>\$ 1,784,251</u>	<u>\$ 1,886,515</u>	<u>\$ (2,836,811)</u>	<u>\$ 6,998,732</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, 2023

EXHIBIT L-1

	Trust Funds			Social Welfare Private-Purpose Trust Fund	Custodial Funds
	Pension Trust Fund	OPEB Pooled Investment Trust	Total		
Assets					
Cash and Cash Equivalents	\$ 6,311,331	\$ -	\$ 6,311,331	\$ 2,612,063	\$ 1,236,746
Receivables:					
Accounts Receivable	2,793,816	-	2,793,816	-	-
Total Cash and Receivables	9,105,147	-	9,105,147	2,612,063	1,236,746
Investments at fair value:					
US Equities	156,764,082	-	156,764,082	-	-
International Equities	107,940,068	-	107,940,068	-	-
Fixed Income	160,197,674	-	160,197,674	-	-
Real Estate	72,071,391	-	72,071,391	-	-
Diversifying Assets	49,161,393	-	49,161,393	-	-
Private Debt	54,403,207	-	54,403,207	-	-
Private Equity	48,346,925	-	48,346,925	-	-
Pooled Investment Funds	-	10,300,662	10,300,662	-	-
Total Investments	648,884,740	10,300,662	659,185,402	-	-
Other Assets	143,563	-	143,563	-	-
Total Assets	<u>\$ 658,133,450</u>	<u>\$ 10,300,662</u>	<u>\$ 668,434,112</u>	<u>\$ 2,612,063</u>	<u>\$ 1,236,746</u>
Liabilities					
DROP Payable	\$ 14,323,729	\$ -	\$ 14,323,729	\$ -	\$ -
Accounts Payable	2,364,401	-	2,364,401	-	617,026
Investment Expense Payable	235,998	-	235,998	-	-
Retirement & Death Benefit Payable	359,542	-	359,542	-	-
Due to Other Governments	-	-	-	-	29,795
Due to Others	-	-	-	2,612,063	565,557
Total Liabilities	<u>\$ 17,283,670</u>	<u>\$ -</u>	<u>\$ 17,283,670</u>	<u>\$ 2,612,063</u>	<u>\$ 1,212,378</u>
Net Position					
Restricted for:					
Pensions	640,849,780	-	640,849,780	-	-
Postemployment Benefits, Other Than Pensions	-	10,300,662	10,300,662	-	-
Individuals, Organizations, Other governments	-	-	-	-	24,368
Total Net Position	<u>\$ 640,849,780</u>	<u>\$ 10,300,662</u>	<u>\$ 651,150,442</u>	<u>\$ -</u>	<u>\$ 24,368</u>

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2023

EXHIBIT L-2

	Trust Funds			Social Welfare Private-Purpose Trust Fund	Custodial Funds
	Pension Trust Fund	OPEB Pooled Investment Trust	Total		
Additions					
Contributions:					
Individuals	\$ 2,039,752	\$ -	\$ 2,039,752	\$ -	\$ 484,862
City of Richmond	60,805,587	2,802,608	63,608,195	-	-
RBHA	1,336,217	-	1,336,217	-	-
Other	26,319	-	26,319	-	-
Total Contributions	64,207,875	2,802,608	67,010,483	-	484,862
Investment earnings:					
Net increase in fair value of investments	27,512,708	675,005	28,187,713	-	-
Interest, dividends, other	8,658,005	-	8,658,005	-	-
Total Investment Earnings	36,170,713	675,005	36,845,718	-	-
Less Investment Costs					
Investment activity costs	1,332,845	-	1,332,845	-	-
Net Investment Earnings	34,837,868	675,005	35,512,873	-	-
License and fees collected for State	-	-	-	-	39,193
Miscellaneous	-	-	-	128,550	-
Total Additions	99,045,743	3,477,613	102,523,356	128,550	524,055
Deductions					
Benefits paid to participants or beneficiaries	75,672,303	1,402,608	77,074,911	-	460,511
Refunds of member contributions	71,269	-	71,269	-	-
Payments to state	-	-	-	-	36,561
Administrative expense	1,543,715	9,120	1,552,835	128,550	-
Other	66,135	-	66,135	-	-
Total Deductions	77,353,422	1,411,728	78,765,150	128,550	497,072
Change in net position	21,692,321	2,065,885	23,758,206	-	26,983
Net Position – July 1, 2022	619,157,459	8,234,777	627,392,236	-	(2,615)
Net Position – June 30, 2023	\$ 640,849,780	\$ 10,300,662	\$ 651,150,442	\$ -	\$ 24,368

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

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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, 2023**

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 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	.....	229,395
United States Census 2023	.....	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, 2023. The due dates for the semi-annual billing were January 14 and June 14 in the 2023 tax year. The 2023 Land Book will be updated with fair market values as of July 1, 2023. New construction and renovations will be added to the land book through December 31, 2023.

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: 2008-2023
- \$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: 1992-2023

Machinery and Tools Used for Manufacturing and Mining:

- \$2.30 per \$100 of Assessed Value: 1992-2023

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, 2023, the Unassigned Fund Balance was \$139.9 million, which is 18.8% 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, 2023, the Budget and Revenue Stabilization Contingency Reserve balance was \$29.6 million, which is 4.0% 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>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>	<u>2023</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 543,284,125
Restricted	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	93,994,844
Unrestricted	(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)	(44,088,297)
Total Governmental Activities' Net Position	<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>	<u>\$ 593,190,672</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 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	\$ 666,087,708
Restricted	-	-	-	25,602,020	28,962,996	27,326,143	31,683,153	31,683,153	31,543,651	31,003,119
Unrestricted	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	285,211,799
Total Business-type Activities' Net Position	<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>	<u>\$ 982,302,626</u>
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 1,209,371,833
Restricted	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	124,997,963
Unrestricted	(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	241,123,502
Total Primary Government Activities' Net Position	<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>	<u>\$ 1,575,493,298</u>

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

	<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>	<u>2023</u>
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 119,436,563
Public Safety and Judiciary	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	312,086,781
Highways, Streets, Sanitation and Refuse	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	109,716,400
Human Services	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	93,607,244
Culture and Recreation	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	41,240,794
Education	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	220,622,729
Transportation	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	8,619,754
Interest and Fiscal Changes	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	33,074,979
Total Governmental Activities Expenses	<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>	<u>938,405,244</u>
Business-type Activities:										
Gas	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	207,645,244
Water	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	71,442,087
Wastewater	61,153,657	67,382,447	64,768,064	65,175,833	64,961,045	69,299,012	72,276,266	77,423,701	-	81,639,278
Stormwater	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	12,441,815
Coliseum	2,513,548	2,571,848	2,260,443	2,661,938	1,769,739	1,385,541	-	-	-	-
Cemeteries	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	2,323,839
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	14,256,958
Total Business-type Activities Expenses	<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>	<u>389,749,221</u>
Total Primary Government Expenses	<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>	<u>\$ 1,328,154,465</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 118,323,363
Culture and Recreation	216,679	248,813	1,024,289	365,656	1,712,264	981,298	1,074,941	526,016	2,231,900	2,762,926
Other Activities	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	137,303,956
Operating Grants and Contributions	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	53,928,963
Capital Grants and Contributions	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	15,744,457
Total Governmental Activities Program Revenues	<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>	<u>\$ 328,063,665</u>
Business-type Activities:										
Charges for Services:										
Gas	\$ 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	\$ 218,573,161
Water	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	84,162,374
Wastewater	73,393,727	82,343,230	79,101,386	83,251,997	86,934,435	85,644,746	86,822,228	84,031,376	-	102,062,493
Stormwater	11,330,268	11,137,971	10,997,422	11,208,637	11,599,933	11,744,339	12,192,869	11,943,076	13,096,189	14,334,996
Coliseum	1,384,868	1,585,548	1,379,423	2,034,341	2,744,389	611,442	-	-	-	-
Cemeteries	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	1,751,063
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	19,077,194
Operating Grants and Contributions	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	15,607,723
Total Business-type Activities Program Revenues	<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>	<u>455,569,004</u>
Total Primary Government Program Revenues	<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>	<u>\$ 783,632,669</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (610,341,579)
Business-type Activities	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	65,819,783
Total Primary Government Net Expense	<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>	<u>\$ (544,521,796)</u>

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

	<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>	<u>2023</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Real Estate	\$ 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	\$ 424,771,551
Sales Tax	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	50,865,941
Sales Tax for Education	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-	-	-	-
Personal Property	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	70,822,467
Machinery and Tools	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	17,228,901
General Utility Sales	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	18,699,801
State Communication Taxes	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	11,740,138
Bank Stock	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	10,744,703
Prepared Food	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	55,399,485
Cigarette Tax	-	-	-	-	-	-	3,856,544	3,087,283	2,579,506	2,483,993
Lodging Tax	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	9,678,534
Admissions	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	3,646,975
Real Estate Taxes - Delinquent	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	10,824,712
Personal Property Taxes - Delinquent	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	18,648,863
Private Utility Poles and Conduits	169,729	160,950	68,699	260,117	163,837	157,378	99,758	100,896	-	-
Penalties and Interest	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	6,181,051
Titling Tax-Mobile Home	6,132	9,083	8,266	9,474	14,583	9,267	8,206	5,235	-	-
State Recordation	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327	-	-	-
Property Rental 1%	133,774	82,388	79,202	154,115	122,066	171,168	71,218	95,085	99,631	265,561
Vehicle Rental Tax	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598	1,001,954	1,298,495	1,233,191
Telephone Commissions	522,578	538,474	628,014	196,579	198,990	210,793	418,395	481,556	350,057	325,784
Investment Earnings	36,020	38,344	53,281	114,158	221,163	829,719	824,899	282,753	83,342	1,339,250
Miscellaneous	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	30,012,707
Transfers	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	23,067,377
Special Item	-	1,500,000	-	2,215,826	2,720,280	2,220,055	-	-	-	-
Extraordinary Item	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	455,690,181	495,768,705	512,891,832	541,510,031	522,607,629	577,842,079	596,731,178	618,846,351	649,393,241	767,980,985
Business-type Activities:										
Investment Earnings	\$ 811,070	\$ 675,983	\$ 695,117	\$ 1,937,972	\$ 4,297,491	\$ 7,214,006	\$ 5,965,690	\$ 956,970	\$ 985,279	\$ 14,879,358
Miscellaneous	(4,802,222)	643,748	922,473	1,019,326	102,671	5,207,384	3,073,871	2,040,401	1,373,748	(670,422)
Transfers	(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)	(23,067,612)
Total Business-type Activities	(31,368,729)	(26,760,886)	(31,052,168)	(30,593,752)	(26,364,227)	(14,507,073)	(21,788,877)	(34,925,300)	(30,638,961)	(8,858,676)
Total Primary Government	\$ 424,321,452	\$ 469,007,819	\$ 481,839,664	\$ 510,916,279	\$ 496,243,402	\$ 563,335,006	\$ 574,942,301	\$ 583,921,051	\$ 618,754,280	\$ 759,122,309
Change in Net Position										
Governmental Activities	\$ (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	\$ 158,827,661
Business-type Activities	(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	56,961,107
Total Primary Government	\$ (920,429,338)	\$ (20,239,609)	\$ 69,538,912	\$ 118,213,370	\$ 74,624,680	\$ 141,886,251	\$ 73,469,336	\$ 62,470,445	\$ 197,559,747	\$ 215,788,768

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>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>	<u>2023</u>
City Taxes										
Real Estate	\$ 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	\$ 424,771,551
Sales-1% Local	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	50,865,941
Sales Tax for Education	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-	-	-	-
Personal Property	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	70,822,467
Machinery and Tools	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	17,228,901
General Utility Sales	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	18,699,801
State Communication Taxes	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	11,740,138
Bank Stock	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	10,744,703
Prepared Food	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	55,399,485
Transient Lodging	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	9,678,534
Admissions	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	3,646,975
Cigarette Tax	-	-	-	-	-	-	3,856,544	3,087,283	2,579,506	2,483,993
Real Estate Taxes - Delinquent	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	10,824,712
Personal Property Taxes -Delinquent	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	18,648,863
Private Utility Poles and Conduits	169,729	160,950	68,699	260,117	163,837	157,378	99,758	100,896	-	-
Penalties and Interest	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	6,181,051
Titling Tax-Mobile Home	6,132	9,083	8,266	9,474	14,583	9,267	8,206	5,235	-	-
State Recordation	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327	-	-	-
Property Rental 1%	133,774	82,388	79,202	154,115	122,066	171,168	71,218	95,085	99,631	265,561
Vehicle Rental Tax	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598	1,001,964	1,298,495	1,233,191
Telephone Commissions	522,578	538,474	628,014	196,579	198,990	210,793	418,395	481,556	350,057	325,784
Total Primary Government	<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>	<u>\$ 713,561,651</u>

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

	<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>	<u>2023</u>
General Fund:										
Nonspendable	\$ -	\$ 382,200	\$ 383,338	\$ 399,742	\$ 9,953	\$ -	\$ 8,822	\$ 13,822	\$ 11,496	\$ 14,170
Committed	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	29,794,892
Assigned	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	92,828,230
Unassigned	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	139,902,611
Total General Fund	<u>\$ 126,350,523</u>	<u>\$ 106,166,314</u>	<u>\$ 114,444,387</u>	<u>\$ 135,368,309</u>	<u>\$ 136,166,522</u>	<u>\$ 151,927,816</u>	<u>\$ 166,552,494</u>	<u>\$ 162,170,205</u>	<u>\$ 206,249,161</u>	<u>\$ 262,539,903</u>
All Other Governmental Funds:										
Nonspendable	\$ 74,372	\$ 38,930	\$ -	\$ -	\$ 38,925	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	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	93,994,844
Committed	745,000	-	745,000	-	-	-	-	-	-	-
Assigned	3,468,218	14,800,003	3,312,542	-	-	-	-	-	-	-
Unassigned	(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)	(74,025,721)
Total All Other Governmental Funds	<u>\$ (26,408,091)</u>	<u>\$ (82,471,323)</u>	<u>\$ (59,523,815)</u>	<u>\$ (28,551,347)</u>	<u>\$ (71,135,950)</u>	<u>\$ (12,418,217)</u>	<u>\$ (33,188,527)</u>	<u>\$ 27,454,676</u>	<u>\$ 24,312,816</u>	<u>\$ 19,969,123</u>

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 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	\$ 683,128,523
Licenses, Permits and Privilege Fees	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	49,045,577
Intergovernmental	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	204,553,325
Service Charges	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	38,270,974
Fines and Forfeitures	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	7,978,989
Utility Payments	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	22,869,605
Investment Income	80,854	36,019	38,344	53,281	114,158	221,141	829,723	282,861	83,369	11,018,581
Lease Revenues									432,031	2,144,211
Miscellaneous	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	23,798,838
Total Revenues	690,831,049	690,397,253	708,326,955	811,934,510	786,625,669	757,513,934	800,764,487	878,176,476	906,193,598	1,042,808,623
Expenditures:										
General Government	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	92,355,824
Public Safety and Judiciary	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	251,540,711
Highways, Streets, Sanitation and Refuse	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	99,415,433
Human Services	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	78,957,084
Culture and Recreation	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	33,638,533
Education	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	200,307,625
Non-Departmental	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	102,395,790
Capital Outlay	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	85,550,165
Debt Service:										
Principal Retirement	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	111,562,232
Interest Payments	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	30,427,920
Issuance Costs	-	738,870	1,324,747	827,439	556,713	2,583,813	1,054,023	-	833	795,287
Total Expenditures	897,970,702	837,930,213	828,789,843	879,773,891	831,645,937	808,712,517	830,127,337	948,979,861	904,637,222	1,086,946,604
Other Financing Sources (Uses):										
Transfers In	67,750,346	73,001,130	69,642,441	109,294,954	79,998,362	86,243,332	92,114,489	95,355,877	117,545,674	121,365,853
Transfers Out	(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)	(118,551,252)
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	1,436,083
Payments for Refunding Bonds	-	--	(141,723,901)	(21,721,208)	-	(95,000,000)	-	-	-	53,037,814
Proceeds from Issuance of Bonds	36,487	124,144,030	183,106,648	94,240,683	90,000,000	-	103,585,134	166,930,991	28,651,791	37,500,000
Premium on Issuance of Bonds	-	-	-	-	-	54,765,293	85,098	-	-	-
Total Other Financing Sources, Net	2,451,567	171,240,338	44,215,447	99,064,962	96,916,656	9,412,193	101,774,669	116,730,835	39,360,717	94,788,498
Special Items:										
Gain on Sale of Land	485,000	-	-	-	-	-	-	-	-	-
Total Special Items	485,000	-	-	-	-	-	-	-	-	-
Extraordinary Item:										
Disaster Costs	-	-	-	-	-	-	-	-	-	-
Total Extraordinary Item	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (204,203,086)	\$ 23,707,378	\$ (17,407,792)	\$ 31,225,581	\$ 51,896,388	\$ (41,786,390)	\$ 72,161,819	\$ 65,468,472	\$ 40,937,093	\$ 50,650,517
Debt Service as a Percentage of Non-Capital Expenditures	7.8%	9.0%	7.6%	12.0%	8.7%	8.4%	9.2%	9.5%	10.3%	14.2%

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>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>	<u>2023</u>
Real Estate	\$ 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	\$ 400,399,011
Sales-1% Local	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	50,865,941
Sales Tax for Education	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-	-	-	-
Personal Property	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	66,758,816
Machinery and Tools	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	16,240,341
Utility Sales Tax Gas	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	5,301,303
Utility Sales Tax Electric	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	14,818,687
Utility Sales Tax Tele	382,903	294,792	483,893	249,607	232,377	222,609	8,723	196,468	776	-
State Communication Taxes	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	11,740,138
Bank Stock	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	10,744,703
Prepared Food	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	52,216,109
Lodging Tax	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	9,123,199
Admission	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	3,437,719
Cigarette Tax	-	-	-	-	-	-	3,856,544	3,087,283	2,579,506	2,483,993
Real Estate Taxes - Delinquent	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	10,824,712
Personal Property Taxes - Delinquent	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	18,648,863
Private Utility Poles and Conduits	169,729	160,950	68,699	260,117	163,837	157,378	99,758	100,896	-	-
Penalties and Interest	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	7,700,452
Titling Tax-Mobile Home	6,132	9,083	8,266	9,474	14,583	9,267	8,206	5,235	-	-
State Recordation	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327	-	-	-
Property Rental 1%	133,774	82,388	79,202	154,115	122,066	171,168	71,218	95,085	99,631	265,561
Vehicle Rental Tax	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598	1,001,964	1,298,495	1,233,191
Telephone Commissions	522,578	538,474	628,014	196,579	198,990	210,793	418,395	481,556	350,057	325,784
Total General Governmental Tax Revenues	\$ 430,868,542	\$ 450,712,602	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869	\$ 538,213,101	\$ 545,617,448	\$ 602,055,396	\$ 683,128,523

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		
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%
2023	\$ 29,604,554,000	\$ 16,905,208,773	\$ 2,576,774,949	\$ 656,115,902	\$ 10,282,529,000	\$ 39,460,124,624	\$ 1.20	\$ 3.70	\$ 2.30	\$ 39,460,124,624	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, 2023 and 2014

Taxpayer	2023			Taxpayer	2014		
	Taxable Assessed Value	Rank	Total Taxable Assessed Value		Taxable Assessed Value	Rank	Total Taxable Assessed Value
Philip Morris Inc.	\$ 434,056,000	1	1.21%	Philip Morris Inc.	\$ 330,085,000	1	1.69%
Philip Morris USA Inc.	323,677,000	2	0.90%	Philip Morris USA Inc.	314,977,000	2	1.61%
Dominion Resources Services Inc.	307,141,000	3	0.85%	Hines Riverfront Plaza LP	229,000,000	3	1.17%
Richmond Riverfront Plaza LP	187,589,000	4	0.52%	James Center Property LLC	170,407,000	4	0.87%
Costar Realty Information Inc.	165,391,000	5	0.46%	Sir Properties Trust	112,610,000	5	0.57%
RP James Center LLC	157,280,000	6	0.44%	Chippenham Hospital Inc.	106,605,000	6	0.54%
Chippenham Hospital Inc.	131,870,000	7	0.37%	Federal Reserve Bank of Richmond	104,542,000	7	0.53%
M D Coastal 21 LLC	126,740,000	8	0.35%	Dominion Resources Services Inc.	100,414,000	8	0.51%
Gateway Plaza Realty LLC	123,557,000	9	0.34%	Parmenter 919 Main Street LP	76,894,000	9	0.39%
Southwood Apartments LLC	117,800,000	10	0.33%	Circle Realty LLC	69,620,000	10	0.36%
Kireland South 10th Street LLC	91,842,000	11	0.26%	AREP Riverside ILLC	66,779,000	11	0.34%
Federal Reserve Bank of	84,474,000	12	0.24%	American Retirement Corp	63,150,000	12	0.32%
Scotts View LLC	81,846,000	13	0.23%	Crestar Bank	61,222,000	13	0.31%
LS Biotech Eight LLC	76,911,000	14	0.21%	At Main Street Richmond LLC	59,158,000	14	0.30%
Logistics Park 95 LLC	73,378,000	15	0.20%	Biotech 8 LLC	58,913,000	15	0.30%
AREP Riverside ILLC	71,233,000	16	0.20%	Stony Point Fashion PK Assoc LLC	57,000,000	16	0.29%
Parma Richmond LLC	70,083,000	17	0.20%	AH Richmond Tower I LLC	54,832,000	17	0.28%
Malvern Manor Apartments LLC	68,244,000	18	0.19%	Dominion Resources Serv Inc.	52,478,000	18	0.27%
CS1031 Canopy at Ginter Park	67,621,000	19	0.19%	Robins AH Co Inc	48,065,000	19	0.25%
Imperial Propco LLC	65,592,000	20	0.18%	Southwood Apartments LLC	45,813,000	20	0.23%
SJW II LLC	61,724,000	21	0.17%	Miller & Rhoads Building LLC	42,010,000	21	0.21%
Nob Hill Stony Point LLC	61,259,000	22	0.17%	John Marshall Building LLC	39,530,000	22	0.20%
Dominion Resources Serv Inc.	58,509,000	23	0.16%	Eck Enterprises Inc.	38,490,000	23	0.20%
United Methodist Family	58,128,000	24	0.16%	Apple Seven SPE Richmond Inc.	35,722,000	24	0.18%
Sauer Properties Inc	58,002,000	25	0.16%	Gambles Hil Lab LLC	34,972,000	25	0.18%
Total of 25 Taxpayers	3,123,947,000		8.69%	Total of 25 Taxpayers	2,373,288,000		12.12%
All Other Properties	32,809,748,000		91.31%	All Other Properties	17,214,971,000		87.88%
Total	35,933,695,000		100.00%	Total	\$ 19,588,259,000		100.00%

Source: City's Real Estate Assessor

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

2023				2014		
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	11,309
2	Capital One Financial Corp.	Financial Services, Call Center	13,000	VCU Health System	Health Care	8,491
3	HCA Virginia Health System	Health Care	11,200	HCA Virginia Health System	Health Care	7,051
4	Bon Secours Richmond	Health Care	8,516	Bon Secours Richmond	Health Care	6,646
5	Virginia Commonwealth University	Public four-year University	7,832	Walmart	Retail	5,351
6	Dominion Energy	Corporate HQ and energy	5,433	Dominion Resources, Inc.	Energy	5,220
7	Amazon	Online Retail	5,100	SunTrust Banks Inc.	Banking	4,500
8	Truist	Banking	4,549	Food Lion	Grocer	3,986
9	Altria Group	Corporate HQ, tobacco products, R&D	3,850	Amazon	Online Retail	3,127
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		Delinquent Tax Collections	Total Tax Collections	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2023	1.20	\$ 414,255,842	\$ 400,399,011	96.7%	\$ 10,824,712	\$ 411,223,723	99.3%

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
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	\$ 80,808,148	\$ 64,524,543	79.8%	\$ 7,591,720	\$ 72,116,263	89.2%
2023	3.70	\$ 79,249,981	\$ 66,758,816	84.2%	\$ 18,648,863	\$ 85,407,679	107.8%

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	7,584
2022	734,132,077	-	61,775,000	9,126,000	-	58,553,470	794,084,478	1,657,671,025	N/A	N/A
2023	723,813,027	-	47,352,000	8,426,000	-	66,061,792	776,022,944	1,621,675,763	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	
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%	3,811
2023	772,527,921	-	61,277,000	8,426,000	-	842,230,921	2.34%	3,717

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>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>	<u>2023</u>
Debt Limit	\$ 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	\$ 3,593,369,500
Total Net Debt Applicable to Limit	<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>	<u>844,917,015</u>
Legal Debt Margin	<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>	<u>\$ 2,748,452,485</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	43.42%	41.07%	39.49%	39.53%	33.95%	32.51%	31.21%	32.05%	27.19%	23.51%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value (Taxable)	\$ 35,933,695,000
Debt Limit (10% of Total Assessed Value)	3,593,369,500
Debt Applicable to Limit:	
General Obligation Bonds	<u>844,917,015</u>
Legal Debt Margin	<u>\$ 2,748,452,485</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 \$776,022,943 of self-supporting Public Utility Revenue Bonds which by State Law are not required to be included in calculations for legal margin for the creation of additional debt.

**CITY OF RICHMOND, VIRGINIA
PLEGGED - REVENUE COVERAGE
Last Ten Years**

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Less: Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2023	\$ 447,679,265	\$ 299,449,801	\$ 148,229,464	\$ 35,758,718	\$ 31,347,784	\$ 67,106,502	2.21

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**

Calendar Year	Population¹	Personal Income (Amounts Expressed in Thousands)²	Per Capita Personal Income	Median Age	School Enrollment³	City Unemployment Rate⁴	State Unemployment Rate⁴
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	N/A	25,212	8.8%	6.2%
2021	226,604	\$ 15,420,009	\$ 68,048	N/A	28,226	6.1%	4.5%
2022	229,395	N/A	N/A	N/A	21,177	3.8%	3.0%
2023	N/A	N/A	N/A	N/A	21,706	3.4%	3.4%

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
General Government	739	739	684	566	763	781	776	782	697	793
Public Safety and Judiciary										
Police	918	918	849	845	847	839	848	778	704	694
Firefighters and Officers	439	439	432	409	411	425	415	404	457	490
Others	542	542	521	526	563	554	559	484	721	614
Highways, Streets, Sanitation and Refuse										
Engineering & Maintenance	391	391	327	318	340	346	357	341	342	368
Human Services										
Human Services Advocacy	15	15	14	12	10	16	9	10	9	16
Social Services	353	353	392	368	349	340	310	339	326	312
Culture and Recreation	146	146	235	232	163	158	152	156	163	240
Transportation	-	-	-	-	-	-	-	-	-	-
Business-Type Activities:										
Stormwater Utility	52	52	52	47	54	50	96	52	50	67
Gas Utility	291	291	281	282	275	274	242	260	238	289
Water Utility	101	101	112	116	132	118	106	119	121	121
Wastewater Utility	166	166	169	150	147	144	121	133	137	127
Electric Utility	24	24	21	15	15	14	13	17	15	15
Stores and Transportation Division	8	8	7	6	6	4	5	5	4	4
Coliseum	14	14	-	-	-	-	-	-	-	-
Cemeteries NCO	17	17	18	18	18	12	9	10	11	29
Parking	-	-	6	6	6	8	10	11	11	11
Total	4,216	4,216	4,120	3,916	4,099	4,083	4,028	3,901	4,006	4,190

Source: City of Richmond Department of Human Resources

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Police:										
Physical Arrests	10,668	11,453	14,156	14,482	13,646	12,703	10,345	7,863	5,878	6,309
Parking Violations	115,961	131,783	118,263	87,503	131,571	144,112	116,105	106,813	127,006	227,226
Traffic Violations	17,233	17,434	10,440	22,068	15,540	16,042	9,424	9,327	10,426	12,166
Fire:										
Number of Calls Answered	34,236	34,616	36,079	38,516	38,267	38,550	35,673	33,058	42,762	46,565
Inspections	2,921	3,254	2,657	2,367	1,449	1,247	1,092	1,700	1,451	3,073
Highways and Streets:										
Street Resurfacing (Miles)	130	127	138	82	94	93	203	261	206	183
Potholes Repaired	20,957	20,161	19,476	20,232	23,547	25,623	36,007	8,017	7,640	8,958
Sanitation and Refuse:										
Refuse Collected (Tons/Day)	295	300	356	350	303	276	364	336	316	318
Recyclables Collected (Tons/Day)	37	37	49	50	50	41	51	44	46	52
Culture and Recreation:										
Parks Permits Issued	546	644	448	606	666	645	901	534	707	824
Business-Type Activities:										
Gas:										
Maximum Daily Send Out (MCF)	169,141	183,745	163,678	171,337	190,134	165,557	155,768	153,988	178,963	180,532
Annual Send Out (MCF)	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	23,913,688
Water:										
Average Daily Consumption (MGD)	55	61	60	60	62	57	60	63	62	64
Maximum Daily Consumption (MGD)	83	83	81	87	87	80	98	95	83	86
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)	53	46	54	54	54	68	55	65	59	57
Maximum Daily Sewage Treatment (MGD)	79	54	83	83	83	80	80	83	130	96
Coliseum:										
Average Daily Attendance per Activity ¹	1,038	994	4,133	4,857	4,403	4,020	-	-	-	-
Cemeteries:										
Number of Interments	826	875	804	790	695	683	678	890	790	725
Number of Lot Sales	7	12	7	14	14	33	26	18	16	17
Number of Single Grave Sales	555	584	547	526	456	424	561	682	552	486
Number of Foundations	512	544	572	593	514	482	571	696	586	548

Source: Various City departments

¹ The Coliseum was closed January 2019. The 2019 value represents the average for the 21 events which were held prior to the Coliseum's closing that year.

CITY OF RICHMOND, VIRGINIA
CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	7	9	4	4	4	4	4	4	4	4
Patrol Units	223	220	194	222	275	279	265	289	278	181
Fire:										
Stations	20	20	20	20	20	20	20	20	20	20
Fire Trucks	41	39	67	51	42	49	55	56	56	60
Highways and Streets:										
Streets (Miles)	1,860	1,860	1,835	1,832	1,836	1,835	1,835	1,830	1,830	1,830
Streetlights	31,247	31,247	31,247	31,247	34,000	34,062	34,123	34,123	34,500	42,000
Traffic Signals ¹	521	475	475	475	475	479	479	480	479	479
Sanitation and Refuse:										
Collection Trucks	33	33	33	33	46	35	35	35	34	34
Culture and Recreation:										
Parks Acreage	2,808	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,848
Parks	73	73	73	73	73	73	73	73	73	123
Baseball/Softball Diamonds	48	48	48	48	48	45	45	45	44	46
Athletic Fields	31	30	30	30	30	27	27	27	27	26
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	136	136	136	136	136	136	136	133	133
Community Centers	20	20	20	20	20	21	21	19	19	19
Theatres	2	2	2	2	2	2	1	1	1	1
Coliseums	1	1	1	1	1	-	-	-	-	-
Gas:										
Miles of Service Lines	1,149	1,130	1,139	1,146	1,157	1,167	1,181	1,192	1,234	1,234
Number of Gate Stations	8	8	8	8	8	8	8	8	8	8
Water:										
Miles of Water Lines	976	976	976	976	976	976	976	976	976	976
Water Pumping Stations	12	12	12	12	12	12	12	12	12	12
Wastewater:										
Miles of Sewer Lines	960	960	960	960	960	960	960	960	960	960
Miles of Interceptors	41	41	41	41	41	41	41	41	41	41
Sewer Pumping Stations	5	5	5	5	5	5	5	5	5	5

Source: Various City departments

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



DEPARTMENT OF FINANCE

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