



FY2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021
CITY OF RICHMOND, VIRGINIA
MAYOR LEVAR M. STONEY





CITY OF RICHMOND, VIRGINIA
COMPREHENSIVE ANNUAL REPORT
For Fiscal Year Ended June 30, 2021

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, 2021**

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INTRODUCTORY



SECTION

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City of Richmond



LEVAR M. STONEY
MAYOR

December 13, 2021

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, 2021. 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 the accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). The City's management is responsible for the establishment and maintenance of accounting and other internal controls to accomplish three purposes: ensuring compliance with applicable laws and City policies, safeguarding assets, and properly recording reliable information for the preparation of the City's financial statements in accordance with GAAP. City management is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein and, to the best of management's knowledge, the data presented in this report is accurate in all material respects.

CliftonLarsonAllen LLP (CLA), a certified public accounting firm, audited the City's basic financial statements. As an independent auditor, CLA rendered an unmodified opinion stating that the City's basic financial statements for the fiscal year ended June 30, 2021 are fairly presented in all material respects and in conformity with GAAP. The report of independent auditors is presented as the first component of the Financial Section of this report.

Overview of the City of Richmond, Virginia

The City, incorporated in 1782, is a municipal corporation of the Commonwealth of Virginia and is the state capital. The City occupies 62.5 square miles and serves a population of 226,610 as of the U.S. Census Bureau's 2020 census. In the Commonwealth, cities have sole jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping jurisdictions and, consequently, residents of Virginia cities are not subject to overlapping debt or taxation.

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

City of Richmond



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

Accolades bestowed on the City in 2020-2021 include the following: Richmond was named a 2021 Finalist for the All-America City Award by the National Civic League for its work on equitably expanding green space, reimagining public safety, and universal afterschool programs; Richmond was listed as one of the 50 Best Places to Travel in 2021 by Travel + Leisure; Richmond was named to the 10 Cities to Watch in 2020 by Worth as a smaller city that is attracting new businesses, investment and inhabitants with our lower cost of living and higher quality of life.

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

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

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

Profile of the Government

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

The City remains focused on being a welcoming, inclusive, diverse, innovative, and equitable City that ensures a high quality of life for all, moving toward the goal of becoming "One City" with a Triple-A (AAA) bond rating. The City has maintained strong credit ratings in recent years, Moody's Investor Services, Standard & Poor's and Fitch Ratings reaffirmed the City's Aa1 and AA+ ratings respectively during FY2021. 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 the majority of the funding for the public school system, though the schools are operated by a legally distinct entity and a separately elected school board.

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

Budget Process

The budget serves as the foundation for the City's financial planning and spending control. The City adopts an annual budget. The proposed Fiscal Year 2021 budget was presented to City Council in March 2020. 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 2021 budget, a public hearing was held in April with budget adoption in May 2020.

Legal budgetary restrictions for Fiscal Year 2021 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 the area of financial management. The City has continued to build on improvements made during prior years, including continued utilization of a five-year forecast for financial planning.

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

Economic Overview

The impact of the COVID-19 pandemic continued to be felt on the national, state, and city economies throughout FY2021. The national unemployment rate showed improvement as the year closed out at 5.9% as of June 2021 compared to 11.1% in the prior year. At the local level, Richmond's economy began to show signs of recovery during the fourth quarter of the fiscal year. The City unemployment rate improved year over year, returning to pre-pandemic levels at 4.3% for June 2021 down significantly from 9.2% at the end June 2020.

Phase Three of "Forward Virginia" became effective on July 1, 2020. This Executive Order continued recommendations for teleworking, social distancing, and required that masks be worn in all indoor public settings. The expanded re-openings provided additional economic activity to Richmond – with entertainment venues, fitness/exercise and overnight camps remaining at limited capacity or closed.

Like some other urban areas throughout the country, Richmond has seen a resurgence of people moving back into the City. The City's population has grown since 2004 reaching 226,610 in 2021, according to US Census Bureau.

There were a number of economic development initiatives underway during FY2021. Business attraction, retention and expansion efforts by the Department of Economic Development resulted in more than \$409 million in capital investment and over 1,000 new jobs announced.

The growth of the Life Sciences industry continues to be a strategic priority for the City. Vytal Studios, a technology-based education and training content developer and producer, announced plans to invest \$6.8 million to relocate its corporate headquarters from Austin, Texas to the City of Richmond. Grenova Inc., a Virginia-based sustainable biotech firm that designs, develops, and manufactures devices that wash and sterilize contaminated pipette tips for reuse, will invest \$10.6 million to expand in the City of Richmond. Aditxt, a biotech innovation company focused on improving the health of the immune system, announced it will establish its first high-capacity AditxtScore™ Center in the City of Richmond. Aditxt plans to create more than 300 new jobs and targets making a capital investment of \$31.5 million over three years to scale up its state-of-the-art immune monitoring center, including projected new jobs, laboratory equipment, and construction.

City of Richmond



Major Initiatives and Accomplishments: Well Managed Government

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

A number of proactive financial reporting actions were continued through FY2021, including the continued utilization of a five-year revenue and expenditure forecast, monthly financial reports and quarterly budget projections, and introduction and adoption of a structurally balanced budget that maintains core services, protects the fiscal integrity of the City, ensures the City is poised for future growth, and budgets for priorities. Moving forward to FY2022, the Administration will continue to expand on these accomplishments, making strides toward achieving the goal of a well-managed government with an AAA bond rating.

Financial Policies and Guidelines

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

Fund Balance Guidelines

As of June 30, 2021, the General Fund Unassigned Fund Balance was \$100.4 million, which equals 13.0 percent of the adopted FY2022 General Fund budgeted expenditures, including transfers. The City considers the Unassigned Fund Balance to be comprised of funds that have no limitations or restrictions or planned use.

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

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

City of Richmond



Debt Guidelines

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

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

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

A. No Overlapping Debt

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

B. Legal Debt Margin

Article VII, Section 10 of the Constitution of Virginia provides that the legal general obligation debt limit for cities is ten percent of the last preceding assessment for real estate taxes. At June 30, 2021 the City had a legal debt limit of \$2,801,749,800 and the statutory capacity to issue approximately \$1,903,836,426 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, 2021 ¹	\$ 2,801,749,800
Less: bonds and notes payable ²	<u>(897,913,374)</u>
Legal margin for creating additional debt	<u>\$ 1,903,836,426</u>

¹Source: City Assessor of Real Estate

²Does not include \$820,746,077 of Richmond Public Utility Revenue Bonds that by State law are not required to be included in calculations for legal margin for creation of debt.

City of Richmond



C. Short-Term Debt

As of June 30, 2021, the City had a Bond Anticipation Note Line of Credit Facility (BAN) in place in the amount of \$60.0 million to finance city and school construction projects. The City does not borrow to meet seasonal needs or day-to-day operations.

D. Long-Term Debt

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

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

E. Authorized but Unissued Bonds and Notes

As of June 30, 2021, the City had a total of \$265,519,522 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, \$211,795,807 is earmarked for self-supporting Public Utility revenue bond funded projects, \$16,406,716 of General Obligation bond funded projects of the Stormwater Utility, \$29,793,000 for various General Fund supported capital projects, and \$7,523,999 for funding of equipment purchases.

City of Richmond



Acknowledgements

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

Sincerely,

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

Levar M. Stoney
Mayor

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

J.E. Lincoln Saunders
Chief Administrative Officer

City of Richmond



LEVAR M. STONEY
MAYOR

MANAGEMENT REPORT ON RESPONSIBILITY FOR FINANCIAL REPORTING

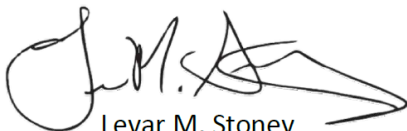
The management of the City of Richmond, Virginia has the responsibility for preparing the accompanying financial statements with integrity and objectivity. The School Board of the City of Richmond, Economic Development Authority of the City of Richmond, Virginia, Richmond Ambulance Authority, Richmond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


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

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

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

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


Levar M. Stoney
Mayor


J.E. Lincoln Saunders
Chief Administrative Officer

CITY OF RICHMOND, VIRGINIA
STRONG MAYOR – COUNCIL FORM OF GOVERNMENT
Fiscal Year Ended June 30, 2021

CITY MAYOR
Levar M. Stoney

CHIEF ADMINISTRATIVE OFFICER
J.E. Lincoln Saunders

CITY COUNCIL

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

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

**CITY
AUDITOR**
Louis Lassiter, CPA

ATTORNEY
Haskell C. Brown, III

**SUPERINTENDENT
OF SCHOOLS**
Jason Kamras

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



ORGANIZATION CHART



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

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FINANCIAL



SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, Virginia (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following aggregate discretely presented component units: Richmond School Board, Richmond Economic Development Authority, and Richmond Behavioral Health Authority, which represent 63 percent, 236 percent, and 84 percent, respectively, of the assets and deferred outflows of resources, fund balance/net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Richmond Retirement System, which represent 75 percent, 90 percent, and 45 percent, respectively, of the assets and deferred outflows of resources, fund balance/net position, and revenues of the aggregate remaining fund information of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Richmond School Board, Richmond Economic Development Authority, Richmond Behavioral Health Authority and Richmond Retirement System, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accountants of the Commonwealth of Virginia (Specifications). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Richmond Retirement System were not audited in accordance with *Government Auditing Standards*.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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, 2021, 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.

Emphasis of Matter

During fiscal year ended June 30, 2021, the County adopted GASB Statement No. 84 Fiduciary Activities. The implementation of this standard resulted in a change in accounting principle (see Note 18). Our auditors' opinion was not modified with respect to this matter.

Correction of Error

In addition, the City recorded two adjustments resulting from the correction of accounting errors that occurred in prior periods (See Note 18). Our opinion was not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, 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 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 15, 2021

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CITY OF RICHMOND, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)

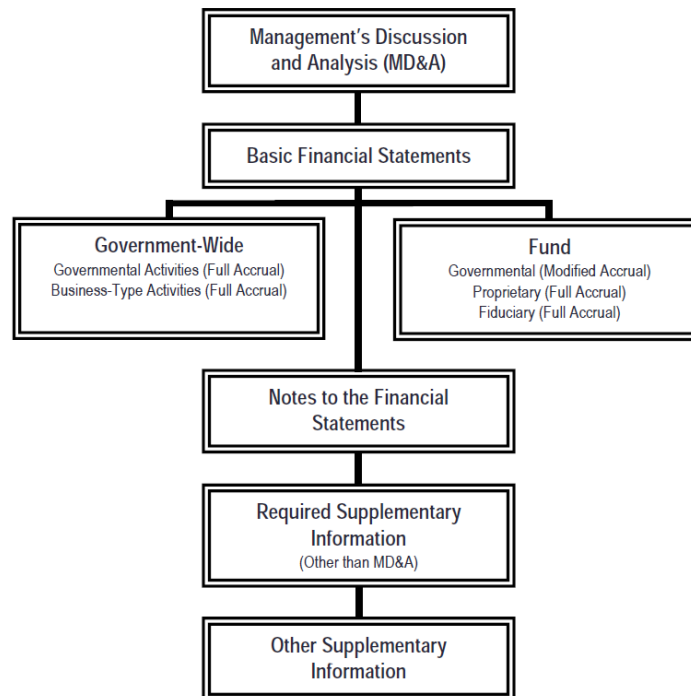
The following discussion and analysis provided by the City's management presents a narrative overview and analysis of the financial activities of the City through the presentation of its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2021. City management encourages readers 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 2021

- The City's General Fund reported an ending Fund Balance of \$162.2 million, an increase of \$7.7 million or 5.0 percent compared to the prior year. Of the total General Fund balance: \$13.8 thousand is Nonspendable, \$23.9 million is Committed to Revenue Stabilization, \$112.3 thousand committed to School Board Operations, \$7.2 million is Assigned to subsequent years' Expenditures, \$11.0 million to Capital Reserve, \$0.3 million for the Arts, \$17.5 million for School Facilities, \$1.2 million for Unspent Building Code Fees, \$547.6 thousand for COVID-19 Contingencies, and \$100.5 million is Unassigned. The Unassigned Fund Balance represents 12.9 percent of actual Expenditures and Transfers out of \$778.6 million.
- The City's total taxable assessed value for Real and Personal Property including Machinery and Tools increased by \$1,092.9 million or 3.7 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 \$1,163.6 million. Net Position was comprised mainly of \$1,008.0 million attributable to the City's Net Investment in Capital Assets, \$105.4 million in Restricted and \$50.2 million in Unrestricted.
- The City's Cigarette Tax, which was implemented July 1, 2019, with a \$0.50 tax per pack of 20 cigarettes yielded revenues of \$3.1 million in FY2021.
- The City continued the expansion of the Real Estate Tax Relief for the Elderly and Disabled Program in FY2021. The income allowable increased to \$60,000 and the net worth allowable increased to \$350,000. Additionally, credit percentage guidelines increased in most income categories, with those with income between \$50,001 and \$60,000 becoming newly eligible in 2020.
- Net Position for Governmental Activities increased \$43.1 million or 17.8 percent compared to the prior year.
- For this Fiscal Year, General Fund Revenues and Financing Sources were \$786.3 million. General Fund Expenditures and Other Financing Uses were \$778.4 million. City Taxes accounted for 70.5 percent of Revenue.
- The City's Business-Type Activities Net Position increased by \$19.4 million or 2.3 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

FY2021, Total Assets for the Primary Government were \$3,716.6 million, an increase from prior year total Assets by \$167.5 million. Total Assets for only Governmental Activities were \$1,788.7 million, up by \$177.2 million or 11.0 percent. Total Assets from Business-Type Activities decreased by \$(9.7) million and were still predominant in FY2021, accounting for 51.9 percent of total Primary Government Assets compared to 54.6 percent in FY2020.

Total Liabilities were \$2,728.5 million up \$134.0 million from \$2,594.5 million in FY2020. Total Liabilities associated with Governmental Activities increased by \$155.6 million up 10.5 percent while total Liabilities associated with Business-Type Activities decreased \$(21.6) million or (1.9) percent.

Total Net Position was \$1,163.6 million up \$62.6 million over the prior year's balance. Table 1 summarizes the City's Government-Wide Net Position at June 30, 2021 and 2020.

Table 1
City of Richmond's Schedule of Net Position
As of the Fiscal Years Ended June 30, 2021 and 2020
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 479.8	\$ 368.8	\$ 537.7	\$ 561.4	\$ 1,017.5	\$ 930.2
Capital Assets, Net	1,308.9	1,242.7	1,390.2	1,376.2	2,699.1	2,618.9
Total Assets	<u>1,788.7</u>	<u>1,611.5</u>	<u>1,927.9</u>	<u>1,937.6</u>	<u>3,716.6</u>	<u>3,549.1</u>
Deferred Outflow of Resources	150.0	145.0	39.3	36.4	189.3	181.4
Current and Other Liabilities	303.3	225.3	96.8	88.4	400.1	313.7
Long-Term Obligations Outstanding	1,336.5	1,258.9	991.9	1,021.9	2,328.4	2,280.8
Total Liabilities	<u>1,639.8</u>	<u>1,484.2</u>	<u>1,088.7</u>	<u>1,110.3</u>	<u>2,728.5</u>	<u>2,594.5</u>
Deferred Inflows of Resources	14.0	21.1	-	1.7	14.0	22.8
Net Position:						
Net Investment in Capital Assets	418.0	416.4	590.0	403.9	1,008.0	820.3
Restricted	73.7	66.0	31.7	-	105.4	66.0
Unrestricted	(206.7)	(240.6)	256.9	455.3	50.2	214.7
Total Net Position	<u>\$ 285.0</u>	<u>\$ 241.9</u>	<u>\$ 878.6</u>	<u>\$ 859.1</u>	<u>\$ 1,163.6</u>	<u>\$ 1,101.0</u>

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

Activities

In FY2021, total Primary Government Revenues were \$1,244.2 million, which reflects an increase over prior year. Program Revenues (Charges for Service, Grants, and Contributions) of \$661.3 million accounted for 53.2 percent of all Primary Government Revenues, while property and other local taxes attributable to Governmental Activities accounted for \$535.1 million, most of the remainder. Total Revenues for all Governmental Activities were \$875.4 million. Governmental Activities' Program Revenues of \$295.6 million accounted for 33.8 percent.

Total Expenses for Primary Government were \$1,181.6 million. Four activities: General Government, Public Safety and Judiciary, Education, and Business-Type Activities accounted for the following amounts and percentages: \$106.7 million (9.0 percent), \$287.5 million (24.3 percent), \$186.6 million (15.8 percent), and \$311.5 million (26.4 percent), respectively. Table 2 summarizes the City's Government-Wide Activities for the years ended June 30, 2021 and 2020.

Table 2
City of Richmond's Schedule of Activities
As of the Fiscal Years Ended June 30, 2021 and 2020
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 236.8	\$ 194.7	\$ 351.8	\$ 345.8	\$ 588.6	\$ 540.5
Operating Grants and Contributions	44.1	39.2	0.3	0.1	44.3	39.3
Capital Grants and Contributions	14.6	16.9	13.8	19.2	28.4	36.1
General Revenues:						
Property Taxes	410.7	402.0	-	-	410.7	402.0
Other Taxes	124.4	139.5	-	-	124.4	139.5
Investment Income	0.3	0.8	1.0	6.0	1.2	6.8
Miscellaneous	44.5	23.5	2.0	3.1	46.5	26.6
Total Revenues	<u>875.4</u>	<u>816.6</u>	<u>368.9</u>	<u>374.2</u>	<u>1,244.2</u>	<u>1,190.8</u>
Expenses:						
Primary Government						
General Government	106.7	101.9	-	-	106.7	101.9
Public Safety and Judiciary	287.5	279.6	-	-	287.5	279.6
Highway, Street, Sanitation and Refuse	84.5	94.2	-	-	84.5	94.2
Human Services	116.2	86.8	-	-	116.2	86.8
Culture and Recreation	51.3	33.1	-	-	51.3	33.1
Education	186.6	181.4	-	-	186.6	181.4
Transportation	7.3	16.2	-	-	7.3	16.2
Interest and Fiscal Charges	30.1	24.3	-	-	30.1	24.3
Business-Type Activities	-	-	311.5	299.9	311.5	299.9
Total Expenses	<u>\$ 870.2</u>	<u>\$ 817.5</u>	<u>\$ 311.5</u>	<u>\$ 299.9</u>	<u>\$ 1,181.6</u>	<u>\$ 1,117.4</u>
(Loss) Income Before Transfers	5.3	(0.9)	57.4	74.4	62.6	73.3
Transfers	37.9	30.8	(37.9)	(30.8)	-	-
Proceeds from Section 108 and EDA	-	-	-	-	-	-
Changes in Net Position	43.2	29.9	19.5	43.4	62.6	73.3
Net Position, Beginning of Year, as Restated	241.9	221.2	859.1	818.6	1,101.0	1,039.8
Prior Period Adjustment	-	(9.2)	-	(2.9)	-	(12.1)
Net Position, End of Year as restated	<u>\$ 285.0</u>	<u>\$ 241.9</u>	<u>\$ 878.6</u>	<u>\$ 859.1</u>	<u>\$ 1,163.6</u>	<u>\$ 1,101.0</u>

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

GENERAL FUND

The General Fund is by far the City's largest governmental Fund and, therefore, deserves special attention. Total Revenues and Other Financing Sources totaled \$786.3 million in FY2021, an increase of \$39.1 million from the prior year. Property and other local taxes accounted for \$545.6 million or 70.5 percent of total Revenues

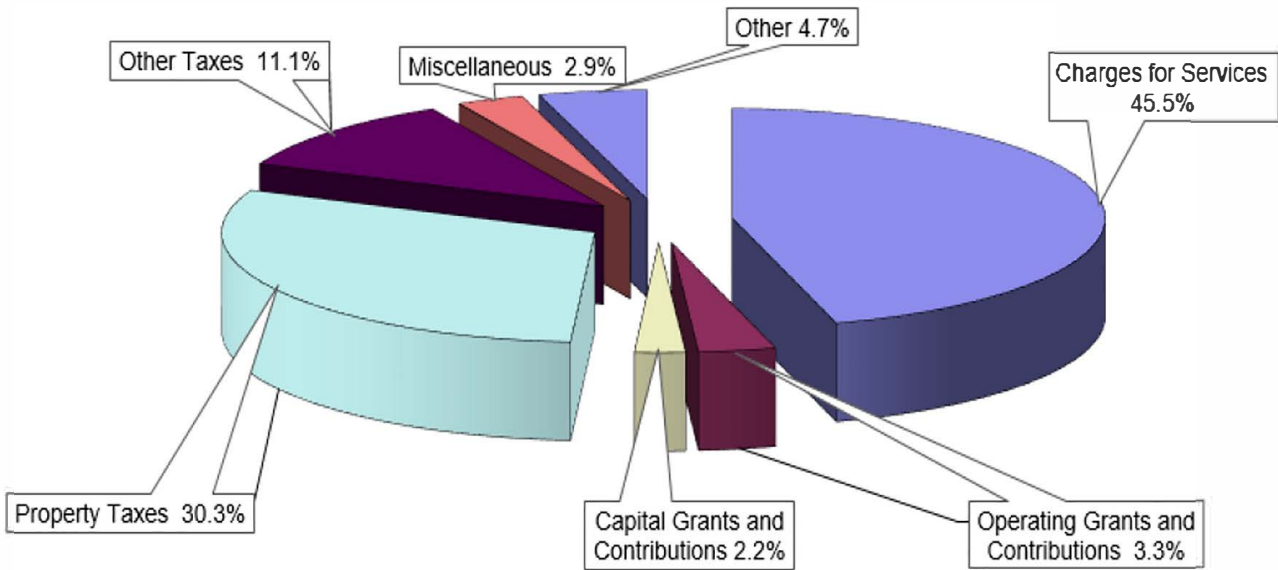
On the other side of the ledger, Expenditures and Transfers Out totaled \$778.6 million, an increase of \$46.0 million or 6.3 percent, from the prior year. Public Safety & Judiciary and Education, the two largest program areas, totaled \$433.7 million, or 63.0 percent of total General Fund Expenses.

Table 3
City of Richmond's Budgetary Comparison
General Fund
For the Fiscal Years Ended June 30, 2021 and 2020
(In Millions, rounded)

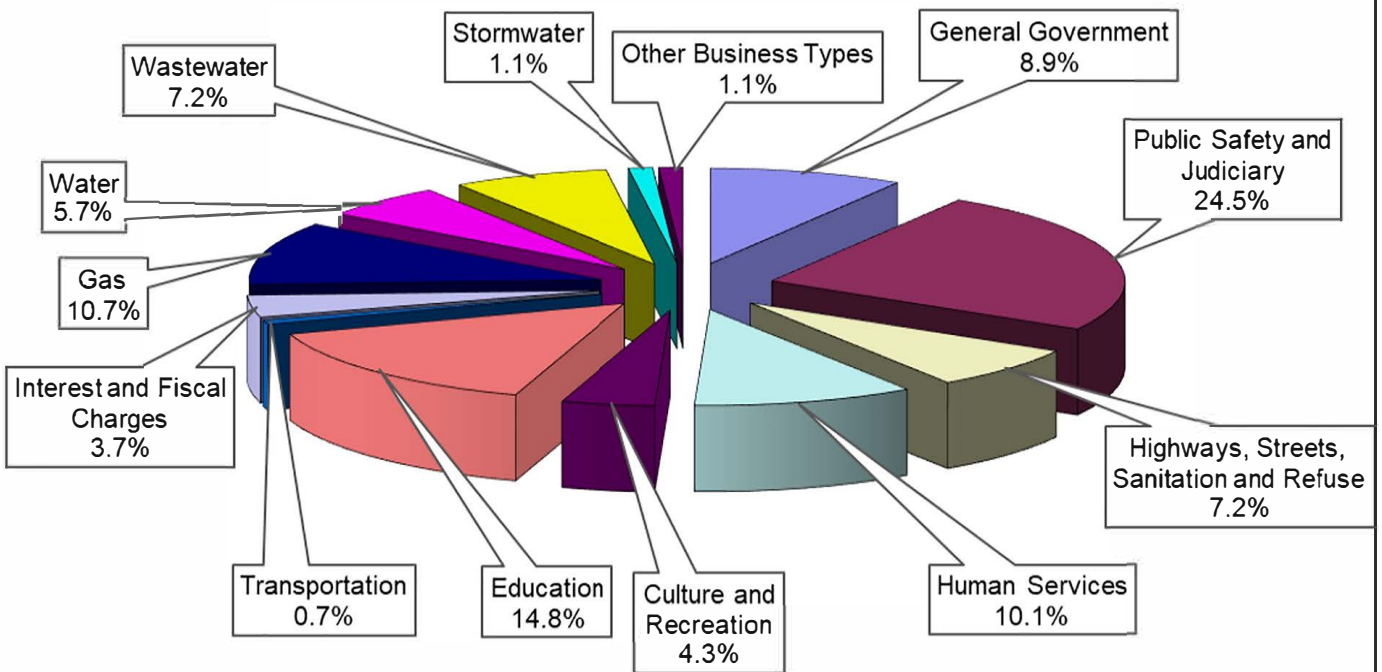
	Original Budget		Amended Budget		Actual		Positive (Negative) Variance	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues:								
Property Taxes	\$ 385.5	\$ 374.8	\$ 387.4	\$ 377.3	\$ 415.2	\$ 398.3	\$ 27.6	\$ 21.1
Other Taxes	156.7	162.1	138.1	144.6	130.5	139.9	(7.6)	(4.7)
Intergovernmental	85.2	87.8	125.7	85.1	118.1	87.1	(7.5)	2.1
Miscellaneous	104.5	119.3	111.4	119.3	110.5	114.2	(0.8)	(5.2)
Other Financing Sources	12.1	2.2	27.8	0.2	12.1	7.7	(15.7)	7.5
Total Revenues and Other Financing Sources	<u>\$ 744.0</u>	<u>\$ 746.2</u>	<u>\$ 790.4</u>	<u>\$ 726.5</u>	<u>\$ 786.3</u>	<u>\$ 747.2</u>	<u>\$ (4.0)</u>	<u>\$ 20.8</u>
Expenses:								
General Government	\$ 59.1	\$ 58.3	\$ 60.5	\$ 56.1	\$ 53.5	\$ 51.2	\$ 7.0	\$ 4.8
Public Safety and Judiciary	209.4	210.8	250.3	212.2	246.3	215.1	4.0	(2.9)
Highway, Street, Sanitation and Refuse	35.6	33.5	43.9	35.3	44.1	33.2	(0.2)	2.1
Human Services	62.1	64.2	63.5	61.3	57.6	58.3	6.0	2.9
Culture and Recreation	23.6	24.1	23.6	23.6	23.3	23.6	0.3	-
Education	190.2	184.6	187.2	181.8	187.5	176.0	(0.3)	5.8
Non-Departmental	75.9	83.2	70.6	85.8	75.2	88.9	(4.6)	(2.9)
Other Financing Uses	88.2	87.5	92.8	91.1	91.1	86.3	1.7	4.6
Total Expenses and Other Financing Uses	<u>\$ 744.1</u>	<u>\$ 746.2</u>	<u>\$ 792.4</u>	<u>\$ 747.2</u>	<u>\$ 778.6</u>	<u>\$ 732.6</u>	<u>\$ 14.0</u>	<u>\$ 14.4</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, 2021**



**Primary Government Functional Expenses
Year Ended June 30, 2021**



CAPITAL ASSETS

The Department of Public Utilities' spent \$81.3 million during the Fiscal Year to expand, upgrade, and renew its Infrastructure. The Gas Utility invested approximately \$5.7 million to support our expanding market base and \$16.5 million in upgrades to existing Infrastructure. The Water Utility invested approximately \$21.5 million in upgrades to existing Infrastructure including \$4.5 million of investments in major Plant, Pumping and Transmission improvements. The Wastewater Utility invested approximately \$27.2 million in upgrades to existing Infrastructure, of which \$0.8 million was spent on major plant improvements. The Storm water Utility invested \$6.9 million to upgrade their existing Infrastructure.

Table 4
City of Richmond's Capital Assets
As of the Fiscal Years Ended June 30, 2021 and 2020
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 105.5	\$ 105.2	\$ 26.3	\$ 26.3	\$ 131.8	\$ 131.5
Construction In Progress	245.6	181.0	45.6	36.1	291.2	217.1
Works of Art/Historical Treasures	8.7	8.7	-	-	8.7	8.7
Total Assets Not Being Depreciated	<u>359.8</u>	<u>294.9</u>	<u>71.9</u>	<u>62.4</u>	<u>431.7</u>	<u>357.3</u>
Capital Assets Being Depreciated:						
Infrastructure	1,026.6	998.5	-	-	1,026.6	998.5
Buildings and Structures	994.3	986.3	2,317.3	2,250.2	3,311.6	3,236.5
Equipment and Other Assets	142.1	140.4	35.4	35.5	177.5	175.9
Improvements Other Than Buildings	33.8	33.4	-	-	33.8	33.4
Total Other Assets	<u>2,196.8</u>	<u>2,158.6</u>	<u>2,352.7</u>	<u>2,285.7</u>	<u>4,549.5</u>	<u>4,444.3</u>
Less Accumulated Depreciation For:						
Infrastructure	659.2	636.9	-	-	659.2	636.9
Buildings and Structures	465.3	451.8	1,031.8	969.5	1,497.1	1,421.3
Equipment and Other Assets	107.6	107.7	2.6	2.5	110.2	110.2
Improvements Other Than Buildings	15.8	14.4	-	-	15.8	14.4
Total Accumulated Depreciation	<u>1,247.9</u>	<u>1,210.8</u>	<u>1,034.4</u>	<u>972.0</u>	<u>2,282.3</u>	<u>2,182.8</u>
Total Capital Assets Being Depreciated, Net	<u>948.9</u>	<u>947.8</u>	<u>1,318.3</u>	<u>1,313.7</u>	<u>2,267.2</u>	<u>2,261.5</u>
Total Capital Assets, Net	<u>\$ 1,308.7</u>	<u>\$ 1,242.7</u>	<u>\$ 1,390.2</u>	<u>\$ 1,376.1</u>	<u>\$ 2,698.8</u>	<u>\$ 2,618.8</u>

Note - Immaterial rounding differences between the tables in the MD&A and the Exhibits in the Financial Statements may exist. Additional capital asset information can be found in Note 6.

LONG-TERM OBLIGATIONS

As of June 30, 2021, the City had \$1.86 billion of outstanding Bonds, Notes and Bond Premiums, an increase of \$24.0 million compared to the previous year. Outstanding debt of the City's Governmental Activities at year end was \$913.5 million, while the Business-Type Activities outstanding Debt (primarily Utilities and Parking operations) was \$945.3 million.

During FY2021, the City issued its \$102.1 million Series 2020A and \$51.0 million, Series 2020B General Obligation Refunding Bonds to finance ongoing City capital projects and to refinance existing bond debt at lower interest rates. At the time of this bond issue, Moody's Investors Services reaffirmed their Aa1 bond rating, while both Standard and Poor's and Fitch Ratings reaffirmed

their AA+ credit ratings of the City's General Obligation debt, with a Stable outlook. During the Fiscal Year, the City also issued a \$6.7 million General Obligation Equipment Note, Series 2021, to finance the acquisition of police, fire, and public works vehicles and equipment.

The City also renewed its \$60.0 million, Series 2021A Line of Credit Bond Anticipation Note with a commercial bank, which provides interim financing for ongoing City and Stormwater Utility capital projects. At June 30, 2021, the outstanding balance on the Line of Credit was \$27.7 million. The City pays monthly variable-rate interest on this Line of Credit, which has a final maturity of November 1, 2022, prior to which, the City anticipates paying the Line of Credit off with proceeds of a future General Obligation Bond financing.

The City's Wastewater Utility issued its \$20.3 million Public Utility Revenue Bond issue, Series 2021A, while the Stormwater Utility issued its \$965,950, Series 2021A General Obligation bond issue. Both of these two utility bond issues were financed 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, 2021
(In Thousands, rounded)

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Not Due Within One Year	Due Within One Year
Primary Government - Governmental Activities						
General Obligation Bonds	\$ 725,446.8	\$ 153,058.2	\$ 101,427.6	\$ 777,077.3	\$ 727,607.8	\$ 49,469.6
General Obligation Bond - Direct Borrowing	12,666.1	-	72.5	12,593.7	6,524.3	6,069.4
Qualified Zone Academy Bonds	361.6	-	361.6	-	-	-
Total General Obligation Bonds	<u>738,474.5</u>	<u>153,058.2</u>	<u>101,861.7</u>	<u>789,671.0</u>	<u>734,132.1</u>	<u>55,539.0</u>
Line of Credit - BAN - Series 2018A & Series 2018B	14,200.0	46,348.2	36,600.0	23,948.2	23,948.2	-
General Obligation Serial Equipment Notes	5,462.0	6,730.0	959.0	11,233.0	9,175.0	2,058.0
Total General Obligation Notes	<u>19,662.0</u>	<u>53,078.2</u>	<u>37,559.0</u>	<u>35,181.2</u>	<u>33,123.2</u>	<u>2,058.0</u>
HUD Section 108 Notes	10,487.0	-	676.0	9,811.0	9,126.0	685.0
Premium on Debt Issued	76,479.5	15,512.0	13,203.8	78,787.7	66,604.4	12,183.3
Total Obligations	<u>\$ 845,103.0</u>	<u>\$ 221,648.4</u>	<u>\$ 153,300.5</u>	<u>\$ 913,450.9</u>	<u>\$ 842,985.7</u>	<u>\$ 70,465.3</u>
Advantage Richmond Lease Revenue Bond	\$ 1,135.7	-	\$ 1,135.6	-	-	-
Compensated Absences	\$ 21,122.0	\$ 19,873.8	\$ 19,601.7	\$ 21,394.1	\$ 14,571.5	\$ 6,822.6
Net Other Post Employment Benefit Obligations	\$ 100,534.2	\$ 3,183.8	\$ 20.1	\$ 103,697.9	\$ 103,697.9	-
Net Pension Liability	<u>\$ 323,463.3</u>	<u>\$ 25,200.7</u>	<u>\$ 5,975.6</u>	<u>\$ 342,688.3</u>	<u>\$ 342,688.3</u>	<u>\$ -</u>

Table 6
City of Richmond's Long-Term Obligations
For the Fiscal Year Ended June 30, 2021
(In Thousands, rounded)

Primary Government - Business-Type Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Not Due Within One Year	Due Within One Year
General Obligation Bonds:						
Utilities						
General Obligation Bonds	\$ 18,297.9	\$ -	\$ 6,915.9	\$ 11,382.0	\$ 7,640.4	\$ 3,741.7
General Obligation Bond - Direct Borrowing	8,453.3	3,863.3	4,670.4	7,646.2	7,010.5	635.6
Premium on Utility Debt, Net	33.9	-	33.9	-	-	-
Total Utilities General Obligation Debt	<u>26,785.1</u>	<u>3,863.3</u>	<u>11,620.2</u>	<u>19,028.2</u>	<u>14,650.9</u>	<u>4,377.3</u>
Non-Major Enterprise Funds						
General Obligation Bonds	48,054.8	91.8	3,926.1	44,220.6	40,301.8	3,918.8
General Obligation Bond - Direct Borrowing	1.3	-	-	1.4	0.8	-
Premium on Non-Major Debt, Net	1,322.3	-	201.8	1,120.5	1,120.5	-
Total Non-Major Enterprise Funds General Obligation Debt	<u>49,378.4</u>	<u>91.8</u>	<u>4,127.9</u>	<u>45,342.5</u>	<u>41,423.1</u>	<u>3,918.8</u>
Total General Obligation Debt	76,163.5	3,955.1	15,748.1	64,370.7	56,074.0	8,296.1
Revenue Bonds:						
Public Utility Revenue Bonds	802,025.0	-	22,865.0	779,160.0	752,565.0	26,595.0
Public Utility Revenue Bond - Direct Borrowing	44,552.6	886.6	3,853.0	41,586.0	37,651.6	3,934.3
Premium on Public Utility Debt, Net	65,754.6	-	5,591.2	60,163.4	60,163.4	-
Total Revenue Bonded Debt	<u>912,332.2</u>	<u>886.6</u>	<u>32,309.2</u>	<u>880,909.4</u>	<u>850,379.9</u>	<u>30,529.2</u>
Total Bonded Debt	\$ 988,495.7	\$ 4,841.7	\$ 48,057.4	\$ 945,280.1	\$ 906,453.9	\$ 38,825.3
Compensated Absences:						
Gas	\$ 1,047.5	\$ 1,038.1	\$ 968.1	\$ 1,117.5	\$ 761.1	\$ 356.3
Water	778.1	797.5	717.1	858.5	584.8	273.8
Wastewater	748.2	777.6	688.7	837.0	570.1	266.9
Storm water	269.4	264.7	249.1	285.0	194.1	90.9
Stores Operating Fund	29.9	19.1	28.5	20.5	14.0	6.5
Cemeteries	45.6	50.9	45.1	51.4	35.0	16.5
Other Non-major Enterprise Funds	90.5	88.6	83.7	95.3	64.9	30.4
Total Compensated Absences	<u>\$ 3,009.2</u>	<u>\$ 3,036.5</u>	<u>\$ 2,780.3</u>	<u>\$ 3,265.2</u>	<u>\$ 2,224.0</u>	<u>\$ 1,041.3</u>
Net Other Post Employment Benefit Obligations	<u>\$ 16,399.4</u>	<u>\$ 397.8</u>	<u>\$ 351.9</u>	<u>\$ 16,445.4</u>	<u>\$ 16,445.4</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 47,215.8</u>	<u>\$ 9,874.1</u>	<u>\$ -</u>	<u>\$ 57,089.9</u>	<u>\$ 57,089.9</u>	<u>\$ -</u>

COVID-19 MD&A HIGHLIGHTS

The City of Richmond has shifted from FY 2020's COVID response posture to one of rebuilding in FY 2021. This rebuilding is largely funded by the American Rescue Plan Act (ARPA) dollars of which the city has been allocated approximately \$154.9 million. These funds are or will be made available in two separate tranches. The City has already received the first tranche of \$77.4 million with the second tranche in a similar amount expected to be received late in FY 2022.

The City Administration and City Council with input from a wide array of stakeholders worked through FY 2021 to construct a comprehensive plan for the use of these funds. On October 25, 2021 City Council approved the Mayor's proposed uses for the first \$77.4 million of ARPA project spending. The city plans to spend these ARPA dollars over two years in the following broad categories:

- Housing (\$32.2M)
- Health (\$5.0M)
- Children and Families (\$80.5M)
- Economic Development (\$8.9M)
- Green Infrastructure (\$19.2M)
- Public Safety (\$8.5M)

As stated by the Mayor, the spending is providing a “blueprint for building back better and stronger through strategic, intentional and equitable investments that deliver on the promise of a quality of life our residents want, need and deserve.”

The \$154.9 million in ARPA funds are in addition to the total of \$40.2 million allocated to the City of Richmond in Coronavirus Aid, Relief, and Economic Security (CARES) Act. These funds were received in two equal installments in June 2020 and August 2021.

ECONOMIC FACTORS

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

Richmond has displayed steady population growth over the last decade with the 2020 Census population reflecting 11% growth, adding 22,396 new residents to the population during the last 10 years. The overall Richmond metropolitan region now includes a population of more than 1.3 million in central Virginia. After the unemployment spike following the start of the COVID-19 pandemic, the City of Richmond's unemployment has returned to pre-pandemic comparable level of 4.8% unemployment rate in September, 2021. The City's current unemployment rate is slightly above the Virginia state average and similar to the national average.

Despite the lingering impacts of the COVID-19 pandemic, Richmond has enjoyed strong gains in the housing market. In addition to adding numerous new housing units each year, the assessed values of Richmond's taxable real estate reported strong gains in FY 2021. The assessed value of taxable real estate in the City grew over 3.5% in FY 2021, from \$27.1 billion to \$28.0 billion. Current and Delinquent Real Estate tax collections grew from \$309.6 million to \$329.6 million during the fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL



STATEMENTS

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CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2021

Exhibit A, Continued

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets:				
Cash and Cash Equivalents (Note 3)	\$ 310,169,731	\$ 284,659,057	\$ 594,828,788	\$ 117,159,054
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes and Licenses	61,768,765	-	61,768,765	-
Accounts Receivable	47,993,471	51,411,023	99,404,494	14,215,647
Internal Balances, Net	1,519,067	(1,519,067)	-	-
Due From Primary Government	-	-	-	739,606
Due From Other Governments (Note 5)	14,479,962	4,440,506	18,920,468	37,917,297
Inventories of Materials and Supplies	287,769	10,800,560	11,088,329	1,251,623
Prepaid Assets	2,183,778	7,478,176	9,661,954	7,664,539
Total Current Assets	438,402,543	357,270,255	795,672,798	178,947,766
Non-Current Assets:				
Restricted Assets - Cash and Investments (Note 3)	41,405,369	180,473,732	221,879,101	3,649,993
Mortgage Loans Receivable	-	-	-	33,039,325
Capital Assets, Net (Note 6):				
Land, Land Improvement and Works of Art/Historical Infrastructure, Net	114,235,686	26,342,255	140,577,941	9,303,993
Buildings, Structures, Improvements, and Equipment, Net	367,472,250	954,972,894	1,322,445,144	-
Construction in Progress	581,579,761	363,327,248	944,907,009	150,489,556
Total Capital Assets, Net	1,308,908,135	1,390,201,696	2,699,109,831	170,856,452
Total Non-Current Assets	1,350,313,504	1,570,675,428	2,920,988,932	207,545,770
Total Assets	1,788,716,047	1,927,945,683	3,716,661,730	386,493,536
Deferred Outflows of Resources				
Deferred Losses on Refunding	22,542,804	14,515,088	37,057,892	-
Pension and OPEB Related Activities (Note 11)	127,451,660	24,800,028	152,251,688	88,699,179
Total Deferred Outflows of Resources	\$ 149,994,464	\$ 39,315,116	\$ 189,309,580	\$ 88,699,179

CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2021

Exhibit A, Completed

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Liabilities				
Current Liabilities:				
Combined RPS City Withholding	\$ 5,483,424	\$ -	\$ 5,483,424	\$ -
Accounts Payable	40,654,128	23,408,844	64,062,972	14,596,840
Accrued Liabilities	7,369,203	5,033,881	12,403,084	42,439,457
Accrued Wages	10,578,585	1,707,027	12,285,612	-
Due To Component Units - Schools	45,090,292	-	45,090,292	-
Due To Other Governments	2,035,140	9,689,570	11,724,710	2,884,396
Due to Component Units - Other	-	-	-	87,439
Accrued Interest on Bonds and Notes Payable	12,854,718	15,840,966	28,695,684	-
Unearned Revenues	93,358,633	-	93,358,633	30,162,212
General Obligation Bonds, Serial Notes Payable (Note 7)	70,465,244	8,296,688	78,761,932	178,137
Revenue Bonds Payable (Note 7)	-	30,529,433	30,529,433	-
Compensated Absences (Note 7)	6,822,579	1,041,238	7,863,817	3,020,948
Other Liabilities and Claims Payable	8,591,238	1,236,397	9,827,635	3,655,200
Total Current Liabilities	<u>303,303,184</u>	<u>96,784,044</u>	<u>400,087,228</u>	<u>97,024,629</u>
Non-Current Liabilities				
Customers' Deposits	-	9,694,130	9,694,130	739,711
General Obligation Bonds, Serial Notes Payable (Note 7)	842,985,688	56,073,931	899,059,619	4,638,563
Revenue Bonds Payable (Note 7)	-	850,379,991	850,379,991	-
Compensated Absences (Note 7)	14,571,530	2,223,972	16,795,502	-
Other Liabilities and Claims Payable (Note 9)	32,515,984	-	32,515,984	419,775,913
Net Pension and OPEB Liability	446,386,223	73,535,324	519,921,547	14,967,711
Total Non-Current Liabilities	<u>1,336,459,425</u>	<u>991,907,348</u>	<u>2,328,366,773</u>	<u>440,121,898</u>
Total Liabilities	<u>1,639,762,609</u>	<u>1,088,691,392</u>	<u>2,728,454,001</u>	<u>537,146,527</u>
Deferred Inflows of Resources				
Membership Fees Received in Advance	-	-	-	8,216
Deferred Revenues	11,855,689	-	11,855,689	-
Prepaid Taxes	55,669	-	55,669	-
Pension & OPEB Related Activities (Note 11)	2,071,662	(29,439)	2,042,223	43,301,799
Total Deferred Inflows of Resources	<u>13,983,020</u>	<u>(29,439)</u>	<u>13,953,581</u>	<u>43,310,015</u>
Net Position				
Net Investment in Capital Assets	418,000,007	590,026,715	1,008,026,722	128,255,186
Restricted for (Note 8):				
Capital Projects	16,649,181	-	16,649,181	28,458,891
Grants and donations	42,658,084	-	42,658,084	-
Restricted for Debt Service	14,373,917	31,683,153	46,057,070	-
Permanent Funds	-	-	-	1,548,015
Nonspendable	13,822	-	13,822	-
Unrestricted	(206,730,129)	256,888,978	50,158,849	(263,525,919)
Total Net Position	<u>\$ 284,964,882</u>	<u>\$ 878,598,846</u>	<u>\$ 1,163,563,728</u>	<u>\$ (105,263,827)</u>

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

CITY OF RICHMOND, VIRGINIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

EXHIBIT B

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	Governmental Activities	Business-type Activities	Totals	Component Units
Primary Government:								
Governmental:								
General Government	\$ 106,688,602	\$ 75,887,419	\$ 17,877,212	\$ -	\$ (12,923,971)	\$ -	\$ (12,923,971)	\$ -
Public Safety and Judiciary	287,470,371	63,845,680	6,358,128	-	(217,266,563)	-	(217,266,563)	-
Highways, Streets, Sanitation and Refuse	84,536,398	44,659,069	15,656,368	13,683,765	(10,537,196)	-	(10,537,196)	-
Human Services	116,253,338	51,860,994	1,777,662	-	(62,614,682)	-	(62,614,682)	-
Culture and Recreation	51,317,493	526,016	104,932	-	(50,686,545)	-	(50,686,545)	-
Education	186,561,208	-	-	-	(186,561,208)	-	(186,561,208)	-
Transportation	7,275,051	-	-	-	(7,275,051)	-	(7,275,051)	-
Capital Outlay	-	19	-	-	19	-	19	-
Interest and Fiscal Charges	30,105,012	-	2,289,077	891,977	(26,923,958)	-	(26,923,958)	-
Total Governmental Activities	<u>870,207,473</u>	<u>236,779,197</u>	<u>44,063,379</u>	<u>14,575,742</u>	<u>(574,789,155)</u>	<u>-</u>	<u>(574,789,155)</u>	<u>-</u>
Business-type:								
Gas	\$ 149,291,751	\$ 163,913,235	\$ -	\$ 517,353	\$ -	\$ 15,138,837	\$ 15,138,837	\$ -
Water	58,843,561	73,268,978	276,046	11,482,334	-	26,183,797	26,183,797	-
Wastewater	77,423,701	84,031,376	-	819,588	-	7,427,263	7,427,263	-
Stormwater	11,876,330	11,943,076	-	967,718	-	1,034,464	1,034,464	-
Cemeteries	2,464,155	2,095,658	-	-	-	(368,497)	(368,497)	-
Parking	11,622,763	16,545,438	-	-	-	4,922,675	4,922,675	-
Total Business-type Activities	<u>311,522,261</u>	<u>351,797,761</u>	<u>276,046</u>	<u>13,786,993</u>	<u>-</u>	<u>54,338,539</u>	<u>54,338,539</u>	<u>-</u>
Total Primary Government	<u>\$ 1,181,729,734</u>	<u>\$ 588,576,958</u>	<u>\$ 44,339,425</u>	<u>\$ 28,362,735</u>	<u>\$ (574,789,155)</u>	<u>\$ 54,338,539</u>	<u>\$ (520,450,616)</u>	<u>\$ -</u>
Component Units:								
School Board	421,509,212	826,716	140,086,556	4,100,000	-	-	-	(276,495,940)
Richmond Economic Development Authority	1,945,091	751,500	1,067,726	-	-	-	-	(125,865)
Richmond Ambulance Authority	18,409,014	14,252,362	-	-	-	-	-	(4,156,652)
Richmond Behavioral Health Authority	69,451,305	21,856,033	-	-	-	-	-	(47,595,272)
Richmond Redevelopment and Housing Authority	72,378,191	10,238,319	56,251,377	5,287,731	-	-	-	(600,764)
Total Component Units	<u>\$ 583,692,813</u>	<u>\$ 47,924,930</u>	<u>\$ 197,405,659</u>	<u>\$ 9,387,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(328,974,493)</u>
General Revenues:								
City Taxes								
Real Estate					313,510,367	-	313,510,367	-
Sales Tax					33,165,952	-	33,165,952	-
Personal Property					64,517,810	-	64,517,810	-
Machinery and Tools					13,719,545	-	13,719,545	-
General Utility Sales					17,124,936	-	17,124,936	-
State Communication Taxes					12,616,557	-	12,616,557	-
Bank Stock					11,649,226	-	11,649,226	-
Prepared Food					34,201,334	-	34,201,334	-
Cigarette Tax					3,087,283	-	3,087,283	-
Lodging Tax					4,907,209	-	4,907,209	-
Admissions					244,726	-	244,726	-
Real Estate Taxes - Delinquent					12,904,616	-	12,904,616	-
Personal Property Taxes - Delinquent					6,074,682	-	6,074,682	-
Private Utility Poles and Conduits					100,896	-	100,896	-
Penalties and Interest					5,722,385	-	5,722,385	-
Titling Tax-Mobile Home					5,235	-	5,235	-
Property Rental 1%					95,085	-	95,085	-
Vehicle Rental Tax					1,001,964	-	1,001,964	-
Telephone Commissions					481,556	-	481,556	-
Total City Taxes					<u>535,131,364</u>	<u>-</u>	<u>535,131,364</u>	<u>-</u>
Intergovernmental Revenue					-	-	-	135,084,180
Payment From Primary Government - Unrestricted					-	-	-	198,085,057
Investment Earnings					282,753	956,970	1,239,723	126,976
Miscellaneous					44,509,573	2,040,401	46,549,974	867,795
Transfers					37,922,671	(37,922,671)	-	-
Total General Revenues and Transfers					<u>617,846,361</u>	<u>(34,925,300)</u>	<u>582,921,061</u>	<u>334,164,008</u>
Changes in Net Position					43,057,206	19,413,239	62,470,445	5,189,515
Net Position - Beginning of Year, as restated					241,907,676	859,185,607	1,101,093,283	(110,453,342)
Net Position - End of Year					<u>\$ 284,964,882</u>	<u>\$ 878,598,846</u>	<u>\$ 1,163,563,728</u>	<u>\$ (105,263,827)</u>

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

**CITY OF RICHMOND, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021**

EXHIBIT C, Continued

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents (Note 3)	\$ 230,029,908	\$ 705,454	\$ -	\$ 45,047,347	\$ 275,782,709
Receivables (Net of Allowance for Doubtful Accounts):					
Taxes and Licenses	61,768,765	-	-	-	61,768,765
Accounts Receivable, Net	25,324,532	2,346,000	18,637	13,025,579	40,714,748
Due From Other Funds (Note 4)	52,584,554	-	-	-	52,584,554
Due From Other Governments (Note 5)	2,269,010	-	3,193,053	9,017,899	14,479,962
Prepaid Assets	13,822	-	-	-	13,822
Restricted Assets - Cash and Investments (Note 3)	-	11,375,231	16,649,181	68,649	28,093,061
Total Assets	371,990,591	14,426,685	19,860,871	67,159,474	473,437,621
Liabilities:					
Accounts Payable	26,657,730	-	4,744,232	5,870,650	37,272,612
Accrued Liabilities	787,462	52,768	37,704	2,636,689	3,514,623
Accrued Wages	9,248,171	-	63,277	786,452	10,097,900
Due To Component Units - Schools	45,090,292	-	-	-	45,090,292
Due To Other Governments	2,035,140	-	-	-	2,035,140
Due To Other Funds (Note 4)	-	-	37,224,884	7,197,599	44,422,483
Unearned Revenue	77,980,534	-	7,368,099	8,010,000	93,358,633
Total Liabilities	161,799,329	52,768	49,438,196	24,501,390	235,791,683
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	47,965,388	-	-	-	47,965,388
Prepaid Taxes	55,669	-	-	-	55,669
Total Deferred Inflows of Resources	48,021,057	-	-	-	48,021,057
Fund Balances (Note 8):					
Nonspendable	13,822	-	-	-	13,822
Restricted	-	14,373,917	16,649,181	42,658,084	73,681,182
Committed	23,969,210	-	-	-	23,969,210
Assigned	37,729,147	-	-	-	37,729,147
Unassigned	100,458,026	-	(46,226,506)	-	54,231,520
Total Fund Balances	162,170,205	14,373,917	(29,577,325)	42,658,084	189,624,881
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 371,990,591	\$ 14,426,685	\$ 19,860,871	\$ 67,159,474	\$ 473,437,621

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, 2021

EXHIBIT C, Concluded

Total Fund Balances for Governmental Funds		\$ 189,624,881
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land, Works of Art/Historical Treasures	113,872,297	
Infrastructure, net	367,472,250	
Buildings, structures, improvements, and equipment, net	549,437,651	
Construction in progress	<u>245,317,494</u>	1,276,099,692
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	22,541,825	
Deferred Outflows Pension and OPEB	<u>124,965,893</u>	147,507,718
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	36,109,699	36,109,699
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of:		
Accrued Interest	(12,844,005)	
Governmental bonds, notes payable, and line of credit	(902,068,270)	
Compensated Absences	(20,514,676)	
Pension and OPEB related - Deferred Inflow of Resources	(1,575,182)	
Pension and OPEB related - Net Pension Liability	<u>(438,068,319)</u>	(1,375,070,452)
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>10,693,344</u>
Net Position of Governmental Activities		<u>\$ 284,964,882</u>

CITY OF RICHMOND, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

EXHIBIT D, Continued

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
Revenues					
City Taxes					
Real Estate	\$ 314,554,821	\$ -	\$ -	\$ -	\$ 314,554,821
Sales Tax	33,165,952	-	-	-	33,165,952
Personal Property	67,189,886	-	-	-	67,189,886
Machinery and Tools	14,439,966	-	-	-	14,439,966
Utility Sales Tax Gas	5,306,763	-	-	-	5,306,763
Utility Sales Tax Electric	12,279,000	-	-	-	12,279,000
Utility Sales Tax Telephone	196,468	-	-	-	196,468
State Communications Taxes	12,616,557	-	-	-	12,616,557
Bank Stock	11,649,226	-	-	-	11,649,226
Prepared Food	37,018,912	-	-	-	37,018,912
Cigarette Tax	3,087,283	-	-	-	3,087,283
Lodging Tax	5,082,521	-	-	-	5,082,521
Admission	313,005	-	-	-	313,005
Real Estate Taxes - Delinquent	12,902,394	-	-	-	12,902,394
Personal Property Taxes - Delinquent	6,074,682	-	-	-	6,074,682
Private Utility Poles and Conduits	100,896	-	-	-	100,896
Penalties and Interest	8,055,276	-	-	-	8,055,276
Titling Tax-Mobile Home	5,235	-	-	-	5,235
Property Rental 1%	95,085	-	-	-	95,085
Vehicle Rental Tax	1,001,964	-	-	-	1,001,964
Telephone Commissions	481,556	-	-	-	481,556
Total City Taxes	545,617,448	-	-	-	545,617,448
Licenses, Permits and Privilege Fees	44,821,666	-	-	-	44,821,666
Intergovernmental	118,136,632	891,977	13,680,765	58,344,211	191,053,585
Service Charges	28,557,773	-	-	1,907,204	30,464,977
Fines and Forfeitures	8,983,908	-	-	336,645	9,320,553
Utility Payments	20,762,997	-	-	-	20,762,997
Investment Income	-	208,647	23,593	50,621	282,861
Miscellaneous	7,368,061	-	921,217	27,563,111	35,852,389
Total Revenues	774,248,485	1,100,624	14,625,575	88,201,792	878,176,476
Expenditures					
Current:					
General Government	53,451,621	-	-	21,516,156	74,967,777
Public Safety and Judiciary	246,302,122	-	-	8,228,159	254,530,281
Highways, Streets, Sanitation and Refuse	44,088,077	-	-	33,375,109	77,463,186
Human Services	57,581,631	-	-	18,663,107	76,244,738
Culture and Recreation	23,314,695	-	-	1,314,326	24,629,021
Education	187,522,399	-	-	-	187,522,399
Non-Departmental	75,245,104	-	-	-	75,245,104
Capital Outlay	-	-	97,368,807	-	97,368,807
Debt Service:					
Principal Retirement	-	50,135,816	-	-	50,135,816
Interest Payments	-	30,872,732	-	-	30,872,732
Debt Issuance costs	-	759,446	398,467	-	1,157,913
Total Expenditures	687,505,649	81,767,994	97,767,274	83,096,857	950,137,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	86,742,836	(80,667,370)	(83,141,699)	5,104,935	(71,961,298)
Other Financing Sources					
Issuance of Bonds and Notes	-	-	110,447,259	-	110,447,259
Issuance of Refunding Bonds	-	89,050,950	-	-	89,050,950
Premium on Bonds Issued	-	5,801,609	9,710,415	-	15,512,024
Payment to Bond Refunding Escrow	-	(57,522,723)	-	-	(57,522,723)
Payoff Line of Credit BAN	-	(36,600,000)	-	-	(36,600,000)
Receipts from EDA	-	1,584,853	-	-	1,584,853
Transfers In - Other Funds	12,070,177	79,400,370	20,541,794	11,904,019	123,916,360
Transfers Out - Other Funds	(91,081,253)	(34,604)	(6,513,901)	(11,329,195)	(108,958,953)
Total Other Financing Sources, Net	(79,011,076)	81,680,455	134,185,567	574,824	137,429,770
Net Change in Fund Balances	7,731,760	1,013,085	51,043,868	5,679,759	65,468,472
Fund Balances - Beginning of Year, as restated	154,438,445	13,360,832	(80,621,193)	36,978,325	124,156,409
Fund Balances - End of Year	\$ 162,170,205	\$ 14,373,917	\$ (29,577,325)	\$ 42,658,084	\$ 189,624,881

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, 2021

EXHIBIT D, Concluded

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

Net change in Fund Balances - Total Governmental Funds		\$ 65,468,472
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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	107,810,815	
Depreciation expense	<u>(45,529,247)</u>	62,281,568

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	(221,648,433)	
Principal payments of bonds, net of payments on behalf of Component Units	154,436,067	
Amortization of bond premiums and refunding	<u>2,308,247</u>	(64,904,119)

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	6,212,331	6,212,331
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Some expenditures in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in Accrued Interest	(393,353)	
Change in Compensated Absences	(272,079)	
Change in Net Pension and OPEB Obligations	<u>(22,388,788)</u>	(23,054,220)

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

		<u>(2,946,826)</u>
Change in Net Position of Governmental Activities		<u>\$ 43,057,206</u>

CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

EXHIBIT E-1

Enterprise Funds

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Assets							
Current Assets:							
Cash and Cash Equivalents (Note 3)	\$ 39,997,445	\$ 115,969,322	\$ 120,214,642	\$ -	\$ 8,477,648	\$ 284,659,057	\$ 47,699,330
Accounts Receivables (Net of Allowance for Doubtful Accounts)	8,310,325	21,843,985	15,541,769	3,920,562	1,794,382	51,411,023	7,278,723
Due From Other Funds (Note 4)	1,314,459	1,341,096	4,365,560	-	-	7,021,115	-
Due From Other Governments (Note 5)	-	2,468,296	1,373,295	598,915	-	4,440,506	-
Inventories of Materials and Supplies	5,462,228	-	-	-	-	5,462,228	5,626,101
Prepaid Expenses and Other Current Assets	2,426,349	2,160,800	2,775,998	-	-	7,363,147	2,284,985
Total Current Assets	57,510,806	143,783,499	144,271,264	4,519,477	10,272,030	360,357,076	62,889,139
Noncurrent Assets:							
Restricted Cash	24,893,309	18,768,856	136,811,567	-	-	180,473,732	-
Capital Assets (Note 6):							
Land	219,200	878,307	1,101,261	-	22,456,955	24,655,723	2,049,921
Buildings and Structures	671,120,161	539,381,675	664,092,155	23,026,434	36,807,355	1,934,427,780	53,056,161
Equipment and Other Assets	60,075,998	94,770,945	190,009,907	34,557,669	3,875,861	383,290,380	123,803,512
Construction in Progress	3,228,028	17,341,667	20,383,547	4,606,057	-	45,559,299	302,944
Less: Accumulated Depreciation	(321,762,765)	(267,318,524)	(385,256,834)	(10,248,555)	(15,496,521)	(1,000,083,199)	(144,052,382)
Total Capital Assets, Net Accumulated Depreciation	412,880,622	385,054,070	490,330,036	51,941,605	47,643,650	1,387,849,983	35,160,156
Total Noncurrent Assets	437,773,931	403,822,926	627,141,603	51,941,605	47,643,650	1,568,323,715	35,160,156
Total Assets	495,284,737	547,606,425	771,412,867	56,461,082	57,915,680	1,928,680,791	98,049,295
Deferred Outflows of Resources							
Losses on Refunding of Debt	5,497,991	3,550,786	5,466,311	-	-	14,515,088	979
Pension & OPEB Related Activities (Note 11)	9,194,443	5,922,569	6,905,167	2,196,723	470,838	24,689,740	2,596,055
Total Deferred Outflows of Resources	14,692,434	9,473,355	12,371,478	2,196,723	470,838	39,204,828	2,597,034
Liabilities							
Current Liabilities:							
Combined RPS City Withholding	-	-	-	-	-	-	5,483,424
Accounts Payable	11,899,987	3,746,232	5,807,988	572,858	1,082,230	23,109,295	3,669,272
Accrued Liabilities	761,409	1,679,255	2,322,959	252,034	16,576	5,032,233	3,856,228
Accrued Wages	586,809	449,532	431,861	161,535	66,068	1,695,805	491,907
Due To Other Governments	4,933,257	2,216,629	2,539,684	-	-	9,689,570	-
Due To Other Funds (Note 4)	-	-	-	6,355,184	1,519,067	7,874,251	7,308,935
Accrued Interest on Bonds Payable	5,190,082	3,638,319	6,372,326	2,685	637,554	15,840,966	10,713
General Obligation Bonds and Notes Payable (Note 7)	2,333,181	1,408,472	-	635,617	3,919,418	8,296,688	2,124,111
Revenue Bonds Payable (Note 7)	9,313,815	7,524,112	13,691,506	-	-	30,529,433	-
Compensated Absences (Note 7)	356,345	273,776	266,921	90,878	46,774	1,034,694	286,993
Other Liabilities & Claims Payable	-	-	-	1,236,397	-	1,236,397	8,591,238
Total Current Liabilities	35,374,885	20,936,327	31,433,245	9,307,188	7,287,687	104,339,332	31,822,821
Noncurrent Liabilities:							
Customers' Deposits	7,174,038	2,520,092	-	-	-	9,694,130	-
General Obligation Bonds and Notes Payable (Note 7)	4,764,316	2,876,075	-	7,010,548	41,422,992	56,073,931	9,258,551
Revenue Bonds Payable (Note 7)	269,474,951	193,787,725	387,117,315	-	-	850,379,991	-
Compensated Absences (Note 7)	761,117	584,758	570,117	194,106	99,898	2,209,996	612,960
Net Pension and OPEB Liability	26,474,282	17,038,784	20,078,517	6,455,116	2,852,788	72,899,487	8,965,534
NC Other Liabilities & Claims Payable	-	-	-	-	-	-	32,515,984
Total Noncurrent Liabilities	308,648,704	216,807,434	407,765,949	13,659,770	44,375,678	991,257,535	51,353,029
Total Liabilities	344,023,589	237,743,761	439,199,194	22,966,958	51,663,365	1,095,596,867	83,175,850
Deferred Inflows of Resources							
Pension & OPEB Related Activities (Note 11)	6,366	4,070	460	1,954	(64)	12,786	454,255
Total Deferred Inflows of Resources	6,366	4,070	460	1,954	(64)	12,786	454,255
Net Position							
Net Investment in Capital Assets	144,261,428	192,226,875	211,534,758	37,350,702	2,301,242	587,675,005	23,753,254
Restricted - Debt Service	10,231,275	7,743,815	13,708,063	-	-	31,683,153	-
Unrestricted	11,454,513	119,361,259	119,341,870	(1,661,809)	4,421,975	252,917,808	(6,737,030)
Total Net Position	\$ 165,947,216	\$ 319,331,949	\$ 344,584,691	\$ 35,688,893	\$ 6,723,217	\$ 872,275,966	\$ 17,016,224

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

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

Net Position as Shown on Statement of Net
Position - Proprietary Fund 872,275,966

The Allocation of Internal Service Fund to
Various Activities, Funds, Etc. as it Relates
to Business-Type Activities 6,322,880

Net Position Shown on Government-Wide
Statement of Net Position \$ 878,598,846

CITY OF RICHMOND, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN THE NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

EXHIBIT E-2

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Operating Revenues							
Charges for Goods and Services	\$ 163,066,209	\$ 73,269,515	\$ 84,026,579	\$ 11,943,076	\$ 15,700,001	\$ 348,005,380	\$ 122,133,764
Operating Expenses							
Purchased Gas	74,312,943	-	-	-	-	74,312,943	-
Intragovernmental Goods and Services Sold	-	-	-	-	-	-	9,913,685
Salaries and Wages and Benefits	20,778,326	15,785,344	15,576,659	5,263,571	2,729,854	60,133,754	13,553,565
Data Processing	-	-	-	-	-	-	8,636,032
Materials and Supplies	1,641,472	1,683,392	1,225,462	203,976	54,092	4,808,394	1,449,185
Rents and Utilities	374,965	4,192,898	4,944,530	103,841	521,917	10,138,151	2,888,081
Maintenance and Repairs	14,926,103	7,628,603	10,321,474	3,656,743	3,432,176	39,965,099	2,450,077
Depreciation and Amortization	22,664,560	16,179,740	21,810,044	2,211,555	1,627,716	64,493,615	5,539,005
Claims and Settlements	-	-	-	-	18,287	18,287	68,127,527
Uncollectible Expense	2,462,401	1,540,950	1,951,287	349,658	-	6,304,296	-
Miscellaneous Operating Expenses	12,165,781	13,784,275	18,588,914	44,949	4,511,600	49,095,519	6,933,947
Total Operating Expenses	<u>149,326,551</u>	<u>60,795,202</u>	<u>74,418,370</u>	<u>11,834,293</u>	<u>12,895,642</u>	<u>309,270,058</u>	<u>119,491,104</u>
Operating Income (Loss)	<u>13,739,658</u>	<u>12,474,313</u>	<u>9,608,209</u>	<u>108,783</u>	<u>2,804,359</u>	<u>38,735,322</u>	<u>2,642,660</u>
Non-Operating Revenues (Expenses)							
Interest on Long-Term Debt	(10,133,078)	(7,189,134)	(12,385,983)	(42,037)	(1,191,276)	(30,941,508)	(121,799)
Interest Income	135,961	106,375	714,634	-	-	956,970	3,594
Interest Expense	(42,629)	(12,803)	-	-	-	(55,432)	-
Miscellaneous Revenues (Expenses)	1,080	302,261	1,931,538	63,757	-	2,298,636	22,240
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	215,770
Total Non-Operating Revenues (Expenses), Net	<u>(10,038,666)</u>	<u>(6,793,301)</u>	<u>(9,739,811)</u>	<u>21,720</u>	<u>(1,191,276)</u>	<u>(27,741,334)</u>	<u>119,805</u>
Net Income Before Contributions and Transfers	<u>3,700,992</u>	<u>5,681,012</u>	<u>(131,602)</u>	<u>130,503</u>	<u>1,613,083</u>	<u>10,993,988</u>	<u>2,762,465</u>
Capital Contributions	517,353	11,482,334	819,588	967,718	-	13,786,993	901,468
Transfers In - Other Funds	-	-	-	-	2,941,095	2,941,095	-
Transfers Out - Other Funds	(3,110,104)	(1,502,581)	(3,850,832)	-	-	(8,463,517)	(6,456,079)
Change in Net Position	1,108,241	15,660,765	(3,162,846)	1,098,221	4,554,178	19,258,559	(2,792,146)
Net Position - Beginning of Year, as restated	<u>164,838,975</u>	<u>303,671,184</u>	<u>347,747,537</u>	<u>34,590,672</u>	<u>2,169,039</u>	<u>853,017,407</u>	<u>19,808,370</u>
Net Position - End of Year	<u>\$ 165,947,216</u>	<u>\$ 319,331,949</u>	<u>\$ 344,584,691</u>	<u>\$ 35,688,893</u>	<u>\$ 6,723,217</u>	<u>\$ 872,275,966</u>	<u>\$ 17,016,224</u>

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

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

Changes in net position as Shown on Statement of Net
Position - Proprietary Funds 19,258,559

The Allocation of Internal Service Fund to
Various Activities, Funds, Etc. as it Relates
to Business-Type Activities 154,680

Change in Net Position as Shown on Government-Wide
Statement of Activities \$ 19,413,239

CITY OF RICHMOND, VIRGINIA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

EXHIBIT E-3

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Cash Flows from Operating Activities							
Receipts from Customers	\$ 154,905,262	\$ 68,262,110	\$ 80,925,229	\$ 11,691,505	\$ 15,371,178	\$ 331,155,284	\$ 119,565,396
Payments to Suppliers	(95,259,465)	(22,182,290)	(28,175,698)	(3,785,421)	(8,442,355)	(157,845,229)	(99,385,156)
Payments to Employees	(18,803,019)	(14,438,477)	(14,094,201)	(4,786,753)	(1,978,938)	(54,101,388)	(11,806,116)
Payments to Other Funds	(6,281,655)	(5,879,289)	(7,149,657)	-	-	(19,310,601)	-
Receipts from Other Funds	-	-	-	-	-	-	(214,055)
Other Receipts or (Payments)	(23,749)	441,356	(234,803)	63,747	-	246,551	22,036
Net Cash Provided By Operating Activities	34,537,374	26,203,410	31,270,870	3,183,078	4,949,885	100,144,617	8,182,105
Cash Flows from Noncapital Financing Activities							
Government Subsidies	-	-	-	-	34,604	34,604	2,210,745
Transfers In - Other Funds	4,933,257	2,216,629	2,539,684	-	-	9,689,570	-
Transfers Out - Other Funds	(3,110,104)	(1,502,581)	(3,850,832)	-	-	(8,463,517)	-
Due From Other Funds	(318,394)	(402,390)	(129,854)	389,563	-	(461,075)	(7,832,733)
Due to Other Funds	-	-	-	-	(35,043)	(35,043)	(7,832,733)
Net Cash Provided By (Used In) Noncapital Financing Activities	1,504,759	311,658	(1,441,002)	389,563	(439)	764,539	(13,454,721)
Cash Flows from Capital and Related Financing Activities							
Acquisition of Capital Assets	(23,944,372)	(22,435,469)	(26,948,405)	(7,156,501)	-	(80,484,747)	(9,788,041)
Proceeds from Bond Sale	-	-	886,551	3,863,306	-	4,749,857	-
Capital Grants and Contributions	517,354	12,015,741	616,185	368,803	-	-	-
Repayments of Revenue Bonds, General Obligation Bonds	(13,587,908)	(11,120,396)	(12,988,541)	(607,469)	(4,036,169)	(42,340,483)	4,496,726
Repayments of Notes Payables	-	-	-	-	-	-	901,468
Interest Paid on Long-Term Debt	(11,205,663)	(7,899,101)	(12,760,278)	(40,780)	(1,234,677)	(33,140,499)	49,339
Net Cash Used in Capital and Related Financing Activities	(48,220,589)	(29,439,225)	(51,194,488)	(3,572,641)	(5,270,846)	(151,215,872)	(4,340,508)
Cash Flows from Investing Activities							
Interest Earned on Operating Funds	135,961	106,375	714,634	-	-	956,970	-
Interest Paid on Customers' Deposits	(42,629)	(12,803)	-	-	-	(55,432)	-
Net Cash Provided By Investing Activities	93,332	93,572	714,634	-	-	901,538	-
Net Increase (Decrease) in Cash and Cash Equivalents	(12,085,124)	(2,830,585)	(20,649,986)	-	(321,400)	(35,887,095)	(9,613,124)
Cash and Cash Equivalents at July 1, 2020	76,975,878	137,568,763	277,676,195	-	9,485,022	501,705,858	49,479,719
Cash and Cash Equivalents at June 30, 2021	\$ 64,890,754	\$ 134,738,178	\$ 257,026,209	\$ -	\$ 9,163,622	\$ 465,818,763	\$ 47,699,330
Reconciliation of Operating Income (Loss)							
To Net Cash Provided by (Used In) Operating Activities							
Operating Income (Loss)	\$ 13,739,658	\$ 12,474,313	\$ 9,608,209	\$ 108,783	\$ 2,804,359	\$ 38,735,322	\$ 2,642,660
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:							
Depreciation	22,664,560	16,179,740	21,810,044	2,211,555	1,627,716	64,493,615	5,539,005
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	215,770
Pension Expense	1,880,375	1,238,194	1,379,027	447,501	732,699	5,677,796	1,492,691
Miscellaneous Revenues (Expenses)	1,080	302,261	(234,803)	63,757	-	132,295	22,036
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Accounts Receivable	(5,698,546)	(3,466,455)	(1,150,062)	98,087	(328,823)	(10,545,799)	(2,784,322)
Due from General Fund	-	-	-	-	-	-	-
Due From Component Unit	-	-	-	-	-	-	-
Inventories of Material and Supplies	(1,250,227)	-	-	-	-	(1,250,227)	(722,327)
Prepaid Expenses	49,437	55,772	(92,006)	-	-	13,203	(1,516,405)
Accounts Payable	3,272,154	(955,929)	(154,582)	(247,525)	95,718	2,009,836	2,963,496
Accrued Liabilities	37,050	156,009	16,221	13,691	5,792	228,763	229,551
Customers' Deposits	(24,829)	139,117	-	-	-	114,288	-
Compensated Absences	69,958	80,388	88,821	15,626	12,424	267,217	99,950
Other Liabilities	(203,296)	-	-	471,603	-	268,307	-
Total Adjustments	20,797,716	13,729,097	21,662,660	3,074,295	2,145,526	61,409,294	5,539,445
Net Cash Provided by Operating Activities	\$ 34,537,374	\$ 26,203,410	\$ 31,270,869	\$ 3,183,078	\$ 4,949,885	\$ 100,144,616	\$ 8,182,105

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

CITY OF RICHMOND, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

EXHIBIT F-1

	Pension & Other Employee Benefit Trust Funds	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Assets			
Cash and Cash Equivalents	\$ 3,514,000	\$ 2,417,049	\$ 1,540,894
Receivables:			
Accounts Receivable	1,898,844	-	-
Total Receivables	1,898,844	-	-
Investments at fair value:			
US Equities	216,127,849	-	-
International Equities	133,014,556	-	-
Fixed Income	180,410,694	-	-
Real Estate	52,143,847	-	-
Diversifying Assets	55,752,494	-	-
Private Debt	41,731,502	-	-
Private Equity	17,880,000	-	-
Pooled Investment Funds	7,674,657	-	-
Total investments	704,735,599	-	-
Other Assets	240,326	-	-
Total Assets	\$ 710,388,769	\$ 2,417,049	\$ 1,540,894
Liabilities			
DROP Payable	\$ 14,061,000	\$ -	\$ -
Payable for Security Transactions	219,848	-	-
Accounts Payable	2,258,010	-	634,419
Investment Expense Payable	432,500	-	-
Retirement & Death Benefit Payable	316,990	-	-
Due To Other Governments	-	-	104,069
Due to Others	-	2,417,083	828,978
Total Liabilities	17,288,348	2,417,083	1,567,466
Net Position			
Restricted for:			
Pensions	685,425,764	-	-
Postemployment benefits, Other Than Pensions	7,674,657	-	-
Individuals, Organizations, Other governments	-	(34)	(26,572)
Total Net Position	\$ 693,100,421	\$ (34)	\$ (26,572)

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, 2021

EXHIBIT F-2

	Pension & Other Employee Benefit Trust Funds	Social Welfare Private-Pur pose Trust Fund	Custodial Funds
Additions			
Contributions:			
Individuals	\$ 1,804,651	\$ -	\$ 1,544,998
City of Richmond	60,018,500	-	-
RBHA	1,637,278	-	-
Other	23,945	-	-
Total Contributions	<u>63,484,374</u>	-	<u>1,544,998</u>
Investment earnings:			
Net increase in fair value of investments	139,531,926	-	-
Interest, dividends, other	1,868,158	-	-
Total Investment Earnings	<u>141,400,084</u>	-	<u>-</u>
Less Investment Costs			
Investment activity costs	1,838,228	-	-
Net Investment Earnings	<u>139,561,856</u>	-	<u>-</u>
Property tax collections for other governments	-	-	115
License and fees collected for State	-	-	57,280
Miscellaneous	-	233,673	34,638
Total Additions	<u>203,046,230</u>	<u>233,673</u>	<u>1,637,031</u>
Deductions			
Benefits paid to participants or beneficiaries	74,468,932	-	1,575,082
Refunds of member contributions	158,078	-	-
Medical, dental, and life insurance	-	-	-
Payments to state	-	-	54,590
Administrative expense	1,497,364	41,253	-
Other	60,082	-	33,599
Total Deductions	<u>76,184,456</u>	<u>41,253</u>	<u>1,663,271</u>
Change in Net Position	126,861,774	192,420	(26,240)
Net Position - July 1, 2020, as restated	566,238,647	(192,454)	(332)
Net Position - June 30, 2021	<u>\$ 693,100,421</u>	<u>\$ (34)</u>	<u>\$ (26,572)</u>

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

**CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2021**

EXHIBIT G-1

	School Board	Richmond Economic Development Authority	Richmond Ambulance Authority	Richmond Behavioral Health Authority	Richmond Redevelopment and Housing Authority	Total
Assets						
Cash and Cash Equivalents	\$ 50,263,671	\$ 10,303,519	\$ 5,857,544	\$ 17,080,854	\$ 33,653,466	\$ 117,159,054
Due From Primary Government	-	739,606	-	-	-	739,606
Due From Other Governments	36,534,411	-	-	1,382,886	-	37,917,297
Accounts Receivable	964,850	82,804	3,612,290	6,424,534	3,131,169	14,215,647
Inventories of Materials and Supplies	997,791	-	253,832	-	-	1,251,623
Prepaid Expenses and Other Current Assets	25,400	30,747	764,140	582,689	6,261,563	7,664,539
Investments	1,864,170	531,452	1,254,371	-	-	3,649,993
Mortgage Loans Receivable and Other Non-Current Assets	-	-	-	-	33,039,325	33,039,325
Capital Assets:						
Land	-	1,612,388	-	-	7,691,605	9,303,993
Buildings and Structures	-	29,929,681	998,407	-	154,453,581	185,381,669
Other Non-Current Assets	-	29,532,308	-	19,759,166	-	49,291,474
Equipment	66,642,187	-	12,325,413	-	21,402,569	100,370,169
Less: Accumulated Depreciation	(44,838,340)	(19,999,501)	(8,519,262)	-	(111,140,493)	(184,497,596)
Construction in Progress	-	54,651	-	-	11,008,252	11,062,903
Total Capital Assets	<u>21,803,847</u>	<u>41,129,527</u>	<u>4,804,558</u>	<u>19,759,166</u>	<u>83,415,514</u>	<u>170,912,612</u>
Total Assets	<u>112,454,140</u>	<u>52,817,655</u>	<u>16,546,735</u>	<u>45,230,129</u>	<u>159,501,037</u>	<u>386,549,696</u>
Deferred Outflows of Resources						
Deferred OPEB contributions	3,541,627	-	-	-	-	3,541,627
Deferred OPEB investment experience	540,023	-	-	-	-	540,023
Deferred OPEB Economic experience	920,366	-	-	-	262,995	1,183,361
Deferred Pension change of assumptions	18,895,781	-	-	-	-	18,895,781
Deferred OPEB change of assumptions	1,654,435	-	-	-	-	1,654,435
Deferred Pension proportionate share	3,060,868	-	-	-	-	3,060,868
Deferred OPEB proportionate share	519,450	-	-	-	-	519,450
Deferred Pension economic experience	500,491	-	-	-	1,695,285	2,195,776
Deferred Pension investment experience	22,389,289	-	-	-	-	22,389,289
Deferred Pension contributions	31,279,620	-	-	3,438,949	-	34,718,569
Total Deferred Outflows of Resources	<u>83,301,950</u>	<u>-</u>	<u>-</u>	<u>3,438,949</u>	<u>1,958,280</u>	<u>88,699,179</u>
Liabilities						
Accounts Payable	10,293,799	75,162	715,126	1,999,016	1,513,737	14,596,840
Accrued Liabilities	34,112,700	60,605	355,311	1,448,861	1,374,132	37,351,609
Due To Primary Government	-	87,439	-	-	-	87,439
Due To Other Governments	2,662,093	-	-	-	222,303	2,884,396
Unearned Revenues	8,566,732	-	-	20,617,867	977,613	30,162,212
Customers' Deposits	-	129,890	-	-	609,821	739,711
Bonds, Notes Payable and Capital Leases	-	-	-	178,137	-	178,137
Other Current Liabilities	2,553,133	1,058,039	16,336	-	44,028	3,671,536
Compensated Absences	-	-	-	2,192,155	828,793	3,020,948
Accrued helathcare claims	5,087,848	-	-	-	-	5,087,848
Non-Current Liabilities:						
Bonds, Notes Payable and Capital Leases	-	-	-	-	4,638,563	4,638,563
Other Noncurrent Liabilities	372,926,764	26,115,000	39,824	2,770,429	14,648,527	416,500,544
Net Other Postemployment Benefit Obligations	-	-	-	3,315,193	-	3,315,193
Net Pension Liability	-	-	-	7,682,966	7,284,745	14,967,711
Total Liabilities	<u>436,203,069</u>	<u>27,526,135</u>	<u>1,126,597</u>	<u>40,204,624</u>	<u>32,142,262</u>	<u>537,202,687</u>
Deferred Inflow of Resources						
Net Difference Between Projected and Actual Earnings on Pension Plan	-	-	-	-	1,124,078	1,124,078
Deferred OPEB assumptions	433,989	-	-	-	-	433,989
Deferred OPEB Economic Experience	475,904	-	-	-	-	475,904
Deferred OPEB proportionate share	3,287,513	-	-	-	-	3,287,513
Deferred Inflow Change in Assumptions	-	-	-	156,959	-	156,959
Deferred Pension Economic experience	15,998,904	-	-	-	-	15,998,904
Deferred Pension Proportionate share	20,720,380	-	-	-	-	20,720,380
Other Pension Deferrals	-	-	-	1,104,072	-	1,104,072
Membership fees received in advance	-	-	8,216	-	-	8,216
Total Deferred Inflows of Resources	<u>40,916,690</u>	<u>-</u>	<u>8,216</u>	<u>1,261,031</u>	<u>1,124,078</u>	<u>43,310,015</u>
Net Position						
Net Investment in Capital Assets	18,683,455	4,597,219	4,748,398	16,810,600	83,415,514	128,255,186
Restricted for:						
Capital Projects	10,423,227	6,488,256	-	-	11,547,408	28,458,891
Permanent Funds:						
Expendable	1,429,703	-	-	-	-	1,429,703
Nonexpendable	118,312	-	-	-	-	118,312
Unrestricted	(312,018,366)	14,206,045	10,663,524	(9,607,177)	33,230,055	(263,525,919)
Total Net Position	<u>\$ (281,363,669)</u>	<u>\$ 25,291,520</u>	<u>\$ 15,411,922</u>	<u>\$ 7,203,423</u>	<u>\$ 128,192,977</u>	<u>\$ (105,263,827)</u>

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

**CITY OF RICHMOND, VIRGINIA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2021**

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	\$ 421,509,212	\$ 826,716	\$ 140,086,556	\$ 4,100,000	\$ (276,495,940)	\$ -	\$ -	\$ -	\$ -	\$ (276,495,940)
Richmond Economic Development Authority	1,945,091	751,500	1,067,726	-	-	(125,865)	-	-	-	(125,865)
Richmond Ambulance Authority	18,409,014	14,252,362	-	-	-	-	(4,156,652)	-	-	(4,156,652)
Richmond Behavioral Health Authority	69,451,305	21,856,033	-	-	-	-	-	(47,595,272)	-	(47,595,272)
Richmond Redevelopment and Housing Authority	72,378,191	10,238,319	56,251,377	5,287,731	-	-	-	-	(600,764)	(600,764)
Total Component Units	\$ 583,692,813	\$ 47,924,930	\$ 197,405,659	\$ 9,387,731	\$ (276,495,940)	\$ (125,865)	\$ (4,156,652)	\$ (47,595,272)	\$ (600,764)	\$ (328,974,493)
General Revenues:										
Payment From Primary Government					180,719,490	7,573,191	5,000,000	4,792,376	-	198,085,057
Intergovernmental Revenue Not Restricted to Specific Programs					89,791,850	(1,519,084)	-	46,811,414	-	135,084,180
Investment Earnings					-	-	-	-	126,976	126,976
Gain/(Loss) on Disposal of Assets					-	-	-	-	-	-
Miscellaneous Other Income					1,040,159	(6,121,602)	774,419	871,612	5,005,749	1,570,337
Interest Expense					-	(1,021,501)	-	(104,819)	-	(1,126,320)
Interest Income					373,870	9,869	36,896	3,143	-	423,778
Total General Revenues					271,925,369	(1,079,127)	5,811,315	52,373,726	5,132,725	334,164,008
Changes in Net Position					(4,570,571)	(1,204,992)	1,654,663	4,778,454	4,531,961	5,189,515
Net Position - Beginning of Year (Restated)					(276,793,098)	26,496,512	13,757,259	2,424,969	123,661,016	(110,453,342)
Net Position - End of Year					\$ (281,363,669)	\$ 25,291,520	\$ 15,411,922	\$ 7,203,423	\$ 128,192,977	\$ (105,263,827)

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

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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:

<https://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.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

Proprietary Component Units

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

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

Richmond Ambulance Authority (RAA)

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

Richmond Behavioral Health Authority (RBHA)

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

Richmond Redevelopment and Housing Authority (RRHA)

RRHA is responsible for operating a low-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
JUNE 30, 2021

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 \$7,957,683 for operating subsidies for bus routes and para-transit services within the City for the year ended June 30, 2021. The City also expended \$344,493 for local match funds needed to secure 80 percent of Federal grant funds that are used for the Company's capital purchases. Complete financial statements for the Greater Richmond Transit Company can be obtained from the Finance Department, GRTC Transit System, 301 East Belt Boulevard, Richmond, VA 23224.

Jointly Governed Organizations

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

The Commission is comprised of a fourteen-member board of directors, with four members each appointed by the City, County of Henrico and County of Chesterfield and two members appointed by the County of Hanover. The Commission generates its revenues from service charges to users of the Airport facilities to recover the costs of maintaining, repairing and operating the Airport. Virginia law requires that the Commission submit an annual budget showing estimated revenues and estimated expenditures to the governing bodies. If the Commission's budget contains estimated expenditures which exceed estimated revenues, the governing bodies are required to fund the deficit in proportion to their financial interest in the Commission. If, however, actual revenues are less than estimated revenues identified in the budget (resulting in a deficit), the City and Counties may, at their discretion, appropriate funds necessary to fund the deficit. The City did not provide funding to the Commission during the fiscal year ended June 30, 2021.

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 \$10,561,593 in funding for City transportation capital projects from the CVTA during the fiscal year ended June 30, 2021.

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 \$3,795,434 in funding to CVWMA for the fiscal year ended June 30, 2021.

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 \$335,000 in funding to GRP for the year ended June 30, 2021.

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

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
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improve the economic health of all jurisdictions involved. The City has three representatives serving on the RMCVB Board of Directors. The City contributed \$1,89,290 to RMCVB for the year ended June 30, 2021.

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 \$147,091 for the year ended June 30, 2021.

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 \$3,821,580 in transient occupancy tax revenue for the year ending June 30, 2021.

B. Basis of Presentation

Government-Wide and Fund Financial Statements

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

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

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

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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:

- *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:

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- *Gas* – The Gas Utility provides natural gas service to the City and surrounding counties. Operation of the Gas Utility is designed to be self-supporting through user charges.
- *Water* – The Water Utility provides retail water service to the City and surrounding counties. Operation of the Water Utility is designed to be self-supporting through user charges.
- *Wastewater* – The Wastewater Utility provides wastewater service to the City and portions of the surrounding counties. Operation of the Wastewater Utility is designed to be self-supporting through user charges.
- *Stormwater Utility* – The Storm water Utility provides storm water service to the City. Operation of the Storm water Utility is designed to be self-supporting through user charges.
- *Internal Service Funds* - Internal Service Funds account for operations that provide services to City departments/agencies on a cost reimbursement basis. The city maintains eight Internal Service Funds consisting of Fleet Management, Radio Management, Health Self-Insurance, Advantage Richmond Corporation, Information Technology, Risk Management, Electric Utility, and Stores and Transportation, which exclusively serves the City's Major Proprietary Funds.
- *Fiduciary Funds* - Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governments.
 - *Pension Trust Funds* – For accounting measurement purposes, the Pension Trust Funds are accounted for in essentially the same manner as Proprietary Funds. The Trust Funds consist of the City's Retirement Plan 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. Many activities that are now reported in agency funds will be reported in custodial funds.

Reconciliation of Government-Wide and Fund Financial Statements

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

C. Basis of Accounting

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

Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Revenues from taxes are generally considered available if received within two months

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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, 2021, were as follows:

General Fund and Governmental Activities	\$ 12,250,673
Enterprise Funds	15,887,047
Total Allowances for Doubtful Accounts	<u><u>\$ 28,137,720</u></u>

G. Inventories

Inventories on hand at June 30, 2021, have been reported on the Government-Wide Statement of Net Position. Inventories of consumable supplies are recorded at cost determined on a first in, first out basis. Inventories in the Proprietary Funds are accounted for under the lower of cost, determined by using weighted average cost or first-in, first-out methods, or market.

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H. Capital Assets

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

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

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

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

I. Construction Period Interest

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

J. Compensated Absences

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

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

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

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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.

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 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. Adoption of New Accounting Pronouncements

During the year ended June 30, 2021, the City implemented the provisions of the following GASB statements:

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

Summary Of Statement No. 97 Certain Component Unit Criteria, And Accounting And Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment Of GASB Statements No. 14 And No. 84, And A Supersession Of GASB Statement No. 32. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

W. Future Accounting Pronouncements

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

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

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

GASB Statement No. 93, Replacement of Interbank Offered Rates was issued in March 2020 and effectively addresses the accounting implications of the replacement of IBOR by clarifying exceptions for some hedging derivative instruments, termination provisions and removes LIBOR as an appropriate benchmark interest rate. It also identifies the Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap and provides an exception to the lease

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modifications guidance in Statement 87 for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

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

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

In June 2017, GASB issued Statement No. 87 Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City will implement this Statement in 2022.

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 2021, 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, 2021, are intended to finance operations of the fiscal year ended June 30, 2021. The real estate

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taxes assessed and due on January 14, 2021, and June 14, 2021, are intended to finance operations of the fiscal year ended June 30, 2021.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents – Primary Government

At June 30, 2021, 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 \$72,822,292 and is included in cash and cash equivalents. The City's deposits of \$70,199,124 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, 2021, 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, 2021, 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, 2021, the City holds its investment securities primarily in external investment pools and thus is not subject to custodial credit risk disclosure.

Concentration Risk:

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As of June 30, 2021, the City does not have concentration of credit risk, as no investments were with any one issuer representing more than 5 percent of total investments.

A summary of deposits and investments held by the Government-Wide at June 30, 2021, is as follows:

	<u>Government-Wide</u>
Deposits	
Cash on hand	\$ 48,139
Demand deposits	72,822,292
Investments	
LGIP	555,065,022
Trusts	11,375,232
Money markets	177,397,204
Total deposits and investments	<u>\$ 816,707,889</u>

Reconciliation of Cash Schedule to Statements of Net Position:

	Government-Wide Statement of Net Position	Fiduciary Funds Statement of Net Position			Total
		Pension and Other Employee Benefit Trust	Social Welfare Private Purpose Trust	Custodial Funds	
Cash and Cash Equivalents	\$ 594,828,788	\$ 3,514,000	\$ 2,417,049	\$ 1,540,894	\$ 602,300,731
Investments	-	704,735,599			704,735,599
Restricted assets	221,879,101	-			221,879,101
Total	<u>\$ 816,707,889</u>	<u>\$ 708,249,599</u>	<u>\$ 2,417,049</u>	<u>\$ 1,540,894</u>	<u>\$ 1,528,915,431</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, 2021.

Investments Measured at Fair Value

	Fair Value at June 30, 2021	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Equities				
Consumer Spending	\$ 12,013,120	\$ 12,013,120	-	-
Energy and Industrials	14,342,716	14,342,716	-	-
Information Technology	7,768,517	7,768,517	-	-
Financials	15,119,630	15,119,630	-	-
Healthcare	9,796,320	9,796,320	-	-
Other	5,137,887	5,137,887	-	-
Total U.S. Equities	<u>64,178,190</u>	<u>64,178,190</u>	<u>-</u>	<u>-</u>
International Equities	66,532,650	-	66,532,650	-

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US Fixed Income				
Real Estate	16,823,931	6,904,681	-	9,919,250
Diversifying Assets	41,736,630	-	-	41,736,630
Private Debt	41,731,502	-	-	41,731,502
Private Equity	17,880,000	-	-	17,880,000
Total US Fixed Income	<u>118,172,063</u>	<u>6,904,681</u>	<u>-</u>	<u>111,267,382</u>
Total Investments Measured at Fair Value	<u>\$ 248,882,903</u>	<u>\$ 71,082,871</u>	<u>\$ 66,532,650</u>	<u>\$ 111,267,382</u>

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Required Redemption Notice
US Equity Funds	151,949,659	\$ -	Daily	0 - 5 days
International Equities	66,481,906	-	Daily	1 - 30 days
Global Fixed Income	180,410,694	-	Daily	1 - 10 days
Real Estate Investment Trusts and Funds	35,319,916	-	Daily, Quarterly	7-45 days
Diversifying Assets	14,015,864	-	Daily, Quarterly	1 - 95 days
Total Investments Measured at Net Asset Value (NAV)	<u>\$ 448,178,039</u>			
Total Investments at Fair Value	<u>\$ 697,060,942</u>			

Level 1 investments are valued at active market quoted prices.

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

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

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

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

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

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

4. Global Fixed Income — Global Fixed Income securities include mutual funds invested in fixed-income securities of international issuers, mutual funds and commingled trusts invested in global fixed income securities. Investment managers have the ability to invest in a variety of industry spaces, such as government and corporate bonds, and

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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 valued as limited partnership ownership interests valued based on investment statements and other information provided by each investment manager. Investments in private debt and private equity are classified in Level 3 of the fair value hierarchy.

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, 2021, the City had \$177,397,204 in the SNAP short-term investment. SNAP is administered by the Commonwealth of Virginia Treasury Board. The Board is committed to managing certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share, which is determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

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

The City is a participant in the Local Government Investment Pool (LGIP) which is administered by the Commonwealth of Virginia Department of Treasury. As of June 30, 2021, the City had \$501,937,421 in LGIP short-term investments. The Commonwealth's Department of Treasury is committed to managing certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share, which is determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

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

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The City is also a participant in the Local Government Investment Pool - Extended Maturity (LGIP - EM) which is administered by the Commonwealth of Virginia Department of Treasury. As of June 30, 2021, the City's investment in the fund was valued at \$53,127,601.

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

Healthcare OPEB Trust Plan Investment

The City has invested funds with the Virginia Pooled OPEB Trust Fund (the "OPEB Trust Fund"), which was established to assist Virginia local governments in funding their future OPEB healthcare liabilities. The OPEB Trust Fund was established by the Virginia Association of Counties and the Virginia Municipal League and is an Internal Revenue Code, Section 115, governmental trust, offered to local governments to help defray future healthcare related expenses. The OPEB Trust Fund held total pooled investments of Virginia local governments in excess of \$1.1 billion in 2021, making it the largest pooled OPEB trust in the United States.

The primary benefits of participation in the trust include access to institutional investment fund managers offered through two diversified portfolios, the guidance of an investment consultant, economies of scale through pooling, and administrative services. Participants hold individual trust accounts wherein they can monitor the performance of their investments. As of June 30, 2021, the City of Richmond's investments in the OPEB Trust Fund had a market value of \$7,674,657. 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:

		Capital Projects	Non-Major Governmental	Non-Major Proprietary	Stormwater	Internal Service	Total
Due To	General	\$ 37,224,884	\$ 7,197,599	\$ 1,519,067	\$ -	\$ 6,643,004	\$ 52,584,554
	Gas	-	-	-	984,833	329,626	1,314,459
	Water	-	-	-	1,004,791	336,305	1,341,096
	Wastewater	-	-	-	4,365,560	-	4,365,560
	Total	\$ 37,224,884	\$ 7,197,599	\$ 1,519,067	\$ 6,355,184	\$ 7,308,935	\$ 59,605,669

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, 2021, 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, 2021, consisted of the following:

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		Transfer From						Total
		General Fund	Major Proprietary Funds			Internal Service Fund*	Non-Major Governmental	
Transfer To			Gas	Water	Wastewater			
	General	\$ -	\$ 3,110,104	\$ 1,502,581	\$ 3,850,832	\$ 2,848,669	\$ -	\$ 11,312,186
Capital Projects**	6,309,413	-	-	-	3,607,410	10,624,971	20,541,794	
Debt Service***	78,696,146	-	-	-	-	704,224	79,400,370	
Non-Major Enterprise	2,941,095	-	-	-	-	-	2,941,095	
Non-Major Governmental	11,904,019	-	-	-	-	-	11,904,019	
Total	\$ 99,850,673	\$ 3,110,104	\$ 1,502,581	\$ 3,850,832	\$ 6,456,079	\$ 11,329,195	\$ 126,099,464	

*Advantage Richmond Corp (ARC) transfers out \$6,456,079, of which Fund Balance Transfers in to General Fund \$2,849,419, net adjustment \$3,606,660 respectively.

**Advantage Richmond Corp (ARC) Transfers out \$3,607,410 to Capital Projects.

***General Fund Transfers Out to Debt Service - Non Departmental of \$5,828,325

5. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2021, are as follows:

Primary Government	Federal	State	Other Localities	Total
General Fund	\$ -	\$ 2,269,010	\$ -	\$ 2,269,010
Capital Projects Fund	2,650,161	542,892	-	3,193,053
Non-Major Governmental Funds	7,404,865	1,613,034	-	9,017,899
Stormwater Fund	-	598,915	-	598,915
Water Fund	-	86,277	2,382,019	2,468,296
Wastewater Fund	-	1,294,631	78,664	1,373,295
	\$ 10,055,026	\$ 6,404,759	\$ 2,460,683	\$ 18,920,468

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6. CAPITAL ASSETS

Primary Government – Governmental Activities

	Balance July 1, 2020	Additions	Deletions	Transfers *	Balance June 30, 2021
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 105,234,182	\$ 3,000,000	\$ 3,000,000	\$ 268,277	\$ 105,502,459
Construction in Progress	181,001,800	100,881,172	36,262,534	-	245,620,438
Works of Art/Historical Treasures	8,733,227	-	-	-	8,733,227
Total Capital Assets, not being depreciated	<u>294,969,209</u>	<u>103,881,172</u>	<u>39,262,534</u>	<u>268,277</u>	<u>359,856,124</u>
Capital Assets, Being Depreciated:					
Infrastructure	998,450,807	2,332,507	-	25,845,955	1,026,629,269
Building and Structures	986,301,538	10,149,091	9,000,000	6,888,017	994,338,646
Equipment	140,395,795	9,104,113	8,829,393	1,468,140	142,138,655
Improvements Other Than Buildings	33,367,965	93,723	13,768	348,515	33,796,435
Total Capital Assets, being depreciated	<u>2,158,516,105</u>	<u>21,679,434</u>	<u>17,843,161</u>	<u>34,550,627</u>	<u>2,196,903,005</u>
Less Accumulated Depreciation For:					
Infrastructure	636,937,760	22,219,259	-	-	659,157,019
Building and Structures	451,769,634	20,313,124	6,796,102	-	465,286,656
Equipment	107,678,591	7,095,298	7,132,803	-	107,641,086
Improvements Other Than Buildings	14,431,901	1,343,658	9,326	-	15,766,233
Total Accumulated Depreciation	<u>1,210,817,886</u>	<u>50,971,339</u>	<u>13,938,231</u>	<u>-</u>	<u>1,247,850,994</u>
Total Capital Assets, Being Depreciated, Net	947,698,219	(29,291,905)	3,904,930	34,550,627	949,052,011
Governmental Activities, Capital Assets, Net	<u>\$ 1,242,667,428</u>	<u>\$ 74,589,267</u>	<u>\$ 43,167,464</u>	<u>\$ 34,818,904</u>	<u>\$ 1,308,908,135</u>

* In Fiscal Year 2021, Advantage Richmond Corp (ARC) Capital Assets were transferred from Internal ServiceFund to Governmental Activities due to discontinued operations.

Depreciation expense was charged to functions as follows:

General Government	\$ 24,816,849
Public Safety and Judiciary	1,222,464
Highways, Streets, Sanitation and Refuse	20,927,325
Human Services	96,459
Culture and Recreation	1,813,238
Education	2,095,003
Subtotal	<u>50,971,339</u>
Allocation related to Internal Service Funds excludes Stores	5,442,092
Total	<u>\$ 45,529,247</u>

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Primary Government – Business-Type Activities

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Gas Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 219,200	\$ -	\$ -	\$ -	\$ 219,200
Construction in Progress	3,477,086	22,194,120	22,443,178	-	3,228,028
Total Capital Assets, not being depreciated	<u>3,696,286</u>	<u>22,194,120</u>	<u>22,443,178</u>	<u>-</u>	<u>3,447,228</u>
Capital Assets, Being Depreciated:					
Plant-in-service	710,427,877	22,443,178	1,674,896	-	731,196,159
Total Capital Assets, being depreciated	<u>710,427,877</u>	<u>22,443,178</u>	<u>1,674,896</u>	<u>-</u>	<u>731,196,159</u>
Less Accumulated Depreciation For:					
Plant-in-service	300,761,547	22,664,560	1,663,342	-	321,762,765
Total Accumulated Depreciation	<u>300,761,547</u>	<u>22,664,560</u>	<u>1,663,342</u>	<u>-</u>	<u>321,762,765</u>
Total Capital Assets, Being Depreciated, Net	409,666,330	(221,382)	11,554	-	409,433,394
Gas Utility Capital Assets, Net	<u>\$ 413,362,616</u>	<u>\$ 21,972,738</u>	<u>\$ 22,454,732</u>	<u>\$ -</u>	<u>\$ 412,880,622</u>
Water Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 878,307	\$ -	\$ -	\$ -	\$ 878,307
Construction in Progress	13,744,843	21,543,538	17,946,714	-	17,341,667
Total Capital Assets, not being depreciated	<u>14,623,150</u>	<u>21,543,538</u>	<u>17,946,714</u>	<u>-</u>	<u>18,219,974</u>
Capital Assets, Being Depreciated:					
Plant-in-service	616,384,499	17,946,714	178,593	-	634,152,620
Total Capital Assets, being depreciated	<u>616,384,499</u>	<u>17,946,714</u>	<u>178,593</u>	<u>-</u>	<u>634,152,620</u>
Less Accumulated Depreciation For:					
Plant-in-service	251,316,842	16,179,740	178,058	-	267,318,524
Total Accumulated Depreciation	<u>251,316,842</u>	<u>16,179,740</u>	<u>178,058</u>	<u>-</u>	<u>267,318,524</u>
Total Capital Assets, Being Depreciated, Net	365,067,657	1,766,974	535	-	366,834,096
Water Utility Capital Assets, Net	<u>\$ 379,690,807</u>	<u>\$ 23,310,512</u>	<u>\$ 17,947,249</u>	<u>\$ -</u>	<u>\$ 385,054,070</u>
Wastewater Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,101,261	\$ -	\$ -	\$ -	\$ 1,101,261
Construction in Progress	15,180,147	27,225,971	22,022,571	-	20,383,547
Total Capital Assets, not being depreciated	<u>16,281,408</u>	<u>27,225,971</u>	<u>22,022,571</u>	<u>-</u>	<u>21,484,808</u>
Capital Assets, Being Depreciated:					
Plant-in-service	832,180,862	22,022,571	101,371	-	854,102,062
Total Capital Assets Being Depreciated	<u>832,180,862</u>	<u>22,022,571</u>	<u>101,371</u>	<u>-</u>	<u>854,102,062</u>
Less Accumulated Depreciation For:					
Plant-in-service	363,547,649	21,810,044	100,859	-	385,256,834
Total Accumulated Depreciation	<u>363,547,649</u>	<u>21,810,044</u>	<u>100,859</u>	<u>-</u>	<u>385,256,834</u>
Total Capital Assets, Being Depreciated, Net	468,633,213	212,527	512	-	468,845,228
Wastewater Utility Capital Assets, Net	<u>\$ 484,914,621</u>	<u>\$ 27,438,498</u>	<u>\$ 22,023,083</u>	<u>\$ -</u>	<u>\$ 490,330,036</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Stormwater Utility					
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 3,691,303	\$ 6,883,071	\$ 5,968,317	\$ -	\$ 4,606,057
Total Capital Assets, not being depreciated	<u>3,691,303</u>	<u>6,883,071</u>	<u>5,968,317</u>	<u>-</u>	<u>4,606,057</u>
Capital Assets, Being Depreciated:					
Plant-in-service	51,637,328	5,968,317	21,542	-	57,584,103
Total Capital Assets, being depreciated	<u>51,637,328</u>	<u>5,968,317</u>	<u>21,542</u>	<u>-</u>	<u>57,584,103</u>
Less Accumulated Depreciation For:					
Plant-in-service	8,058,542	2,211,555	21,542	-	10,248,555
Total Accumulated Depreciation	<u>8,058,542</u>	<u>2,211,555</u>	<u>21,542</u>	<u>-</u>	<u>10,248,555</u>
Total Capital Assets, Being Depreciated, Net	<u>43,578,786</u>	<u>3,756,762</u>	<u>-</u>	<u>-</u>	<u>47,335,548</u>
Storm water Utility Capital Assets, Net	<u>\$ 47,270,089</u>	<u>\$ 10,639,833</u>	<u>\$ 5,968,317</u>	<u>\$ -</u>	<u>\$ 51,941,605</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:					
Buildings and Structures	36,121,387	685,968	-	-	36,807,355
Equipment and Other Capital Assets	3,894,379	-	18,518	-	3,875,861
Total Capital Assets, being depreciated	<u>40,015,766</u>	<u>685,968</u>	<u>18,518</u>	<u>-</u>	<u>40,683,216</u>
Less-Accumulated Depreciation For:					
Buildings and Structures	11,427,997	1,453,746	-	-	12,881,743
Equipment and Other Assets	2,459,327	173,969	18,518	-	2,614,778
Total Accumulated Depreciation	<u>13,887,324</u>	<u>1,627,715</u>	<u>18,518</u>	<u>-</u>	<u>15,496,521</u>
Total Capital Assets, Being Depreciated, Net	<u>26,128,442</u>	<u>(941,747)</u>	<u>-</u>	<u>-</u>	<u>25,186,695</u>
Other Business-Type Activity Capital Assets, Net	<u>\$ 48,585,397</u>	<u>\$ (941,747)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,643,650</u>
Enterprise Funds Capital Assets, Net	<u>\$ 1,373,823,530</u>	<u>\$ 82,419,834</u>	<u>\$ 68,393,381</u>	<u>\$ -</u>	<u>\$ 1,387,849,983</u>
Internal Service Fund - Stores Utility, Net	<u>\$ 2,410,575</u>	<u>\$ (58,862)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,351,713</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 1,376,234,105</u>	<u>\$ 82,360,972</u>	<u>\$ 68,393,381</u>	<u>\$ -</u>	<u>\$ 1,390,201,696</u>

CITY OF RICHMOND, VIRGINIA
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JUNE 30, 2021

7. OBLIGATIONS

Changes in obligations during the fiscal year ended June 30, 2021 are summarized below:

Primary Government – Governmental Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Not Due Within One Year	Due Within One Year
General Obligation Bonds	\$ 725,446,762	\$ 153,058,200	\$ 101,427,623	\$ 777,077,339	\$ 727,607,776	\$ 49,469,563
General Obligation Bond - Direct Borrowing	12,666,118	-	72,450	12,593,668	6,524,301	6,069,367
Qualified Zone Academy Bonds	361,646	-	361,646	-	-	-
Total General Obligation Bonds	<u>738,474,526</u>	<u>153,058,200</u>	<u>101,861,719</u>	<u>789,671,007</u>	<u>734,132,077</u>	<u>55,538,930</u>
Line of Credit - BAN - Series 2018A & 2021A	14,200,000	46,348,209	36,600,000	23,948,209	23,948,209	-
General Obligation Serial Equipment Notes	5,462,000	6,730,000	959,000	11,233,000	9,175,000	2,058,000
Total General Obligation Notes	<u>19,662,000</u>	<u>53,078,209</u>	<u>37,559,000</u>	<u>35,181,209</u>	<u>33,123,209</u>	<u>2,058,000</u>
HUD Section 108 Notes	10,487,000	-	676,000	9,811,000	9,126,000	685,000
Premium on Debt Issued	76,479,469	15,512,024	13,203,777	78,787,716	66,604,402	12,183,314
Total Obligations	<u>\$ 845,102,995</u>	<u>\$ 221,648,433</u>	<u>\$ 153,300,496</u>	<u>\$ 913,450,932</u>	<u>\$ 842,985,688</u>	<u>\$ 70,465,244</u>
Advantage Richmond Lease Revenue Bond	\$ 1,135,571	\$ -	\$ 1,135,571	\$ -	\$ -	\$ -
Compensated Absences	\$ 21,122,030	\$ 19,873,768	\$ 19,601,687	\$ 21,394,111	\$ 14,571,530	\$ 6,822,579
Net Other Post Employment Benefit Liability	\$ 100,534,184	\$ 3,183,803	\$ 20,098	\$ 103,697,889	\$ 103,697,889	\$ -
Net Pension Liability	<u>\$ 323,463,251</u>	<u>\$ 25,200,708</u>	<u>\$ 5,975,625</u>	<u>\$ 342,688,334</u>	<u>\$ 342,688,334</u>	<u>\$ -</u>

As of June 30, 2021, the City's Primary Government has total outstanding general obligation bonds and notes of \$913,450,932. Of this total, directly borrowed debt of \$57,585,877 includes bond and note amounts borrowed from Commercial Banks, the Commonwealth of Virginia (Virginia Resources Authority), and from the U.S. Department of Housing and Urban Development (HUD). During the FY2021, the City had in place a \$60.0 million Line of Credit Bond Anticipation Note Facility (See details later in this Footnote) with a year-end outstanding balance of \$27,748,209, which includes \$23,948,209 borrowed for Governmental Activities capital projects and \$3,800,000 borrowed for the City's Stormwater Utility capital needs. Borrowings on this facility will be converted to General Obligation Bonds in subsequent years.

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

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

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

CITY OF RICHMOND, VIRGINIA
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JUNE 30, 2021

Primary Government – Business-Type Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Not Due Within One Year	Due Within One Year
Utilities - General Obligation Bonds	\$ 18,297,899	\$ -	\$ 6,915,855	\$ 11,382,044	\$ 7,640,391	\$ 3,741,653
Utilities - General Obligation Bond - Direct Borrowing	8,453,278	3,863,306	4,670,419	7,646,165	7,010,548	635,617
Premium on Utility Debt, Net	33,879	-	33,879	-	-	-
Total Utilities General Obligation Bonds	<u>26,785,056</u>	<u>3,863,306</u>	<u>11,620,153</u>	<u>19,028,209</u>	<u>14,650,939</u>	<u>4,377,270</u>
Non-Major Enterprise Funds Bonds	48,054,940	91,800	3,926,122	44,220,618	40,301,833	3,918,785
Non-Major Enterprise Funds - Direct Borrowing	1,332	-	-	1,332	699	633
Premium on Non Major Debt, Net	1,322,307	-	201,847	1,120,460	1,120,460	-
Total Non-Major Enterprise Funds Bonds	<u>49,378,579</u>	<u>91,800</u>	<u>4,127,969</u>	<u>45,342,410</u>	<u>41,422,992</u>	<u>3,919,418</u>
Total Business-Type General Obligation Bonds	<u>76,163,635</u>	<u>3,955,106</u>	<u>15,748,122</u>	<u>64,370,619</u>	<u>56,073,931</u>	<u>8,296,688</u>
Public Utility Revenue Bonds	802,024,997	-	22,865,001	779,159,996	752,564,996	26,595,000
Public Utility Revenue Bond - Direct Borrowing	44,552,565	886,551	3,853,040	41,586,076	37,651,643	3,934,433
Public Utility Premium on Revenue Bond Debt, Net	65,754,550	-	5,591,198	60,163,352	60,163,352	-
Total Revenue Bonded Debt	<u>912,332,112</u>	<u>886,551</u>	<u>32,309,239</u>	<u>880,909,424</u>	<u>850,379,991</u>	<u>30,529,433</u>
Total Obligations	<u>\$ 988,495,747</u>	<u>\$ 4,841,657</u>	<u>\$ 48,057,361</u>	<u>\$ 945,280,043</u>	<u>\$ 906,453,922</u>	<u>\$ 38,826,121</u>
Compensated Absences						
Gas	\$ 1,047,503	\$ 1,038,052	\$ 968,093	\$ 1,117,462	\$ 761,117	\$ 356,345
Water	778,146	797,523	717,135	858,534	584,758	273,776
Wastewater	748,215	777,557	688,734	837,038	570,117	266,921
Stormwater	269,358	264,732	249,106	284,984	194,106	90,878
Stores Operating Fund	29,930	19,060	28,470	20,520	13,976	6,544
Cemeteries	45,489	50,922	45,070	51,341	34,968	16,373
Parking Garages	90,505	88,556	83,730	95,331	64,930	30,401
Total Compensated Absences	<u>\$ 3,009,146</u>	<u>\$ 3,036,402</u>	<u>\$ 2,780,338</u>	<u>\$ 3,265,210</u>	<u>\$ 2,223,972</u>	<u>\$ 1,041,238</u>
Other Post Employment Benefit Liability	<u>\$ 16,399,449</u>	<u>\$ 397,890</u>	<u>\$ 351,916</u>	<u>\$ 16,445,423</u>	<u>\$ 16,445,423</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 47,215,773</u>	<u>\$ 9,874,128</u>	<u>\$ -</u>	<u>\$ 57,089,901</u>	<u>\$ 57,089,901</u>	<u>\$ -</u>

As of June 30, 2021, the outstanding debt of the City's Business-Type Activities (Enterprise Funds) totaled debt of \$945,280,043 including \$896,046,470 of publicly issued bonds and premiums and \$49,233,573 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, 2021

Details of Bonds and Notes Outstanding

	Interest Rates	Issue Date	Maturity Date	Original Issue	Balance at June 30, 2021	
					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	-	123,750
Public Improvement Bonds 2012A	2.00% - 5.00%	6/28/2012	3/1/2032	98,835,000	8,280,000	-
Public Improvement Refunding Bonds 2012B	2.00% - 5.00%	6/28/2012	7/15/2024	46,870,000	8,585,000	-
Public Improvement Refunding Bonds 2012C	0.35% - 2.85%	6/28/2012	7/15/2023	100,030,000	7,124,139	11,900,861
Public Improvement Bonds 2012 D (QSCB)	4.15%	6/28/2012	1/15/2033	7,500,000	7,500,000	-
Public Improvement Bonds 2013A	2.00% - 5.00%	9/26/2013	3/1/2033	127,745,000	11,210,000	-
Public Improvement Bonds 2013B	3.00% - 4.80%	9/26/2013	3/1/2033	11,295,000	8,300,000	-
Public Improvement Bonds 2014A	3.00% - 5.00%	12/23/2014	3/1/2035	99,295,000	11,035,000	-
Public Improvement Refunding Bonds 2014B	5.00%	12/23/2014	7/15/2026	25,605,000	21,865,000	-
Public Improvement Refunding Bonds 2015A	2.34%	7/15/2015	7/15/2023	56,715,000	12,593,668	1,332
Public Improvement Bonds 2015B	3.00% - 5.00%	12/8/2015	3/1/2038	62,795,000	48,655,000	-
Public Improvement Bonds 2015C	3.00% - 4.00%	12/8/2015	6/1/2041	23,000,000	19,825,000	-
Public Improvement Bonds 2017A (VRA)	0.00%	3/30/2017	7/15/2037	1,310,278	-	878,109
Public Improvement Refunding Bonds 2017B	3.00% - 5.00%	7/14/2017	7/15/2037	185,070,000	164,855,000	7,805,000
Public Improvement Refunding Bonds 2017C	1.15% - 3.13%	7/14/2017	7/15/2031	43,965,000	-	35,805,000
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	42,875,000	-
Public Improvement Refunding Bonds 2018B	3.45% - 3.75%	8/15/2018	3/1/2033	8,310,000	7,035,000	-
Public Improvement Refunding Bonds 2019A	2.60% - 5.00%	10/23/2019	7/15/2039	132,885,000	124,705,000	-
Public Improvement Refunding Bonds 2020A	2.00% - 5.00%	12/10/2020	7/15/2040	102,130,000	102,038,200	91,800
Public Improvement Refunding Bonds 2020B	0.95% - 2.00%	12/10/2020	7/15/2034	51,020,000	51,020,000	-
Public Improvement Bonds 2021A (VRA)	0.00%	6/24/2021	7/15/2041	965,950	-	63,306
General Obligation Notes						
Equipment Note - Series 2020A	1.11%	6/17/2020	6/1/2025	4,960,000	2,828,000	1,159,000
Equipment Note - Series 2020B	1.19%	6/17/2020	6/1/2027	3,826,000	1,675,000	1,622,000
Equipment Note - Series 2021	0.99%	6/10/2021	6/1/2028	6,730,000	6,730,000	-
Line of Credit BAN - Series 2021A	Variable	1/28/2021	11/1/2022	60,000,000	23,948,209	3,800,000
HUD Section 108 Notes						
HUD Section 108 Note Series 2015A	0.83% - 3.60%	5/28/2015	8/1/2032	10,125,000	7,465,000	-
HUD Section 108 Note Series 2019A	2.54% - 3.64%	3/28/2019	8/1/2038	2,607,000	2,346,000	-
Revenue Bonds						
Public Utility Revenue Bonds 2006 - VRA	2.20%	6/29/2006	1/15/2028	11,000,000	-	4,609,055
Public Utility Revenue Bonds 2008A- VRA	2.52%	6/27/2008	1/15/2029	6,900,000	-	3,157,091
Public Utility Revenue Bonds 2009B-VRA	0.00%	6/24/2009	7/15/2030	32,000,000	-	15,200,000
Public Utility Revenue Bonds 2010A-VRA	0.00%	2/3/2010	7/15/2040	188,218	-	122,693
Public Utility Revenue Bonds 2012A-VRA	0.00%	4/17/2012	1/15/2035	23,289,955	-	16,302,968
Public Utility Revenue Refunding Bonds 2013A	2.00% - 5.00%	5/2/2013	1/15/2043	214,220,000	-	15,105,000
Public Utility Revenue Bonds 2015A - VRA	0.00%	3/5/2015	1/15/2036	2,600,000	-	1,307,716
Public Utility Revenue Refunding Bonds 2016A	4.00% - 5.00%	12/7/2016	1/15/2046	502,260,000	-	453,125,000
Public Utility Revenue Bonds 2020A	2.81% - 5.00%	4/15/2020	1/15/2050	135,445,000	-	134,115,000
Public Utility Revenue Refunding Bonds 2020B	1.63% - 3.54%	4/15/2020	1/15/2043	180,000,000	-	176,815,000
Public Utility Revenue Bonds 2021A - VRA	0.00%	6/24/2021	1/15/2044	20,343,302	-	886,550
Premiums on Debt Issued					78,787,716	61,283,812
Total Bonds and Notes					\$ 913,450,932	\$ 945,280,043

CITY OF RICHMOND, VIRGINIA
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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:

Governmental Activities:

<u>Fiscal Year</u>	(In Thousands)					
	<u>General Obligation Bonds (Bonds)</u>		<u>General Obligation Bonds (Direct Borrowing)</u>		<u>General Obligation Equip Notes (Direct Borrowing)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 49,470	\$ 30,995	\$ 6,069	\$ 224	\$ 2,058	\$ 116
2023	56,438	28,344	-	153	2,078	96
2024	48,159	26,123	6,525	76	2,100	74
2025	49,725	23,896	-	-	2,123	52
2026	47,000	21,596	-	-	1,418	30
2027 - 2031	242,835	73,585	-	-	1,456	21
2032 - 2036	181,060	27,936	-	-	-	-
2037 - 2041	102,390	6,362	-	-	-	-
Subtotal	777,077	238,837	12,594	453	11,233	389
Premium	78,788	-	-	-	-	-
Total	\$ 855,865	\$ 238,837	\$ 12,594	\$ 453	\$ 11,233	\$ 389

<u>Fiscal Year</u>	(In Thousands)			
	<u>HUD Section 108 Notes (Direct borrowing)</u>		<u>Line of Credit Bond Anticip Note (Direct Borrowing)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 685	\$ 296	\$ -	\$ 143
2023	700	279	23,948	48
2024	711	261	-	-
2025	725	241	-	-
2026	740	220	-	-
2027 - 2031	3,852	745	-	-
2032 - 2036	2,007	175	-	-
2037 - 2041	391	21	-	-
Total	\$ 9,811	\$ 2,238	\$ 23,948	\$ 191

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

Business-Type Activities:

<u>Fiscal Year</u>	(In Thousands)			
	General Obligation Bonds (Bonds)		General Obligation Bonds (Direct Borrowing)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 7,660	\$ 1,604	\$ 636	\$ 55
2023	7,386	1,394	4,458	32
2024	7,371	1,168	625	20
2025	3,700	999	631	13
2026	3,820	884	340	6
2027 - 2031	21,036	2,487	600	3
2032 - 2036	4,630	72	277	-
2037 - 2041	-	-	80	-
Subtotal	55,603	8,608	7,647	129
Premium	1,121	-	-	-
Total	<u>\$ 56,724</u>	<u>\$ 8,608</u>	<u>\$ 7,647</u>	<u>\$ 129</u>

<u>Fiscal Year</u>	(In Thousands)			
	Utility Revenue Bonds (Bonds)		Utility Revenue Bonds (Direct Borrowing)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 26,595	\$ 32,669	\$ 3,934	\$ 180
2023	26,845	31,404	4,017	156
2024	27,420	30,125	4,040	133
2025	31,930	29,022	4,541	108
2026	32,945	27,657	3,973	83
2027 - 2031	182,940	115,803	16,356	96
2032 - 2036	196,460	72,182	4,697	-
2037 - 2041	141,950	36,199	28	-
2042 - 2046	86,920	13,670	-	-
2047 - 2051	25,155	2,565	-	-
Subtotal	779,160	391,296	41,586	756
Premium	60,163	-	-	-
Total	<u>\$ 839,323</u>	<u>\$ 391,296</u>	<u>\$ 41,586</u>	<u>\$ 756</u>

Debt issued during the fiscal year ended June 30, 2021

On December 10, 2020, the City issued \$102,130,000 of tax-exempt General Obligation Public Improvement and Refunding Bonds, Series 2020A and \$51,020,000 of taxable General Obligation Public Improvement and Refunding Bonds, Series 2020B. At the time of these debt offerings, Moody's, Standard & Poor's and Fitch Ratings all re-affirmed the City's bond ratings of Aa1, AA+ and AA+, respectively.

The \$102,130,000 par amount of the Series 2020A General Obligation bond proceeds, along with a \$15,018,721 premium received, were used to payoff the \$36,600,000 balance of the outstanding Series 2018A Line of Credit Bond Anticipation Note, fund \$73,400,000 of ongoing City and school construction projects, as well as current refund the remaining balance of the City's

CITY OF RICHMOND, VIRGINIA
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Series 2010C General Obligation Bonds at lower interest rates to achieve debt service savings. The refunding of the Series 2010C bonds achieved debt service savings of \$419,743 over four years and an economic gain of \$419,419. The Series 2020A GO bonds have coupon interest rates ranging from 2.00 percent to 5.00 percent with interest payable on January 15th and July 15th of each year. Serial annual principal amounts of between \$3,565,000 and \$6,280,000 are payable on July 15th of each year, with a final principal maturity due on July 15, 2040.

The \$51,020,000 taxable Series 2020B GO Bonds proceeds along with \$15,512,024 of bond premiums received were used to advance refund certain outstanding principal maturities of the City's Series 2012B and 2014A General Obligation bonds at lower interest rates. The refunding of the Series 2012B and 2014A GO Bonds achieved debt service savings of \$4,762,564 over the remaining fifteen year life of the bonds and an economic gain of \$4,024,040. The Series 2020B GO bonds have coupon interest rates ranging from 0.95 percent to 2.00 percent with interest payable on January 15th and July 15th of each year. Serial annual principal amounts of between \$410,000 and \$6,720,000 are payable on July 15th of each year, with a final principal maturity due on July 15, 2034.

On January 28, 2021, the City established its \$60,000,000 Series 2021A General Obligation Line of Credit Bond Anticipation Note Facility (the "Line of Credit") with a Commercial Bank. The Line of Credit is being used to finance ongoing City and Stormwater Utility capital projects. The City pays monthly variable rate interest on the Line of Credit borrowings priced at 79% of LIBOR plus 47.5 basis points (0.61 percent on June 30, 2021). The Line of Credit has a final maturity of November 1, 2022. The outstanding principal balance as of June 30, 2021, was \$27,748,209.

On June 10, 2021, the City issued a \$6,730,000 seven-year General Obligation Equipment Note, Series 2021 to finance police fire and public works vehicles and equipment purchased by the City's Fleet Management Internal Service Fund. The Notes were privately placed with a commercial bank which agreed to provide seven-year financing on the Series 2021 bank loan at a fixed tax-exempt interest rate of 0.99 percent. The Loan calls for the City to make serial principal payments of between \$581,000 and \$1,134,000 on June 1st of each year and semi-annual interest payments due on December 1st and June 1st of each year. The final maturity on the Series 2021 Note is June 1, 2028.

On June 24, 2021, the City entered into a \$20,343,302 Public Utility Revenue Bond Financing Agreement, Series 2021A, with the Virginia Resources Authority (VRA), the Administrator for the Commonwealth of Virginia's Water Facilities Revolving Fund. The Series 2021A Public Utility Revenue Bond issue is an interest-free loan, and thus, only the principal borrowed will be paid on the bond issue. Proceeds of this borrowing facility are being used to finance two capital projects of the City's Wastewater Utility. During the fiscal year ending 6/30/2021, the City has drawn initial proceeds of \$886,551 as reimbursement for Wastewater Utility capital spending to date. The remaining proceeds are expected to be drawn during the next two years. Semi-annual principal debt service is payable on January 15th and July 15th of each year, with a final principal maturity due on January 15, 2044. The Series 2021A Public Utility Revenue Bonds are limited obligations of the City and are payable solely from certain revenues derived by the City from the gas, water and wastewater utilities.

On June 24, 2021, the City also entered into a \$965,950 General Obligation Public Improvement Bond issue Financing Agreement, Series 2021A, with the Virginia Resources Authority (VRA), the Administrator for the Commonwealth of Virginia's Water Facilities Revolving Fund. The Series 2021A General Obligation Bond is an interest-free loan, and thus, only the principal borrowed will be paid on the bond issue. Proceeds of this borrowing facility are being used to finance green infrastructure Stormwater Utility capital improvements in the Forest View neighborhood. During the fiscal year ending 6/30/2021, the City has drawn an initial \$63,306 as reimbursement for Stormwater Utility capital spending to date under this Agreement. The remaining proceeds are expected to be drawn during the next twelve months. Once fully drawn, semi-annual principal debt service payments of \$24,149 are payable on January 15th and July 15th of each year, with a final principal maturity due on July 15, 2041.

Defeasance of Debt

On July 14, 2017, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds, Series 2017B to advance refund principal maturities of the Series 2012A General Obligation Bonds. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments due on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2021, the remaining principal amount of defeased bonds is \$51,535,000. The call date of the Series 2012A bonds is March 1, 2022.

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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, 2021, the principal amount of defeased bonds is \$125,420,000. The call date for the Series 2013A Bonds is March 1, 2023 and for the Series 2014A is March 1, 2024.

On April 15, 2020, the City purchased U.S. Government Securities with proceeds of the Public Utility Revenue and Refunding Bonds, Series 2020B to advance refund principal maturities of the Series 2013A Public Utility Revenue Bonds. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments due on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2021, the principal amount of defeased Public Utility Revenue bonds is \$161,400,000. The call date for the Series 2013A Bonds is January 15, 2023.

On December 10, 2020, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds, Series 2020B to advance refund principal maturities of the Series 2012B, and 2014A General Obligation Bonds. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments due on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2021, the principal amount of defeased bonds is \$46,015,000. The call date for the Series 2012B Bonds is July 15, 2022 and for the Series 2014A is March 1, 2024.

Legal Debt Limit

Article VII, Section 10 of the Constitution of Virginia provides that the legal debt limit for cities for issuing General Obligation debt is ten (10.0) percent of the last preceding assessment for real estate taxes. At June 30, 2021, the City had a legal debt limit of \$2,801,749,800 (10.0 percent of the taxable real estate value in the City) and the statutory capacity to issue additional General Obligation debt of approximately \$1,903,836,426 (remaining legal debt margin).

Authority to Issue Debt

As of June 30, 2021, the City had a total of \$265,519,522 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, \$211,795,807 is earmarked for self-supporting Public Utility revenue bond funded projects, \$16,406,716 for Stormwater Utility Projects, \$29,793,000 for various General Fund supported capital projects and \$7,523,999 for funding of equipment purchases.

Bond Ratings

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

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

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8. FUND BALANCES

Fund balances have been classified to reflect the limitations and restrictions placed on the respective funds. Fund balances at June 30, 2021, are composed of the following:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Non-Major Governmental Funds</u>
Nonspendable:				
Prepaid	\$ 13,822	\$ -	\$ -	\$ -
Total Nonspendable	<u>13,822</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted To:				
Capital Projects	-	14,373,917	16,649,181	-
NM Governmental Funds	-	-	-	42,658,084
Total Restricted	<u>-</u>	<u>14,373,917</u>	<u>16,649,181</u>	<u>42,658,084</u>
Committed To:				
Budget and Revenue Stabilization Contingency	23,856,878	-	-	-
School Board Operations	112,332	-	-	-
Total Committed	<u>23,969,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned To:				
Encumbrance Roll Forward	7,173,988	-	-	-
Capital Reserve	11,044,932	-	-	-
Percent for the Arts	306,396	-	-	-
School Facilities	17,482,434	-	-	-
Unspent Building Code Fees	1,173,840	-	-	-
COVID-19 Contingencies	547,557	-	-	-
	-	-	-	-
Total Assigned	<u>37,729,147</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned:				
Total Unassigned	100,458,026	-	(46,226,506)	-
Total Fund Balances	<u>\$ 162,170,205</u>	<u>\$ 14,373,917</u>	<u>\$ (29,577,325)</u>	<u>\$ 42,658,084</u>

9. RISK MANAGEMENT

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

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

For workers' compensation claims, the City assumes the first \$2M for Heart, Lung and Cancer presumptive claims for Public Safety Officer and \$1.5M for All Other employees and non-presumptive claims for Public Safety Officers. The City pays claims filed directly from appropriations to various agencies. Excess workers' compensation coverage provides protection for accidents exceeding the self-insured retentions noted above. Claims for indemnity benefits may be paid over a maximum period of 500 weeks with the exception of certain legally defined cases, which may be paid for the lifetime of the claimant.

The City is self-insured for the first \$1.5M of any general liability, automobile liability, public officials or police professional liability claim. The City has purchased \$10M in excess liability coverage over a \$1.5M self-insured retention from States Self-Insurers Risk Retention Group (States), a public entity risk pool domiciled in the State of Vermont. Claims under the \$1.5M self-insured retention are paid by the Risk Management agency within the General Fund.

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

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

During the fiscal year ended June 30, 2021, 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, 2021, was \$47,258,913 (undiscounted) and \$41,107,222 (discounted at 3.50 percent). Changes in the aggregate for these liabilities for FY2020 and FY2021 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>
2020	\$ 35,808,321	\$ 11,884,878	\$ (9,465,044)	\$ 38,228,155
2021	\$ 38,228,155	\$ 15,074,183	\$ (12,195,116)	\$ 41,107,222

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

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

10. HEALTH CARE PLAN

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

Retiree Eligibility

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

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

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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 three levels of subsidy:

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

Benefits

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

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

	Health Insurance Primary Government	
	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>
Unpaid Claims Beginning of Fiscal Year	\$ 3,258,000	\$ 3,644,000
Incurred Claims (including IBNR)	48,806,134	45,646,262
Claim Payments	(48,587,134)	(46,032,262)
Unpaid Claims End of Fiscal Year	<u>\$ 3,477,000</u>	<u>\$ 3,258,000</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 COLA increases, or actuarial gains or losses amortized over a closed period not to exceed 30 years, with payments increasing up to 4.00 percent per year for Fire and Police and level contributions for General Employees.

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

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

- Actuarial cost method – Entry Age Normal
- Amortization method – Level percent of pay over a closed period not to exceed 30 years for Police and Fire Employees; level dollar amount over a closed period, not to exceed 30 years for general members.
- Remaining amortization period – 11 years for remaining unfunded accrued liability as of July 1, 2020; Cost of VRIP is amortized over 3 years. Other new bases are amortized over 20 years.
- Asset valuation method – Five-year spread of actual over expected investment earnings with the restriction that the resulting value must be within 90%-110% of market value.
- Inflation rate - 2.5 percent.
- Salary increases General Employees – 2.50 percent to 4.00 percent.
- Salary Increases – Police and Fire Employees from 2.50 percent to 4.50 percent.
- Investment rate of return – 7.00 percent.

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- For the fiscal years ended June 30, 2021 and 2020, the annual money-weighted rates of return were 24.0% and (1.0%), 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.

D. Plan Membership

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

Active vested Plan members	1,239
Active Non-vested Plan members	224
Terminated Vested Plan members	1,544
Retirees and beneficiaries receiving benefits	4,276
Total	7,283

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, 2021, for the RRS was as follows.

Total pension liability (TPL)	\$ 931,519,272
Plan fiduciary net position	550,073,104
City's net pension liability (NPL)	<u>\$ 381,446,168</u>
Plan fiduciary net position as a percentage of the total pension liability	59.05%
Covered payroll	\$ 101,964,037
City's net pension liability as a percentage of covered payroll	374.10%

The plans net pension liability is calculated based on a measurement date of June 30, 2020.

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, 2021 are summarized in the table below:

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Asset Class	10-Yr. Assumptions 2021 Geometric Return	Target Asset Allocation
Broad U.S. equities	6.60%	30.00%
International equities	6.80%	16.00%
Diversifying assets	4.00%	6.00%
Private equity	8.00%	3.00%
Fixed income	1.75%	29.00%
Private Debt	6.25%	6.00%
Real estate (core)	5.75%	10.00%

F. Sensitivity of the Net Pension Liability

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

Sensitivity of the NPL to Changes in the Discount Rate			
	1.00% Decrease 6.50%	Current Discount Rate 7.50%	1.00% Increase 8.50%
Plan Net Pension Liability	\$ 469,546,996	\$ 381,446,168	\$ 305,487,427

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:

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Summary of Deferred Outflows and Inflows of Resources - RRS		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,968,803	\$ 1,337,969
Net difference between expected and actual investment earnings	28,952,215	-
Change in assumptions	30,122,868	-
Change in proportion and difference between employer contribution and proportion share of contribution	-	-
Employer contributions subsequent to the measurement date	54,149,781	-
Total	\$ 115,193,667	\$ 1,337,969

Deferred outflows of resources for contributions subsequent to measurement date will be recognized in net pension liability in fiscal year ended 2022. 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,		
2022	\$	21,028,555
2023	\$	23,990,274
2024	\$	8,855,966
2025	\$	5,831,122
2026	\$	-
Thereafter	\$	-
Total	\$	59,705,917

For the year ended June 30, 2021, the City recognized RRS pension expense of \$80,229,208.

The components of this pension expense include the following:

PENSION EXPENSE - RRS	
Service Cost	\$ 11,953,421
Interest Cost	61,913,034
Benefit Changes	14,745,118
Experience Loss/(Gain)	(263,521)
Contribution Employee	(1,941,132)
Change in Assumptions	-
Net Investment Income	
Expected Return on Investments	(38,712,248)
Investment Gain or Loss Expensed	5,831,118
Administrative Expense	1,309,142
Amortization	25,394,276
Pension Expense	\$ 80,229,208

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

Defined Contribution Plan

The RRS also offers a Defined Contribution 401(a) Plan as another retirement option to the City and RBHA. This plan is mandatory for general employees hired on/or after July 1, 2006, and optional for senior executives and public safety officers. The RRS is the administrator for this plan and has contracted with an independent, not-for-profit financial services organization to be the record keeper of the plan. The City contributes a percentage of an employee's creditable compensation, based on years of service, to a portable account for investment by the employee. This plan is non-contributory for employees. There are 2,011 city employees currently enrolled in the plan.

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

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

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

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

Virginia Retirement System (VRS)

A. Plan Description

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

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

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

Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

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

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

B. Contribution Policy

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

The City's contractually required contribution rate for the year ended June 30, 2021, was 12.92 percent of covered employee compensation. This rate was based on an actuarial determined rate from an actuarial valuation of June 30, 2020. This rate, when combined with employee contributions, is expected to finance the costs of benefits earned by the employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan for the years ended June 30, 2021, and June 30, 2020, were \$4,538,543 and \$4,555,329, respectively.

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C. Plan Membership

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

Active members	524
Inactive members	-
Members and their beneficiaries receiving benefits	447
Members active elsewhere in VRS	290
Inactive Non-vested members	138
Inactive Vested members	119
Total	1,518

D. Net Pension Liability

For the City of Richmond, the net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of July 1, 2019. A detailed schedule of changes in the net pension liability is presented under required supplementary information. This information is intended to help users assess the extent of the City's obligation to the Defined Benefit Plan. The net pension liability of the City at June 30, 2021, was as follows:

Total Pension Liability	\$	141,866,298
VRS Fiduciary Net Position		123,534,231
Net Pension Liability	\$	18,332,067
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		87.08%
Covered Payroll	\$	27,187,437
City's Net Pension Liability as a Percentage of Covered Payroll		67.43%

E. Actuarial Methods and Assumptions

The City's net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019, 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, 2020.

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

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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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
Multi Asset Public Strategies	6.00%	3.04%	0.18%
Private Investment Partnership	3.00%	6.49%	0.19%
	<u>100.00%</u>		<u>4.64%</u>
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

* The above allocation provides a one year return of 7.14 percent. However, one year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11 percent, including expected inflation of 2.50 percent. The VRS Board elected a long-term rate of 6.75 percent which is roughly at the 40th percentile of expected long term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS statutes and the employer contribution will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2019, the City was provided with an opportunity to use an alternate employer contribution rate used in fiscal year 2012 or 100.00 percent of the actuarial determined employer contributions rate from the June 30, 2017, actuarial valuation, whichever is greater. From July 1, 2020, on, participating VRS employers are assumed to contribute 100.00 percent of the actuarial determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the Long -term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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F. Summary of Deferred Outflows and Inflows of Resources VRS

The schedules presented below reflect information required under GAAP and were prepared using an actuarial valuation performed as of June 30, 2019. The valuation was based upon data furnished by the VRS staff concerning active, retired and inactive members, along with pertinent financial information. The projected cash flows used to determine the discount rate assumed that plan member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the policies established by VRS at rates equal to the difference between actuarial determined contribution rates adopted by the VRS board and the member rate.

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

Summary of Deferred Outflows and Inflows of Resources - VRS		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 175,181	\$ 469,508
Changes in assumptions	1,244,637	-
Net difference between projected and actual earnings on plan investments	3,717,771	-
Employer contribution subsequent to the measurement date	4,538,543	-
Total	\$ 9,676,132	\$ 469,508

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 \$4,538,543 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, 2022. 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,		
2022	\$	1,244,836
2023		970,846
2024		1,265,001
2025		1187398
2026		-
Thereafter		-
Total	\$	4,668,081

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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	\$ 35,386,227	\$ 18,332,067	\$ 4,128,115

For the year ended June 30, 2021, the City recognized VRS pension expense of \$5,121,247. The components of this pension expense include the following:

PENSION EXPENSE - VRS	
Service Costs	\$ 3,579,068
Interest on the total pension liability	9,045,496
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(267,623)
Expensed portion of current period changes in assumptions	-
Member contributions	(1,312,202)
Projected earning on plan investments	(8,309,956)
Expensed portion of current-period differences between actual and projected earnings on plan investments	1,187,398
Administrative expenses	82,204
Other	2,785
Recognition of beginning deferred outflows of resources as pension expense	2,637,217
Recognition of beginning deferred inflows of resources as pension expense	(1,523,140)
Pension Expense	\$ 5,121,247

Aggregated Pension Expense

For the year ended June 30, 2021, the City recognized total pension expense of \$85,350,455. RRS accounted for \$80,229,208 of the total and VRS accounted for the remainder of \$5,121,247.

	RRS	VRS	Total
Service Cost	\$ 11,953,421	\$ 3,579,068	\$ 15,532,489
Interest Cost	61,913,034	9,045,496	70,958,530
Benefit Changes	14,745,117		14,745,117
Experience Loss (Gain)	(263,521)	(267,623)	(531,144)
Member Contributions	(1,941,132)	(1,312,202)	(3,253,334)
Change in Assumptions			
Net Investment Income			
Expected Return on Investments	(38,712,248)	(8,309,956)	(47,022,204)
Investment Gain or Loss Expensed	5,831,118	1,187,398	7,018,516
Administrative Expense	1,309,142	84,989	1,394,131
Amortization	25,394,278	1,114,077	26,508,355
Pension Expense	\$ 80,229,208	\$ 5,121,247	\$ 85,350,455

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12. OTHER POSTEMPLOYMENT BENEFITS

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

Other Post Employment Benefit Plans

A. City of Richmond OPEB Plan Description

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. Funding Policy

The City currently pays for post employment healthcare benefits on a pay-as-you-go basis. The City funds on a cash basis as benefits are paid. In February 2019, the City began participating in the Virginia Pooled OPEB Trust Fund, an irrevocable trust. The City began making contributions to the trust for investment purposes. In Fiscal Year 2021, \$6,030,000 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

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

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

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

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

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

Actuarial Methods:

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

c. Annual Per Capita Healthcare Cost

Effective for the July 1, 2020 actuarial valuation, an analysis of the City's claims experience was performed for the purposes of setting the retiree medical claims cost. The main purpose is to project the expected annual claims cost for current retirees and future retirees who are currently active.

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

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associated costs have been excluded for purposes of the calculation because generally, retirees do not provide continued coverage to children.

July 1, 2020 annual per capita claim

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

This claim is for a male at age 65. Medical claims are assumed to increase at the medical health care cost trend rate which is 8.0% grading uniformly to 5.0% over a 6 year period.

d. Net OPEB Liability

The following table shows the components of City's annual OPEB liability at June 30, 2021 using a measurement date as of June 30, 2020.

Total OPEB Liability	\$ 118,039,413
Plan Fiduciary Net Position	-
Net OPEB Liability - June 30	\$ 118,039,413
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%
Covered Payroll	\$ 115,756,485
Net OPEB Liability as a Percent of Covered Payroll	101.97%

The table below shows the Net OPEB Liability measured as of June 30, 2020, which totals \$118,039,413. The total OPEB Liability of \$118,039,413 when combined with the Fiduciary Net Position of the OPEB Pooled Trust Assets of net zero generates a \$118,039,413 Net OPEB Liability. While the plan has been a pay-as-you-go plan, in 2019 the City began to invest Assets in a Pooled Investment Trust for the purpose of accumulating Assets to pay OPEB expenses.

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances as of June 30, 2020	\$ 115,591,786	\$ -	\$ 115,591,786
Changes for the Year			
Service Cost	5,702,876	-	5,702,876
Interest on Total OPEB Liability	3,058,492	-	3,058,492
Experience Losses (Gains)	-	-	-
Changes in Assumptions	-	-	-
Contributions - Employer	-	6,313,741	(6,313,741)
Contributions - Members	-	-	-
Net Investment Income	-	-	-
Benefits Paid	(6,313,741)	(6,313,741)	-
Administrative Expenses	-	-	-
Recognition of Prior Post-measurement Contribution	-	-	-
Other Changes	-	-	-
Amortization of or Change in Beginning Balances	-	-	-
Net Changes	2,447,627	-	2,447,627
Balances as of June 30, 2021	<u>\$ 118,039,413</u>	<u>\$ -</u>	<u>\$ 118,039,413</u>

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

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

Sensitivity of NOL to Change in Discount Rate			
	1.00% Decrease	Current Discount Rate	1.00% Increase
	1.66%	2.66%	3.66%
Net OPEB Liability	\$ 129,129,761	\$ 118,039,413	\$ 108,043,013

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

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

Sensitivity of NOL to Change in Healthcare Cost Trend Rate			
	1.00% Decrease	Current Trend Rate	1.00% Increase
	6.50%	7.50%	8.50%
Net OPEB Liability	\$ 104,453,129	\$ 118,039,413	\$ 134,096,932

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

Summary of Deferred Outflows and Inflows of Resources - City of Richmond		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience Losses	\$ 16,287,513	\$ -
Change of Assumptions	4,339,150	-
Contributions Subsequent to the Measurement Date	6,313,741	-
Total	\$ 26,940,404	\$ -

The contributions made subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in fiscal year 2022.

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

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Amortization of Deferred Inflows & Deferred Outflows of Resources		
Year Ending June 30:		
2022	\$	5,156,666
2023	\$	5,156,666
2024	\$	5,156,666
2025	\$	5,156,665
2026	\$	-
Thereafter	\$	-
Total	\$	20,626,663

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

For the year ended June 30, 2021 the City recognized OPEB expense of \$3,604,702. The components of this OPEB expense include the following:

OPEB EXPENSE		
Service Cost	\$	5,702,876
Interest Cost		3,058,492
Experience Loss/(Gain)		-
Contribution Employee		-
Change in Assumptions		-
Net Investment Income		-
Expected Return on Investments		-
Investment Gain or Loss Expensed		-
Administrative Expense		-
Amortization		(5,156,666)
Pension Expense	\$	<u>3,604,702</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 \$8,616 as of June 30, 2021.

b. Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31 percent of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80 percent and the employer component was 0.54 percent. Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. The City of Richmond's contractually required employer contribution rate for the year ended June 30, 2021 was 0.5264 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 \$134,912 and \$133,065 for the years ended June 30, 2021, and June 30, 2020, respectively.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2020.

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

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

Net Group Life Insurance (GLI) OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date June 30, 2020, Net OPEB Liability (NOL) for the Group Life Insurance Program is as follows:

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 4,442,629
Plan Fiduciary Net Position	<u>2,338,727</u>
Employers' Net GLI OPEB Liability (Asset)	<u>\$ 2,103,902</u>
Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability	52.64%

At June 30, 2021, the City of Richmond reported a liability of \$ 2,103,902 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2019. The City's proportion of the Net GLI OPEB Liability was based on the City's actuarial determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2020 relative to the total of the actuarial determined employer contributions for all participating employers. At June 30, 2021, the City of Richmond proportion was 0.12607 percent as compared to 0.13054 percent at June 30, 2020.

For the year ended June 30, 2021, the City recognized GLI OPEB expense of \$37,349. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

d. Deferred Inflows and Outflows

At June 30, 2021, 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	\$ 134,946	\$ 18,896
Net difference between projected and actual earnings on GLI OPEB program investments	63,199	-
Change of assumptions	105,219	43,931
Changes in proportionate share	-	171,919
Employer Contributions subsequent to the measurement date	138,121	-
Total	\$ 441,485	\$ 234,746

The \$138,121 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2022. 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,		
2022	\$	(11,192)
2023		6,656
2024		30,610
2025		42,096
2026		1,761
Thereafter		(1,313)
Total	\$	68,618

Discount Rate

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

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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	\$ 2,765,741	\$ 2,103,902	\$ 1,566,427

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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
Multi-Asset Public Strategies	6.00%	3.04%	0.18%
Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.14%</u>

*The above allocation provides a one-year return of 7.14 percent. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the VRS, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11 percent, including expected inflation of 2.50 percent. The VRS Board elected a long-term rate of 6.75 percent which is roughly at the 40th percentile of expected long term results of the VRS fund asset allocation.

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

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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 2021 whichever is less. The compensation deferred is not available to employees until termination, retirement, death, an unforeseeable emergency, or a small balance account withdrawal. Employees are eligible to initiate a one-time disbursement of an account if the balance is greater than \$1,000 but less than \$5,000 and neither the employee nor the employer has contributed to the account for at least two years. If the balance is under \$1,000, the participant is automatically notified by ICMA-RC and provided a form to request the distribution. In accordance with the amended provisions of IRC Section 457, all assets and income of the plan were transferred to a trust and are held for the exclusive benefit of participants and their beneficiaries. The City is the Trustee for the plan and has contracted with a nongovernmental third party administrator to administer the plan. This plan is reported in accordance with GAAP as an Other Employee Benefits Trust Fund.

The contributions to the plan for the year ended June 30, 2021 and the fair value of the plan investments were \$10,717,034 and \$148,565,821, respectively.

14. LEASES

All lease transactions have been determined to be operating leases. As of June 30, 2021, the future operating lease commitments are as follows:

Fiscal Year	Governmental Activities
2022	\$ 1,706,587
2023	781,397
2024	332,249
2025	240,587
Total minimum lease payments	<u>\$ 3,060,820</u>
Lease expenses for the year ended June 30, 2021	<u>\$ 2,178,078</u>

15. CONTINGENCIES, COMMITMENTS AND OTHER MATTERS

A. Combined Sewer Overflow (CSO)

The City operates an advanced wastewater treatment facility with a service area of 81.3 square miles that collects and treats a dry weather flow up to 45 million gallons per day (MGD) and a combination of dry weather flow and combined storm water at flows up to 75 MGD. Within about 35% of the City's service area, the main lines and interceptor lines are combined sewers. A system of retention facilities, storage tunnels, intercepting and trunk sewers links the separate and combined systems with the wastewater treatment plant. There is a mechanical or hydraulic regulator structure at each of the twenty-five (25) CSO outfalls and each has the capacity to divert dry weather flow and some storm water flow to the wastewater treatment plant for complete treatment. Phases I and II of the City's CSO control plan are complete. Phase III began in 2006 and is currently being modified to comply with Acts of the Virginia General Assembly, Chpt. 634, 2020 Va. SB 1064, approved April 2, 2020 and made effective July 1, 2020 ("2020 CSO Law"). The 2020 CSO Law establishes specific timeframes for the development and implementation of Interim and Final Plans to address combined sewer overflows (CSOs). Also in 2020, the State Special Order by Consent issued in 2005 was amended. The purpose of the Amendment was to revise certain provisions of the 2005 Order to align with requirements in the 2020 CSO Law.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

The City has been cooperating with the Virginia State Water Control Board (Board) since the mid-1970's to address combined sewer overflow impacts and the discharge of partially treated sewage on the James River. The City developed a CSO control plan to meet CSO Policy (EPA's April 19, 1994 CSO Control Policy, published at 59 Fed Reg. 18688, and incorporated into the Clean Water Act pursuant to the Wet Weather Water Quality Act, Section 402(q) of the Clean Water Act, 33 U.S.C. sec. 1342) and most recently updated that control plan in 2007. As noted earlier, the 2020 CSO Law requires the City to make changes to its CSO control program. Specifically, the City must submit an Interim plan by July 2021, which was done, and the Plan must include projects that can be initiated within one year and completed no later than July 2027. The City must also develop and submit a Final Plan by July 2024 that includes projects that must be initiated by July 2025 and completed no later than July 2035.

The City CSO control plan was estimated at \$295 million in 1995 dollars and is now estimated at between \$833 million and \$1.3 billion in 2021 dollars based upon initial scope of the Final Plan options (\$319 million spent to date). Funding for the CSO control plan implementation is a combination of ratepayer dollars, state revolving loan funds, bond proceeds and state and federal grants. By agreement with the Board, the City is required to raise revenue for implementation of its CSO Control Plan by raising and maintaining sewer rates such that the annual sewer bill for a typical residential customer will be at least 1.25% of the median household income (MHI) supplemented by the availability of federal and state grants. The City's sewer rates have exceeded the 1.25% of MHI requirement since July 2009 and are at 1.59% of MHI as of July 2021.

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 2038. The aggregate commitments under these contracts amounted to approximately \$395 million at June 30, 2021.

16. DISCONTINUED OPERATIONS

On October 26, 2020, the City dissolved and liquidated the Advantage Richmond Corporation (ARC) in accordance with its Articles of Incorporation. Article II ("Purposes"), Section 4 ("Dissolution") of the Articles of Incorporation provides that upon dissolution of Advantage Richmond Corporation, the board of directors shall dispose of all assets of the Corporation exclusively to the City.

Advantage Richmond Corporation has generated excess funds in the amount of \$3.6 million transferred to the City and assigned to the Reserve Fund for Permanent Public Improvements. The City transferred the Assets and Liabilities to the General Fund for the purpose of maintaining the accountability and municipal office building. As a result of the transfer, the City recognized a gain of \$12.2 million on its ARC transfer of Net Assets. The ARC's 2020 Expense related to its operations totaled approximately \$1.4 million. 2020 Revenues associated with the ARC's operations, consisted of both Program and General Revenues, which totaled approximately \$2.4 million. Expenditures and Revenues of the ARC operations reported in the internal service fund were \$1.4 million and \$2.4 million, respectively.

17. SUBSEQUENT EVENTS

On October 25, 2021, the Council authorized the receipt of the first tranche of the American Rescue Plan Act funds in the amount of \$77,439,914 from the United States Department of Treasury by amending the Fiscal Year 2021-2022 General Fund Budget for certain agencies and reserves for contingencies and to amend the Fiscal Year 2021-2022 Capital Budget by increasing estimated revenues and the amount appropriated.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

18. RESTATEMENTS

A. Corrections

For some CWIP projects put into service from FY 2016 until FY 2019, the entry to record the transfer of the expenditures from Capital Projects to Parking Enterprise was not captured. The restatement is adjusting the corresponding Fund balances and Net Position balances accordingly.

In prior years from FY2018 until FY2020, the Concentration account carried an unreconciled balance. The restatement is adjusting the General Fund balances and Net Position balances accordingly.

	Governmental Activities	Business Type Activities	General Fund	Capital Projects Fund	Parking Enterprise Fund
Net Adjustments are as follows:					
Net Position/Fund Balance previously reported as of July 1, 2020:	\$ 251,115,234	\$ 862,092,098	\$ 166,552,494	\$ (83,527,684)	\$ (15,041)
Transfer of FY18 Expenditures to correct Fund	2,906,491	(2,906,491)	-	2,906,491	(2,906,491)
Concentration Account Adjustment	<u>(12,114,049)</u>	<u>-</u>	<u>(12,114,049)</u>	<u>-</u>	<u>-</u>
Net Position/Fund Balance as Restated as of July 1, 2020:	<u>\$ 241,907,676</u>	<u>\$ 859,185,607</u>	<u>\$ 154,438,445</u>	<u>\$ (80,621,193)</u>	<u>\$ (2,921,532)</u>

B. Adoption of New Accounting Pronouncement

The City adopted GASB Statement No. 84, Fiduciary Activity which establishes criteria for identifying fiduciary activities for all State and Local governments. The implementation of this standard is a change in accounting principle, which resulted in several funds being reclassified from an agency fund. This pronouncement requires the restatement of the July 1, 2020 fund balances as follows:

	Social Welfare Private Purpose Trust Fund	Custodial Funds
Net Adjustments are as follows:		
Net Position - July 1, 2020 as previously reported:	\$ -	\$ -
Effect of: Adoption of Accounting Pronouncement, GASB 84	<u>(192,454)</u>	<u>(332)</u>
Net Position - July 1, 2020 as restated:	<u>\$ (192,454)</u>	<u>\$ (332)</u>

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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, 2021

EXHIBIT H-1

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
City Taxes				
Real Estate	\$ 303,456,099	\$ 308,684,771	\$ 314,554,821	\$ 5,870,050
Sales Tax	35,416,829	37,329,884	33,165,952	(4,163,932)
Personal Property	63,423,014	60,923,867	67,189,886	6,266,019
Machinery and Tools	13,399,915	13,867,682	14,439,966	572,284
Utility Sales Tax Gas	5,100,000	5,194,706	5,306,763	112,057
Utility Sales Tax Electric	13,724,867	13,957,402	12,279,000	(1,678,402)
Utility Sales Tax Telephone	181,776	185,152	196,468	11,316
State Communication Taxes	14,440,680	14,440,680	12,616,557	(1,824,123)
Bank Stock	9,996,071	9,418,200	11,649,226	2,231,026
Prepared Food	41,993,503	27,169,681	37,018,912	9,849,231
Cigarette Tax	2,755,000	3,123,014	3,087,283	(35,731)
Lodging Tax	8,312,409	3,334,350	5,082,521	1,748,171
Admission	2,405,941	153,126	313,005	159,879
Real Estate Taxes - Delinquent	11,629,380	10,803,821	12,902,394	2,098,573
Personal Property Taxes - Delinquent	6,956,975	7,031,605	6,074,682	(956,923)
Private Utility Poles and Conduits	170,689	164,444	100,896	(63,548)
Penalties and Interest	6,439,184	7,283,063	8,055,276	772,213
Titling Tax-Mobile Home	9,807	9,807	5,235	(4,572)
State Recordation	1,000,000	1,000,000	-	(1,000,000)
Property Rental 1%	125,153	76,939	95,085	18,146
Vehicle Rental Tax	893,846	893,846	1,001,964	108,118
Telephone Commissions	340,000	471,024	481,556	10,532
Total City Taxes	542,171,138	525,517,064	545,617,448	20,100,384
Licenses, Permits, and Privilege Fees				
Business and Professional	30,758,929	32,033,786	34,735,507	2,701,721
Vehicle	5,935,958	5,645,868	7,197,251	1,551,383
Transfers, Penalties, Interest & Delinquent Collections	9,515	9,515	36,691	27,176
Utilities Right of Way Fees	1,788,600	1,788,600	898,857	(889,743)
Other Licenses, Permits and Fees	1,620,089	1,558,227	1,953,360	395,133
Total Licenses, Permits and Privilege Fees	40,113,091	41,035,996	44,821,666	3,785,670
Intergovernmental				
State Shared Expense	20,899,642	20,774,155	21,251,077	476,922
Total State Block Grant	3,493,205	3,617,905	2,914,404	(703,501)
Department of Social Services	15,630,263	16,065,995	13,579,905	(2,486,090)
Federal Revenues	24,608,836	61,664,373	58,374,175	(3,290,198)
State Aid to Localities	16,237,342	16,180,059	16,020,855	(159,204)
Service Charges on Tax Exempt Property (State PILOT)	3,698,683	3,698,683	3,342,387	(356,296)
All Other Intergovernmental Revenues	658,478	3,673,591	2,653,829	(1,019,762)
Total Intergovernmental	\$ 85,226,449	\$ 125,674,761	\$ 118,136,632	\$ (7,538,129)

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2021

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Charges				
Refuse Collection Fees	\$ 15,836,941	\$ 15,836,941	\$ 16,159,618	\$ 322,677
Safety Related Charges	370,623	244,704	279,879	35,175
Rental of Property	209,000	212,959	187,587	(25,372)
Building Service Charges	953,255	324,010	1,231,171	907,161
Inspection Fees	9,674,058	8,121,373	8,316,562	195,189
Recycling Proceeds	2,054,092	2,054,092	1,790,925	(263,167)
Health Related Charges	111,000	103,000	115,846	12,846
Other Sales - Income	258,164	142,773	42,704	(100,069)
Printing and Telecom Charges	16,805	800	146	(654)
Self Insurance	-	5,000,000	-	(5,000,000)
Other Service Charges	1,842,228	1,587,754	433,335	(1,154,419)
Total Service Charges	<u>31,326,166</u>	<u>33,628,406</u>	<u>28,557,773</u>	<u>(5,070,633)</u>
Fines and Forfeitures				
Richmond Public Library	23,750	800	1,746	946
Circuit Court	40,000	40,000	77,739	37,739
General District Court	201	201	-	(201)
Juvenile and Domestic Relations District Court	5,677,501	6,582,138	8,904,423	2,322,285
Total Fines and Forfeitures	<u>5,741,452</u>	<u>6,623,139</u>	<u>8,983,908</u>	<u>2,360,769</u>
Utility Payments				
Utility Pilot Payment	19,527,456	19,527,456	19,297,080	(230,376)
Utility Payment - City Services	1,588,844	1,588,844	1,324,037	(264,807)
Utilities Payment for Collection Service	226,534	226,534	141,880	(84,654)
Total Utility Payments	<u>21,342,834</u>	<u>21,342,834</u>	<u>20,762,997</u>	<u>(579,837)</u>
Miscellaneous Revenues				
Reimbursement of Interest on Long-term Debt	2,210,601	2,210,601	1,349,954	(860,647)
Internal Service Fund Payments	248,845	248,845	-	(248,845)
Miscellaneous Revenues	2,977,437	6,075,267	5,752,393	(322,874)
Other Payments to General Fund	552,000	228,550	265,714	37,164
Total Miscellaneous Revenues	<u>5,988,883</u>	<u>8,763,263</u>	<u>7,368,061</u>	<u>(1,395,202)</u>
Total General Fund Revenues	<u>\$ 731,910,013</u>	<u>\$ 762,585,463</u>	<u>\$ 774,248,485</u>	<u>\$ 11,663,022</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2021

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Current				
General Government				
City Council	\$ 1,488,704	\$ 1,590,564	\$ 1,405,574	\$ 184,990
City Clerk	993,029	952,984	910,611	42,373
Planning and Development Review	10,722,320	11,344,683	10,359,117	985,566
Assessor of Real Estate	4,782,289	5,461,637	4,002,494	1,459,143
City Auditor	1,988,484	1,912,535	1,775,656	136,879
Department of Law	4,042,992	3,989,433	3,745,332	244,101
General Registrar	3,930,368	4,028,759	3,572,772	455,987
Inspector General	579,728	581,387	584,340	(2,953)
Chief Administrative Officer	564,761	708,782	586,058	122,724
Citizen Service and Response	2,239,787	2,228,987	2,005,956	223,031
Budget and Strategic Planning	1,420,707	1,385,899	1,322,628	63,271
Department of Human Resources	4,275,416	4,184,869	3,979,435	205,434
Department of Finance	9,985,678	10,203,818	8,625,921	1,577,897
Procurement Services	1,589,853	1,607,738	1,556,465	51,273
Office of Press Secretary to Mayor	512,851	478,012	419,443	58,569
City Treasurer	218,889	220,168	220,700	(532)
Economic/Community Development	2,664,858	2,648,533	2,381,836	266,697
Housing and Community Development	1,476,055	1,463,962	1,143,276	320,686
Council Chief of Staff	1,321,975	1,220,977	963,252	257,725
Minority Business Development	995,268	993,095	802,721	190,374
Office of Community Wealth Building	2,165,455	2,081,597	1,931,600	149,997
City Mayors Office	1,175,676	1,163,273	1,156,434	6,839
Total General Government	<u>59,135,143</u>	<u>60,451,692</u>	<u>53,451,621</u>	<u>7,000,071</u>
Public Safety and Judiciary				
Judiciary	11,457,299	11,605,400	11,299,098	306,302
Juvenile and Domestic Relations District Court	445,347	438,756	402,782	35,974
City Sheriff	42,064,115	43,187,970	41,760,880	1,427,090
Department of Police	96,371,351	96,333,870	95,084,603	1,249,267
Department of Emergency Communications	5,121,004	5,360,400	5,428,698	(68,298)
Department of Fire and Emergency Services	52,037,737	91,323,397	90,222,867	1,100,530
Animal Control	1,862,745	2,040,875	2,103,194	(62,319)
Total Public Safety and Judiciary	<u>209,359,598</u>	<u>250,290,668</u>	<u>246,302,122</u>	<u>3,988,546</u>
Highways, Streets, Sanitation and Refuse				
Department of Public Works	<u>35,562,741</u>	<u>43,937,229</u>	<u>44,088,077</u>	<u>(150,848)</u>
Human Services				
Office of DCAO for Human Services	1,321,643	3,371,745	2,448,831	922,914
Department of Social Services	46,747,515	46,745,311	42,345,733	4,399,578
Justice Services	9,478,786	8,834,332	8,223,577	610,755
Department of Public Health	4,563,490	4,563,490	4,563,490	-
Total Human Services	<u>62,111,434</u>	<u>63,514,878</u>	<u>57,581,631</u>	<u>5,933,247</u>
Culture and Recreation				
Richmond Public Library	5,743,900	5,821,484	5,624,152	197,332
Department of Parks, Recreation and Community Facilities	17,846,101	17,767,167	17,690,543	76,624
Total Culture and Recreation	<u>23,590,001</u>	<u>23,588,651</u>	<u>23,314,695</u>	<u>273,956</u>
Education				
Richmond Public Schools	181,694,074	181,694,074	181,694,074	-
Richmond Public Schools-Capital Spending	8,524,681	5,515,445	5,828,325	(312,880)
Total Education	<u>\$ 190,218,755</u>	<u>\$ 187,209,519</u>	<u>\$ 187,522,399</u>	<u>\$ (312,880)</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2021

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Non-Departmental				
Payments to Other Government Agencies	\$ 19,636,242	\$ 14,607,308	\$ 15,025,618	\$ (418,310)
Tax Relief	4,266,000	4,004,416	3,475,967	528,449
GRTC	8,302,176	8,302,176	8,302,176	-
RRS Contributions/Retiree's Health Care Program	3,600,000	3,600,000	3,148,071	451,929
Contributions	40,084,121	40,087,926	45,293,272	(5,205,346)
Total Non-Departmental	<u>75,888,539</u>	<u>70,601,826</u>	<u>75,245,104</u>	<u>(4,643,278)</u>
Total General Fund Expenditures	<u>655,866,211</u>	<u>699,594,463</u>	<u>687,505,649</u>	<u>12,088,814</u>
Excess of Revenues Over Expenditures	<u>76,043,802</u>	<u>62,991,000</u>	<u>86,742,836</u>	<u>23,751,836</u>
Other Financing Sources				
Transfers In - Other Funds	12,140,104	27,803,655	12,070,177	(15,733,478)
Transfers Out - Other Funds	<u>(88,183,906)</u>	<u>(92,830,720)</u>	<u>(91,081,253)</u>	<u>1,749,467</u>
Total Other Financing Sources, Net	<u>(76,043,802)</u>	<u>(65,027,065)</u>	<u>(79,011,076)</u>	<u>(13,984,011)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>-</u>	<u>(2,036,065)</u>	<u>7,731,760</u>	<u>9,767,825</u>
Fund Balance - Beginning of Year, as restated	<u>154,438,445</u>	<u>154,438,445</u>	<u>154,438,445</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 154,438,445</u>	<u>\$ 152,402,380</u>	<u>\$ 162,170,205</u>	<u>\$ 9,767,825</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, 2021

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, 2021:

Inspector General	\$ (2,953)
City Treasurer	(532)
Department of Emergency Communications	(68,298)
Animal Control	(62,319)
Department of Public Works	(150,848)
Education	(312,880)
Non-Departmental	(4,643,278)

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
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
Interest	60,753,726	60,070,179	59,552,622	60,018,265	60,860,936	61,669,092	61,913,034
Changes of benefit terms	8,476,904	-	-	-	-	-	14,745,118
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)
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)
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
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
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
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
Contributions - member	2,062,759	2,290,451	1,920,452	2,096,642	1,919,758	1,894,851	1,941,132
Net investment income	74,451,688	15,263,407	(1,456,427)	61,263,751	37,988,323	24,568,402	9,556,654
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)
Administrative expense	(1,283,342)	(1,218,004)	(1,128,623)	(1,112,650)	(1,181,564)	(1,250,142)	(1,309,142)
Other	-	(663,929)	-	-	-	(1,214,119)	-
Net change in plan fiduciary net position	50,909,990	(5,390,336)	(24,109,447)	36,518,403	16,012,483	2,260,460	(7,037,105)
Plan fiduciary net position - beginning	479,658,967	530,568,957	526,409,589	502,318,862	538,837,265	554,849,748	557,110,208
Plan fiduciary net position - ending (b)	\$ 530,568,957	\$ 525,178,621	\$ 502,300,142	\$ 538,837,265	\$ 554,849,748	\$ 557,110,208	550,073,103
City's net pension liability - ending (a) - (b)	\$ 301,240,678	\$ 303,339,808	\$ 330,070,571	\$ 303,466,022	\$ 298,012,372	\$ 357,699,013	\$ 381,446,168
Plan fiduciary net position as a percentage of the total pension liability	63.78%	63.39%	60.35%	63.97%	65.06%	60.90%	59.05%
Covered payroll	\$ 107,834,516	\$ 109,038,530	\$ 104,977,759	\$ 104,668,019	\$ 105,442,140	\$ 106,031,020	\$ 101,964,037
City's net pension liability as a percentage of covered payroll	279.35%	278.20%	314.42%	289.93%	282.63%	337.35%	374.10%

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>
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
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
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
Contributions as a percentage of covered payroll	37.8%	43.4%	41.7%	39.7%	45.7%	46.6%	57.9%

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>
Annual money-weighted rate of return net of investment expense	15.5%	2.4%	(3.0)%	12.2%	7.1%	5.1%	-1.0%

Notes to the Required Supplementary Pension Information

Richmond Retirement System Pension Plan

For the Year Ended June 30, 2021

Methods and Assumptions Used to Determine Contribution Rates:

The following changes were made to assumptions:

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

Inflation - 2.50%

Salary Increases - General Employees - 2.50% to 4.00%

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

Investment Rate of Return - 7.00%

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

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

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

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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
Interest	7,369,694	7,689,675	8,037,966	8,348,430	8,446,921	8,750,975	9,045,496
Differences between expected and actual expenses	(479,419)	110,367	(196,070)	(2,719,281)	(388,284)	540,139	(733,288)
Changes in assumptions	-	-	-	(1,083,113)	-	3,837,631	-
Deferred Inflow Expected vs Actual Experience	-	-	(496,058)	-	-	-	-
Benefit Payments, including refunds of member contributions	(5,623,313)	(6,085,126)	(6,407,155)	(6,581,717)	(6,875,986)	(7,396,048)	(8,064,640)
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>
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>
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>
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
Contributions - member	1,276,061	1,258,265	1,393,001	1,401,096	1,346,018	1,301,296	1,312,202
Net investment income	13,713,152	4,552,450	1,793,841	12,562,007	8,403,155	7,924,514	2,372,966
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)
Administrative expense	(74,396)	(62,657)	(64,054)	(72,905)	(72,921)	(79,792)	(82,204)
Other	723	(962)	(759)	(11,180)	(7,471)	(4,992)	(2,785)
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>
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>
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>
City's net pension liability - ending (a) minus (b)	\$ 12,485,198	\$ 14,488,454	\$ 18,674,561	\$ 9,711,715	\$ 8,346,064	\$ 12,980,010	\$ 18,332,067
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%
Covered payroll	\$ 23,115,189	\$ 25,093,420	\$ 25,652,406	\$ 25,351,280	\$ 26,179,060	\$ 26,924,568	\$ 27,187,437
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%

* 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually Required Contribution	3,470,877	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
Actuarially Determined Contribution	3,470,877	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
Excess (Deficiency)	-	-	-	-	-	925,532	1,587,578	1,525,822	1,527,798	1,237,056
Covered Payroll	24,218,366	24,068,589	23,115,189	25,093,420	25,652,406	25,351,280	26,179,060	26,924,568	27,187,437	26,321,947
Contributions as a percentage of covered payroll	14.3%	13.7%	13.3%	13.9%	13.5%	17.9%	12.3%	11.8%	11.1%	12.5%

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*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 4,021,865	\$ 4,222,958	\$ 4,434,106	\$ 5,702,876
Interest	2,425,532	2,532,946	2,553,264	3,058,492
Change of Benefit Terms	-	-	24,431,269	-
Difference between expected and actual experience	-	-	6,508,726	-
Benefit Payments/Refunds	<u>(2,958,026)</u>	<u>(3,194,668)</u>	<u>(6,313,741)</u>	<u>(6,313,741)</u>
Net Change in Total OPEB Liability	3,489,371	3,561,236	31,613,624	2,447,627
Total OPEB Liability - beginning	<u>76,927,555</u>	<u>80,416,926</u>	<u>83,978,162</u>	<u>115,591,786</u>
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>
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,958,026	\$ 3,194,668	\$ 6,313,741	\$ 6,313,741
Benefit Payments/Refunds	<u>(2,958,026)</u>	<u>(3,194,668)</u>	<u>(6,313,741)</u>	<u>(6,313,741)</u>
Net Changes in Plan Fiduciary Net Position	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - beginning	-	-	-	-
Plan Fiduciary Net Position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability - ending (a) - (b)	\$ 80,416,926	\$ 83,978,162	\$ 115,591,786	\$ 118,039,413
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 107,395,730	\$ 100,320,588	\$ 99,822,621	\$ 115,756,485
City's new OPEB liability as a percentage of covered payroll	74.88%	83.71%	115.80%	101.97%

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

CITY OF RICHMOND OPEB PLAN SCHEDULE OF CONTRIBUTIONS

For The Last Ten Fiscal Years

Fiscal Year Ending June 30:

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Notes to Required Supplementary Information - City of Richmond OPEB Plan

Changes in plan actuarial assumptions and actuarial methods:

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

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

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

VRS Group Life OPEB Plan

SCHEDULE OF CITY OF RICHMOND SHARE OF NET OPEB LIABILITY

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City of Richmond's Proportion % of the Net GLI OPEB Liability	0.14%	0.13%	0.13%	0.13%
City of Richmond's Proportionate Share of the NET GLI OPEB Liability	\$ 2,083,000	\$ 2,061,000	\$ 2,124,000	\$ 2,103,902
Covered Payroll	\$ 25,351,280	\$ 25,589,505	\$ 25,944,554	\$ 25,577,974
Employer's Proportionate Share of the NET GLI OPEB Liability as a Percentage of Covered Payroll	8.22%	8.05%	8.19%	8.23%
Plan Fiduciary Net Position as a Percentage of the total GLI OPEB Liability	48.86%	51.22%	51.22%	52.64%

*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
2021	\$ 138,121	\$ 138,121	\$ -	\$ 25,577,974	0.54%
2020	134,912	134,912	-	25,944,554	0.52%
2019	133,065	133,065	-	25,589,505	0.52%
2018	133,566	132,787	779	25,351,280	0.52%
2017	131,119	130,880	239	25,215,255	0.52%
2016	120,448	121,276	(828)	25,093,420	0.48%
2015	123,132	121,395	1,737	25,652,406	0.47%
2014	118,809	118,003	806	24,751,869	0.48%
2013	112,071	111,506	565	23,348,043	0.48%

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

**Notes to Required Supplemental Information - VRS Group Life OPEB Plan
For the Year Ended June 30, 2021**

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, 2021**

EXHIBIT I-1

	Special Revenue		Permanent Funds			
	Grants Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	Total
Assets						
Cash and Cash Equivalents	\$ 45,047,333	\$ -	\$ -	\$ 14	\$ -	\$ 45,047,347
Accounts Receivable, Net	4,965,544	8,060,035	-	-	-	13,025,579
Due From Other Governments	2,818,475	6,199,424	-	-	-	9,017,899
Restricted Assets	-	-	6,479	28,169	34,001	68,649
Total Assets	52,831,352	14,259,459	6,479	28,183	34,001	67,159,474
Liabilities:						
Accounts Payable	3,792,694	2,077,956	-	-	-	5,870,650
Accrued Liabilities	2,407,426	229,263	-	-	-	2,636,689
Accrued Wages	745,994	40,458	-	-	-	786,452
Due To Other Funds	1,571,891	5,625,708	-	-	-	7,197,599
Unearned Revenue	-	8,010,000	-	-	-	8,010,000
Total Liabilities	8,518,005	15,983,385	-	-	-	24,501,390
Fund Balances:						
Restricted	44,313,347	(1,723,926)	6,479	28,183	34,001	42,658,084
Total Fund Balances	44,313,347	(1,723,926)	6,479	28,183	34,001	42,658,084
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 52,831,352	\$ 14,259,459	\$ 6,479	\$ 28,183	\$ 34,001	\$ 67,159,474

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, 2021

EXHIBIT I-2

	Special Revenue		Permanent Funds			Total
	Grant Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	
Revenues						
Intergovernmental	\$ 45,641,617	\$ 12,702,594	\$ -	\$ -	\$ -	\$ 58,344,211
Service Charges	1,907,204	-	-	-	-	1,907,204
Fines and Forfeitures	336,645	-	-	-	-	336,645
Investment Income	50,512	-	-	39	70	50,621
Miscellaneous	27,178,495	384,612	-	-	4	27,563,111
Total Revenues	75,114,473	13,087,206	-	39	74	88,201,792
Expenditures						
Current:						
General Government	8,989,773	12,526,383	-	-	-	21,516,156
Public Safety and Judiciary	8,228,159	-	-	-	-	8,228,159
Highways, Streets, Sanitation and Refuse	33,375,109	-	-	-	-	33,375,109
Human Services	18,580,556	82,551	-	-	-	18,663,107
Culture and Recreation	1,314,277	-	-	-	49	1,314,326
Total Expenditures	70,487,874	12,608,934	-	-	49	83,096,857
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,626,599	478,272	-	39	25	5,104,935
Other Financing Sources						
Transfers In - Other Funds	11,904,019	-	-	-	-	11,904,019
Transfers Out - Other Funds	(10,624,971)	(704,224)	-	-	-	(11,329,195)
Total Other Financing Sources, Net	1,279,048	(704,224)	-	-	-	574,824
Net Change in Fund Balances	5,905,647	(225,952)	-	39	25	5,679,759
Fund Balance - Beginning of Year	38,407,700	(1,497,974)	6,479	28,144	33,976	36,978,325
Fund Balance - End of Year	\$ 44,313,347	\$ (1,723,926)	\$ 6,479	\$ 28,183	\$ 34,001	\$ 42,658,084

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2021**

EXHIBIT I-3

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental Revenue	\$ 108,265,857	\$ 142,531,524	\$ 58,344,211	\$ 84,187,313
Investment Earnings and Contributions	-	-	50,621	(50,621)
Miscellaneous Revenue	7,954,861	8,279,861	29,806,960	(21,527,099)
Total Revenues	116,220,718	150,811,385	88,201,792	62,609,593
Expenditures				
General Government	35,007,969	53,878,941	21,516,156	32,362,785
Public Safety and Judiciary	23,256,800	23,987,174	8,228,159	15,759,015
Highways, Streets, Sanitation and Refuse	34,422,564	48,685,305	33,375,109	15,310,196
Human Services	19,306,692	19,703,492	18,663,107	1,040,385
Culture and Recreation	4,226,693	4,556,473	1,314,326	3,242,147
Total Expenditures	116,220,718	150,811,385	83,096,857	33,123,861
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	5,104,935	29,485,732
Other Financing Sources (Uses)				
Transfers In - Other Funds	-	-	11,904,019	11,904,019
Transfers Out - Other Funds	-	-	(11,329,195)	(11,329,195)
Total Other Financing Sources, Net	-	-	574,824	574,824
Net Change in Fund Balance	-	-	5,679,759	5,679,759
Fund Balance - Beginning of Year	36,978,325	36,978,325	36,978,325	-
Fund Balance - End of Year	\$ 36,978,325	\$ 36,978,325	\$ 42,658,084	\$ 5,679,759

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2021**

EXHIBIT I-4

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental Revenues and Service Charges	\$ 37,375,000	\$ 23,136,422	\$ 13,680,765	\$ (9,455,657)
Total Intergovernmental Revenues	<u>37,375,000</u>	<u>23,136,422</u>	<u>13,680,765</u>	<u>(9,455,657)</u>
Investment Earnings and Contributions				
Interest Earned on Restricted Funds	-	-	23,593	23,593
Total Investment Earnings	<u>-</u>	<u>-</u>	<u>23,593</u>	<u>23,593</u>
Miscellaneous Revenues				
Reapportion of Existing Projects	3,650,029	3,650,029	-	(3,650,029)
Miscellaneous	5,302,003	9,261,413	921,217	(8,340,196)
Total Miscellaneous Revenues	<u>8,952,032</u>	<u>12,911,442</u>	<u>921,217</u>	<u>(11,990,225)</u>
 Total Revenues	 <u>46,327,032</u>	 <u>36,047,864</u>	 <u>14,625,575</u>	 <u>(21,422,289)</u>
Expenditures				
Capital Outlay:				
City Facility Maintenance & Improvements	2,074,688	6,034,098	2,583,988	3,450,110
Culture & Recreation	3,959,526	3,959,526	4,585,511	(625,985)
Economic & Community Development	350,000	350,000	2,731,303	(2,381,303)
Education	6,702,003	6,702,003	41,017,511	(34,315,508)
Public Safety	3,825,000	3,825,000	11,859,247	(8,034,247)
Transportation	62,279,000	48,040,422	25,518,800	22,521,622
City Equipment & Other Infrastructure Investment	4,867,332	4,867,332	9,072,447	(4,205,115)
Debt Issuance Cost	-	-	398,467	(398,467)
Total Expenditures	<u>84,057,549</u>	<u>73,778,381</u>	<u>97,767,274</u>	<u>(23,988,893)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(37,730,517)</u>	<u>(37,730,517)</u>	<u>(83,141,699)</u>	<u>2,566,604</u>
Other Financing Sources (Uses)				
Proceeds of Bonds and Notes	32,863,185	32,863,185	110,447,259	77,584,074
Premium Rec'd on Bonds	-	-	9,710,415	9,710,415
Transfers In - Other Funds	4,867,332	4,867,332	20,541,794	15,674,462
Transfers Out - Other Funds	-	-	(6,513,901)	(6,513,901)
Total Other Financing Sources, Net	<u>37,730,517</u>	<u>37,730,517</u>	<u>134,185,567</u>	<u>96,455,050</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>51,043,868</u>	<u>99,021,654</u>
Fund Balance - Beginning of Year, as restated	<u>(80,621,193)</u>	<u>(80,621,193)</u>	<u>(80,621,193)</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ (80,621,193)</u>	<u>\$ (80,621,193)</u>	<u>\$ (29,577,325)</u>	<u>\$ 51,043,868</u>

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2021**

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

	Original Budget	Final Budget	Actual	
Revenues				
Transfer in From General Fund - Debt Service	\$ 75,264,856	\$ 73,990,000	\$ 72,867,821	\$ (1,122,179)
Transfer in From General Fund - Non-Departmental	6,944,365	5,828,325	5,828,325	-
Reimbursement from Federal Government	990,626	990,626	891,977	(98,649)
Payments from EDA (Stone Brewing Project)	1,436,963	1,436,963	1,584,853	147,890
Transfer from CDBG to pay HUD Notes	987,381	987,381	704,224	(283,157)
Other Revenue	-	-	208,647	208,647
Total Revenue	\$ 85,624,191	\$ 83,233,295	\$ 82,085,847	\$ (1,147,448)
Expenditures				
Principal Payments				
General Government Projects	\$ 22,299,101	\$ 22,299,101	\$ 22,299,101	\$ -
Justice Center Project	4,082,824	4,082,824	4,082,824	-
Carpenter Center Project	1,189,870	1,189,870	1,189,870	-
Transportation Projects	6,284,327	6,284,327	6,284,327	-
School Capital Improvement Projects	13,449,315	13,449,315	13,449,315	-
730 Theater Row Building Project	996,070	996,070	996,070	-
Stone Brewing Project	685,000	685,000	685,000	-
Coliseum	473,309	473,309	473,309	-
HUD Section 108 Notes	676,000	676,000	676,000	-
Cemeteries	31,195	31,195	-	31,195
	-	-	-	-
Total Principal Payments	50,167,011	50,167,011	50,135,816	31,195
Interest Payments				
General Government Projects	11,078,161	10,805,122	10,805,122	-
Justice Center Project	3,886,269	3,751,211	3,751,211	-
Carpenter Center Project	666,248	666,248	666,248	-
Transportation Projects	3,821,092	3,772,087	3,772,087	-
Schools Capital Improvement Projects	10,744,168	10,650,579	10,650,579	-
730 Theater Row Bldg Project	37,842	37,842	37,842	-
Stone Brewing Project	751,963	751,963	751,963	-
Coliseum	71,377	49,718	49,718	-
HUD Section 108 Notes	311,381	311,381	311,381	-
Cemeteries	5,258	5,258	-	5,258
New General Obligation Bond Issue	400,000	-	-	-
	-	-	-	-
Total Interest Payments on Bonds	31,773,759	30,801,409	30,796,151	5,258
Interest - Short Term Debt				
GO Bond Anticipation Notes -City	2,540,000	1,121,454	76,581	1,044,873
Total Interest Payments on Short Term Debt	2,540,000	1,121,454	76,581	1,044,873
Total Interest Payments	34,313,759	31,922,863	30,872,732	1,050,131
Cost of Issuance	-	759,446	759,446	-
Total Expenditures	\$ 84,480,770	\$ 82,849,320	\$ 81,767,994	\$ 1,081,326
Excess of Revenues Over Expenditures	1,143,421	383,975	317,853	(66,122)
Proceeds of Bonds and Notes	-	89,050,950	89,050,950	-
Premium Rec'd on Bonds	-	5,801,609	5,801,609	-
Payments to Refunding Escrow	-	(57,522,723)	(57,522,723)	-
Repayment of BAN Notes Payable	-	(36,600,000)	(36,600,000)	-
Transfers Out - Other Funds	-	(34,604)	(34,604)	-
Total Other Financing Sources (Uses)	-	695,232	695,232	-
Net Change in Fund Balance	1,143,421	1,079,207	1,013,085	(66,122)
Beginning Fund Balance	13,360,832	13,360,832	13,360,832	-
Ending Fund Balance	\$ 14,504,253	\$ 14,440,039	\$ 14,373,917	\$ (66,122)

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, 2021

EXHIBIT J-1

	Cemeteries	Parking Enterprise	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 8,477,648	\$ 8,477,648
Accounts Receivable, Net	53,571	1,740,811	1,794,382
Total Current Assets	<u>53,571</u>	<u>10,218,459</u>	<u>10,272,030</u>
Noncurrent Assets:			
Capital Assets:			
Land	8,188,700	14,268,255	22,456,955
Buildings and Structures	611,771	36,195,584	36,807,355
Equipment	157,317	3,718,544	3,875,861
Less Accumulated Depreciation	(652,512)	(14,844,009)	(15,496,521)
Total Noncurrent Assets	<u>8,305,276</u>	<u>39,338,374</u>	<u>47,643,650</u>
Total Assets	<u>8,358,847</u>	<u>49,556,833</u>	<u>57,915,680</u>
Deferred Outflow of Resources			
Employer Contributions to Pension			
Pension & OPEB Related Activities (Note 11)	319,027	151,811	470,838
Total Deferred Outflows of Resources	<u>319,027</u>	<u>151,811</u>	<u>470,838</u>
Liabilities			
Current Liabilities:			
Accounts Payable	\$ 66,645	\$ 1,015,585	\$ 1,082,230
Accrued Liabilities	2,726	13,850	16,576
Accrued Wages	28,173	37,895	66,068
Due To Other Funds	1,519,067	-	1,519,067
Accrued Interest on Bonds	2,126	635,428	637,554
General Obligation Bonds	31,233	3,888,185	3,919,418
Compensated Absences	16,373	30,401	46,774
Total Current Liabilities	<u>1,666,343</u>	<u>5,621,344</u>	<u>7,287,687</u>
Noncurrent Liabilities:			
General Obligation Bonds	62,532	41,360,460	41,422,992
Compensated Absences	34,968	64,930	99,898
Net Pension and OPEB Liability	2,190,974	661,814	2,852,788
Total Noncurrent Liabilities	<u>2,288,474</u>	<u>42,087,204</u>	<u>44,375,678</u>
Total Liabilities	<u>3,954,817</u>	<u>47,708,548</u>	<u>51,663,365</u>
Deferred Inflow of Resources			
Pension & OPEB Related Activities (Note 11)			
Total Deferred Inflows of Resources	<u>983</u>	<u>(1,047)</u>	<u>(64)</u>
Net Position			
Net Investment in Capital Assets	8,211,512	(5,910,270)	2,301,242
Unrestricted	(3,489,438)	7,911,413	4,421,975
Total Net Position	<u>\$ 4,722,074</u>	<u>\$ 2,001,143</u>	<u>\$ 6,723,217</u>

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

EXHIBIT J-2

	Cemeteries	Parking Enterprise	Total
Operating Revenues			
Charges for Goods and Services	\$ 2,061,054	\$ 13,638,947	\$ 15,700,001
Operating Expenses			
Salaries and Wages and Benefits	1,405,748	1,324,106	2,729,854
Materials and Supplies	47,003	7,089	54,092
Rents and Utilities	35,937	485,980	521,917
Maintenance and Repairs	126,034	3,306,142	3,432,176
Depreciation and Amortization	10,579	1,617,137	1,627,716
Claims and Settlements	4,837	13,450	18,287
Miscellaneous Operating Expenses	831,176	3,680,424	4,511,600
Total Operating Expenses	<u>2,461,314</u>	<u>10,434,328</u>	<u>12,895,642</u>
Operating Income (Loss)	<u>(400,260)</u>	<u>3,204,619</u>	<u>2,804,359</u>
Non-Operating Revenues (Expenses)			
Interest and Fiscal Charges	<u>(2,841)</u>	<u>(1,188,435)</u>	<u>(1,191,276)</u>
Total Non-Operating Revenues (Expenses), Net	<u>(2,841)</u>	<u>(1,188,435)</u>	<u>(1,191,276)</u>
Other Financing Sources			
Transfers In - Other Funds	<u>34,604</u>	<u>2,906,491</u>	<u>2,941,095</u>
Total Other Financing Sources, Net	<u>34,604</u>	<u>2,906,491</u>	<u>2,941,095</u>
Change In Net Position	(368,497)	4,922,675	4,554,178
Net Position - Beginning of Year, as restated	<u>5,090,571</u>	<u>(2,921,532)</u>	<u>2,169,039</u>
Net Position - End of Year	<u>\$ 4,722,074</u>	<u>\$ 2,001,143</u>	<u>\$ 6,723,217</u>

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

EXHIBIT J-3

	Cemeteries	Parking Enterprise	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$ 2,007,483	\$ 13,363,695	\$ 15,371,178
Payments to Suppliers	(1,082,739)	(7,359,616)	(8,442,355)
Payments to Employees	(879,359)	(1,099,579)	(1,978,938)
Net Cash Provided by Operating Activities	45,385	4,904,500	4,949,885
Cash Flows from Noncapital Financing Activities			
Government Subsidies and Contributions	34,604	-	34,604
Due to Other Funds	(35,043)	-	(35,043)
Net Cash Used In Noncapital Financing Activities	(439)	-	(439)
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(10,342)	(675,632)	(685,974)
Repayments of GO Bonds	(31,195)	(4,004,974)	(4,036,169)
Interest Paid on Long-Term Debt	(3,409)	(1,231,268)	(1,234,677)
Net Cash Used In Capital and Related Financing Activities	(44,946)	(5,911,874)	(5,956,820)
Net Increase (Decrease) in Cash and Cash Equivalents	-	(1,007,374)	(1,007,374)
Cash and Cash Equivalents at July 1, 2020	-	9,485,022	9,485,022
Cash and Cash Equivalents at June 30, 2021	\$ -	\$ 8,477,648	\$ 8,477,648
Reconciliation of Operating Income (Loss) to Net Cash			
Provided by (Used In) Operating Activities			
Operating Income (Loss)	\$ (400,260)	\$ 3,204,619	\$ 2,804,359
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (Used In) Operating Activities:			
Depreciation	10,579	1,617,137	1,627,716
Pension Expense	518,792	213,907	732,699
(Increase) Decrease in Assets and Increase			
(Decrease) in Liabilities:			
Accounts Receivable	(53,571)	(275,252)	(328,823)
Accounts Payable	(37,752)	133,470	95,718
Accrued Payables	-	5,792	5,792
Compensated Absences	7,597	4,827	12,424
Total Adjustments	445,645	1,699,881	2,145,526
Net Cash Provided by Operating Activities	\$ 45,385	\$ 4,904,500	\$ 4,949,885

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, 2021

EXHIBIT K-1

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Assets									
Current Assets:									
Cash and Cash Equivalents	\$ -	\$ -	\$ 27,086,613	\$ -	\$ 11,466,747	\$ 3,312,474	\$ 5,833,496	\$ -	\$ 47,699,330
Accounts Receivables, Net	4,494	25,304	754,764	-	-	2,774,704	3,719,457	-	7,278,723
Inventory	-	287,769	-	-	-	-	-	5,338,332	5,626,101
Prepaid Expenses	-	-	-	-	-	2,169,956	-	115,029	2,284,985
Total Current Assets	4,494	313,073	27,841,377	-	11,466,747	8,257,134	9,552,953	5,453,361	62,889,139
Noncurrent Assets:									
Capital Assets:									
Land	98,000	-	-	-	-	-	265,389	1,686,532	2,049,921
Buildings and Structures	1,211,217	13,218	-	-	-	-	48,353,296	3,478,430	53,056,161
Equipment	70,886,979	410,950	-	-	3,686,534	-	17,273,687	31,545,362	123,803,512
Construction in Progress	-	-	-	-	-	-	302,944	-	302,944
Less Accumulated Depreciation	(59,140,113)	(389,597)	-	-	(2,667,235)	-	(47,496,826)	(34,358,611)	(144,052,382)
Total Capital Assets	13,056,083	34,571	-	-	1,019,299	-	18,698,490	2,351,713	35,160,156
Total Noncurrent Assets	13,056,083	34,571	-	-	1,019,299	-	18,698,490	2,351,713	35,160,156
Total Assets	13,060,577	347,644	27,841,377	-	12,486,046	8,257,134	28,251,443	7,805,074	98,049,295
Deferred Outflows of Resources									
Losses on Refunding of Debt	-	-	-	-	-	-	979	-	979
Pension & OPEB Related Activities (Note 11)	1,047,246	46,186	-	-	556,413	12,422	823,500	110,288	2,596,055
Total Deferred Outflows of Resources	1,047,246	46,186	-	-	556,413	12,422	824,479	110,288	2,597,034
Liabilities									
Current Liabilities:									
Combined RPS City Withholding	-	-	5,483,424	-	-	-	-	-	5,483,424
Accounts Payable	702,621	17,092	-	-	513,423	261,953	1,874,634	299,549	3,669,272
Accrued Liabilities	2,531	8,482	3,477,000	-	175	-	366,392	1,648	3,856,228
Accrued Wages	119,717	5,583	-	-	268,207	11,290	75,888	11,222	491,907
Due To Other Funds	1,799,285	4,843,719	-	-	-	-	-	665,931	7,308,935
Accrued Interest on Bonds and Notes Payable	7,789	-	-	-	-	-	2,924	-	10,713
General Obligation Bonds	2,058,000	-	-	-	-	-	66,111	-	2,124,111
Compensated Absences	49,523	3,949	-	-	172,866	9,971	44,140	6,544	286,993
Other Liabilities & Claims Payable	-	-	-	-	-	8,591,238	-	-	8,591,238
Total Current Liabilities	4,739,466	4,878,825	8,960,424	-	954,671	8,874,452	2,430,089	984,894	31,822,821
Noncurrent Liabilities									
General Obligation Bonds Payable	9,175,000	-	-	-	-	-	83,551	-	9,258,551
Compensated Absences	105,770	8,435	-	-	369,203	21,296	94,280	13,976	612,960
Net Pension and OPEB Liability	3,515,715	158,184	-	-	1,861,661	35,206	2,758,931	635,837	8,965,534
NC Other Liabilities & Claims Payable	-	-	-	-	-	32,515,984	-	-	32,515,984
Total Noncurrent Liabilities	12,796,485	166,619	-	-	2,230,864	32,572,486	2,936,762	649,813	51,353,029
Total Liabilities	17,535,951	5,045,444	8,960,424	-	3,185,535	41,446,938	5,366,851	1,634,707	83,175,850
Deferred Inflows of Resources									
Pension & OPEB Related Activities (Note 11)	590,865	13,475	-	-	(544,126)	(18,069)	454,335	(42,225)	454,255
Total Deferred Inflows of Resources	590,865	13,475	-	-	(544,126)	(18,069)	454,335	(42,225)	454,255
Net Position									
Net Investment in Capital Assets	1,823,083	34,571	-	-	1,019,300	-	18,524,590	2,351,710	23,753,254
Unrestricted	(5,842,076)	(4,699,660)	18,880,953	-	9,381,750	(33,159,313)	4,730,146	3,971,170	(6,737,030)
Total Net Position	\$ (4,018,993)	\$ (4,665,089)	\$ 18,880,953	\$ -	\$ 10,401,050	\$ (33,159,313)	\$ 23,254,736	\$ 6,322,880	\$ 17,016,224

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, 2021

EXHIBIT K-2

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Operating Revenues									
Charges for Goods and Services	\$ 15,197,103	\$ 1,415,913	\$ 54,271,808	\$ 800,000	\$ 25,270,536	\$ 19,434,851	\$ 4,890,845	\$ 852,708	\$ 122,133,764
Operating Expenses									
Cost of Goods and Services Sold	9,523,103	390,582	-	-	-	-	-	-	9,913,685
Salaries and Wages and Benefits	1,463,242	261,949	-	-	8,143,907	371,888	2,876,194	436,385	13,553,565
Data Processing	16,481	-	-	-	8,619,551	-	-	-	8,636,032
Materials and Supplies	67,797	8,796	-	-	861,074	320	510,179	1,019	1,449,185
Rents and Utilities	38,745	95,802	-	59,116	-	-	2,674,422	19,996	2,888,081
Maintenance and Repairs	109,447	11,554	-	241,037	473,335	1,555	1,613,149	-	2,450,077
Depreciation and Amortization	3,545,154	4,048	-	-	502,476	-	1,390,414	96,913	5,539,005
Claims and Settlements	622,579	-	48,806,134	-	79,581	18,619,233	-	-	68,127,527
Miscellaneous Operating Expenses	(6,744,078)	97,030	3,043,797	5,937,754	3,657,936	437,715	343,689	160,104	6,933,947
Total Operating Expenses	8,642,470	869,761	51,849,931	6,237,907	22,337,860	19,430,711	9,408,047	714,417	119,491,104
Operating Income (Loss)	6,554,633	546,152	2,421,877	(5,437,907)	2,932,676	4,140	(4,517,202)	138,291	2,642,660
Non-Operating Revenues (Expenses)									
Interest and Fiscal Charges	(96,427)	-	-	(21,320)	-	-	(4,052)	-	(121,799)
Interest Income	-	-	3,594	-	-	-	-	-	3,594
Miscellaneous Revenue (Expenses)	-	-	-	-	-	-	5,851	16,389	22,240
Gain/(Loss) on Disposal of Capital Assets	215,770	-	-	-	-	-	-	-	215,770
Total Non-Operating Revenues (Expenses), Net	119,343	-	3,594	(21,320)	-	-	1,799	16,389	119,805
Other Financing Sources									
Capital Contributions	-	-	-	-	-	-	901,468	-	901,468
Transfers Out - Other Funds	-	-	-	(6,456,079)	-	-	-	-	(6,456,079)
Total Other Financing Sources, Net	-	-	-	(6,456,079)	-	-	901,468	-	(5,554,611)
Change In Net Position	6,673,976	546,152	2,425,471	(11,915,306)	2,932,676	4,140	(3,613,935)	154,680	(2,792,146)
Net Position - Beginning of Year	(10,692,969)	(5,211,241)	16,455,482	11,915,306	7,468,374	(33,163,453)	26,868,671	6,168,200	19,808,370
Net Position - End of Year	\$ (4,018,993)	\$ (4,665,089)	\$ 18,880,953	\$ -	\$ 10,401,050	\$ (33,159,313)	\$ 23,254,736	\$ 6,322,880	\$ 17,016,224

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

For the Fiscal Year Ended June 30, 2021

EXHIBIT K-3

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Cash Flows from Operating Activities									
Receipts from Customers	\$ 15,408,380	\$ 1,390,609	\$ 54,649,469	\$ 800,000	\$ 25,270,532	\$ 16,660,147	\$ 4,533,551	\$ 852,708	\$ 119,565,396
Payments to Suppliers	(3,554,563)	(594,750)	(47,657,755)	(6,362,794)	(14,559,024)	(20,830,313)	(5,095,481)	(730,476)	(99,385,156)
Payments to Employees	(776,451)	(256,372)	-	-	(7,866,049)	(388,025)	(2,171,628)	(347,591)	(11,806,116)
Receipts From Other Funds	-	-	-	-	-	-	-	(214,055)	(214,055)
Other Receipts or (Payments)	-	-	-	-	-	-	5,647	16,389	22,036
Net Cash Used In Operating Activities	<u>11,077,366</u>	<u>539,487</u>	<u>6,991,714</u>	<u>(5,562,794)</u>	<u>2,845,459</u>	<u>(4,558,191)</u>	<u>(2,727,911)</u>	<u>(423,025)</u>	<u>8,182,105</u>
Cash Flows from Non-Capital Financing Activities									
Government Subsidies and Contributions	-	-	-	2,210,745	-	-	-	-	2,210,745
Due to Other Funds	(11,253,385)	(539,487)	-	-	-	3,499,064	-	461,075	(7,832,733)
Net Cash Used In Noncapital Financing Activities	<u>(11,253,385)</u>	<u>(539,487)</u>	<u>-</u>	<u>2,210,745</u>	<u>-</u>	<u>3,499,064</u>	<u>-</u>	<u>461,075</u>	<u>(5,621,988)</u>
Cash Flows from Capital and Related Financing Activities									
Acquisition/Acquisition of Capital Assets	(5,685,640)	-	-	-	(645,626)	-	(3,418,725)	(38,050)	(9,788,041)
Proceeds and Repayments of GO Bonds/Notes (Net)	5,771,000	-	-	(1,135,571)	-	-	(138,703)	-	4,496,726
Capital Grants and Contributions	-	-	-	-	-	-	901,468	-	901,468
Interest Paid on Long-Term Debt	90,659	-	3,594	(36,224)	-	-	(8,690)	-	49,339
Net Cash Used In Capital and Related Financing Activities	<u>176,019</u>	<u>-</u>	<u>3,594</u>	<u>(1,171,795)</u>	<u>(645,626)</u>	<u>-</u>	<u>(2,664,650)</u>	<u>(38,050)</u>	<u>(4,340,508)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	6,995,308	(4,523,844)	2,199,833	(1,059,127)	(5,392,561)	-	(1,780,391)
Cash and Cash Equivalents at July 1, 2020	-	-	20,091,305	4,523,844	9,266,914	4,371,601	11,226,057	-	49,479,721
Cash and Cash Equivalents at June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,086,613</u>	<u>\$ -</u>	<u>\$ 11,466,747</u>	<u>\$ 3,312,474</u>	<u>\$ 5,833,496</u>	<u>\$ -</u>	<u>\$ 47,699,330</u>
Reconciliation of Operating Income (Loss)									
To Net Cash Provided by (Used In) Operating Activities									
Operating Income (Loss)	\$ 6,554,633	\$ 546,152	\$ 2,421,877	\$ (5,437,907)	\$ 2,932,676	\$ 4,140	\$ (4,517,202)	\$ 138,291	\$ 2,642,660
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:									
Depreciation	3,545,154	4,048	-	-	502,476	-	1,390,414	96,913	5,539,005
Gain/(Loss) on Disposal of Capital Assets	215,770	-	-	-	-	-	-	-	215,770
Pension Expense	664,425	14,411	-	-	188,191	(3,588)	531,490	97,762	1,492,691
Miscellaneous Income/(Expense)	-	-	-	-	-	-	5,647	16,389	22,036
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:									
Accounts Receivable	(4,493)	(25,304)	377,661	-	-	(2,774,706)	(357,480)	-	(2,784,322)
Due From General Fund	-	-	-	-	-	-	-	-	-
Due From Component Unit	-	-	-	-	-	-	-	-	-
Inventories of Material and Supplies	-	-	-	-	-	-	-	(722,327)	(722,327)
Prepaid Expenses	-	-	-	-	-	(1,500,402)	-	(16,003)	(1,516,405)
Accounts Payable	79,508	9,014	3,973,176	(124,887)	(867,553)	(271,085)	190,405	(25,082)	2,963,496
Accrued Liabilities	-	-	219,000	-	-	-	10,109	442	229,551
Compensated Absences	22,369	(8,834)	-	-	89,669	(12,550)	18,706	(9,410)	99,950
Total Adjustments	<u>4,522,733</u>	<u>(6,665)</u>	<u>4,569,837</u>	<u>(124,887)</u>	<u>(87,217)</u>	<u>(4,562,331)</u>	<u>1,789,291</u>	<u>(561,316)</u>	<u>5,539,445</u>
Net Cash Provided by Operating Activities	<u>\$ 11,077,366</u>	<u>\$ 539,487</u>	<u>\$ 6,991,714</u>	<u>\$ (5,562,794)</u>	<u>\$ 2,845,459</u>	<u>\$ (4,558,191)</u>	<u>\$ (2,727,911)</u>	<u>\$ (423,025)</u>	<u>\$ 8,182,105</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, 2021

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	\$ 3,514,000	\$ -	\$ 3,514,000	\$ 2,417,049	\$ 1,540,894
Receivables:					
Due from Other Governments	-	-	-	-	-
Accounts Receivable	1,898,844	-	1,898,844	-	-
Taxes for Other Governments	-	-	-	-	-
Total Cash and Receivables	<u>5,412,844</u>	<u>-</u>	<u>5,412,844</u>	<u>2,417,049</u>	<u>1,540,894</u>
Investments at fair value:					
US Equities	216,127,849	-	216,127,849	-	-
International Equities	133,014,556	-	133,014,556	-	-
Fixed Income	180,410,694	-	180,410,694	-	-
Real Estate	52,143,847	-	52,143,847	-	-
Diversifying Assets	55,752,494	-	55,752,494	-	-
Private Debt	41,731,502	-	41,731,502	-	-
Private Equity	17,880,000	-	17,880,000	-	-
Pooled Investment Funds	-	7,674,657	7,674,657	-	-
Total Investments	<u>697,060,942</u>	<u>7,674,657</u>	<u>704,735,599</u>	<u>-</u>	<u>-</u>
Other Assets	240,326	-	240,326	-	-
Total Assets	<u>\$ 702,714,112</u>	<u>\$ 7,674,657</u>	<u>\$ 710,388,769</u>	<u>\$ 2,417,049</u>	<u>\$ 1,540,894</u>
Liabilities					
DROP Payable	\$ 14,061,000	\$ -	\$ 14,061,000	\$ -	\$ -
Payable for Security Transactions	219,848	-	219,848	-	-
Accounts Payable	2,258,010	-	2,258,010	-	634,419
Investment Expense Payable	432,500	-	432,500	-	-
Retirement & Death Benefit Payable	316,990	-	316,990	-	-
Salaries Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	104,069
Due to Others	-	-	-	2,417,083	828,978
Total Liabilities	<u>\$ 17,288,348</u>	<u>\$ -</u>	<u>\$ 17,288,348</u>	<u>\$ 2,417,083</u>	<u>\$ 1,567,466</u>
Net Position					
Restricted for:					
Pensions	685,425,764	-	685,425,764	-	-
Postemployment Benefits, Other Than Pensions	-	7,674,657	7,674,657	-	-
Pool Participants	-	-	-	-	-
Individuals, Organizations, Other governments	-	-	-	(34)	(26,572)
Total Net Position	<u>\$ 685,425,764</u>	<u>\$ 7,674,657</u>	<u>\$ 693,100,421</u>	<u>\$ (34)</u>	<u>\$ (26,572)</u>

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

For the Fiscal Year Ended June 30, 2021

EXHIBIT L-2

	Trust Funds			Social Welfare Private-Purpose Trust Fund	Custodial Funds
	Pension Trust Fund	OPEB Pooled Investment Trust	Total		
Additions					
Contributions:					
Individuals	\$ 1,804,651	\$ -	\$ 1,804,651	\$ -	\$ 1,544,998
City of Richmond	53,988,500	6,030,000	60,018,500	-	-
RBHA	1,637,278	-	1,637,278	-	-
Other	23,945	-	23,945	-	-
Total Contributions	<u>57,454,374</u>	<u>6,030,000</u>	<u>63,484,374</u>	-	<u>1,544,998</u>
Investment earnings:					
Net increase in fair value of investments	138,669,655	862,271	139,531,926	-	-
Interest, dividends, other	1,868,158	-	1,868,158	-	-
Total Investment Earnings	<u>140,537,813</u>	<u>862,271</u>	<u>141,400,084</u>	-	-
Less Investment Costs					
Investment activity costs	1,838,228	-	1,838,228	-	-
Net Investment Earnings	<u>138,699,585</u>	<u>862,271</u>	<u>139,561,856</u>	-	-
Property tax collections for other governments	-	-	-	-	115
Other taxes and fees for other governments	-	-	-	-	-
License and fees collected for State	-	-	-	-	57,280
Miscellaneous	-	-	-	233,673	34,638
Total Additions	<u>196,153,959</u>	<u>6,892,271</u>	<u>203,046,230</u>	<u>233,673</u>	<u>1,637,031</u>
Deductions					
Benefits paid to participants or beneficiaries	74,468,932	-	74,468,932	-	1,575,082
Refunds of member contributions	158,078	-	158,078	-	-
Medical, dental, and life insurance	-	-	-	-	-
Payments of property tax to other governments	-	-	-	-	-
Payments to state	-	-	-	-	54,590
Administrative expense	1,497,364	-	1,497,364	41,253	-
Other	60,082	-	60,082	-	33,599
Total Deductions	<u>76,184,456</u>	<u>-</u>	<u>76,184,456</u>	<u>41,253</u>	<u>1,663,271</u>
Change in net position	119,969,503	6,892,271	126,861,774	192,420	(26,240)
Net Position – July 1, 2020, as restated	<u>565,456,261</u>	<u>782,386</u>	<u>566,238,647</u>	<u>(192,454)</u>	<u>(332)</u>
Net Position – June 30, 2021	<u>\$ 685,425,764</u>	<u>\$ 7,674,657</u>	<u>\$ 693,100,421</u>	<u>\$ (34)</u>	<u>\$ (26,572)</u>

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, 2021**

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 2007	.....	200,123
United States Census 2008	.....	202,002
United States Census 2009	.....	204,451
United States Census 2010	.....	204,214
United States Census 2011	.....	205,533
United States Census 2012	.....	210,309
United States Census 2013	.....	214,114
United States Census 2014	.....	217,853
United States Census 2015	.....	220,289
United States Census 2016	.....	223,170
United States Census 2017	.....	227,032
United States Census 2018	.....	228,783
United States Census 2019	.....	230,436
United States Census 2020	.....	226,610
United States Census 2021	.....	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, 2021. The due dates for the semi-annual billing were January 14 and June 14 in the 2021 tax year. The 2021 Land Book will be updated with fair market values as of July 1, 2021. New construction and renovations will be added to the land book through December 31, 2021.

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: 2008-2021
- \$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: 1992-2021

Machinery and Tools Used for Manufacturing and Mining:

- \$2.30 per \$100 of Assessed Value: 1992-2021

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 Comprehensive Annual 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, 2021, the Unassigned Fund Balance was \$100.5 million, which is 13.5% of annual adopted FY 2022 budgeted expenditures and transfers out.

Budget and Revenue Stabilization Contingency Reserve

- It is the goal of the City that the Budget and Revenue Stabilization Contingency Reserve be equal to at least 3.0% of budgeted General Fund operating expenses for the latest fiscal year in which City Council has adopted a General Fund Budget.
- To the extent that the Budget and Revenue Stabilization Contingency Reserve is ever drawn upon, the Mayor shall submit to City Council, within 90 days after the date on which such funds were expended, a plan to restore the amount expended within three years. As of June 30, 2021, the Budget and Revenue Stabilization Contingency Reserve balance was \$23.9 million, which is 3.2% 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 269,060,408	\$ 226,429,295	\$ 306,400,000	\$ 314,046,028	\$ 335,442,017	\$ 338,407,031	\$ 410,990,285	\$ 377,074,230	\$ 416,448,551	\$ 418,000,007
Restricted	16,458,462	31,900,000	21,269,101	4,292,533	19,843,817	29,302,519	32,520,120	97,217,724	66,034,135	73,695,004
Unrestricted	103,428,935	46,700,000	(219,000,000)	(272,324,391)	(270,779,486)	(205,662,515)	(296,817,160)	(253,111,485)	(231,367,452)	(206,730,129)
Total Governmental Activities' Net Position	<u>\$ 388,947,805</u>	<u>\$ 305,029,295</u>	<u>\$ 108,669,101</u>	<u>\$ 46,014,170</u>	<u>\$ 84,506,348</u>	<u>\$ 162,047,035</u>	<u>\$ 146,693,245</u>	<u>\$ 221,180,469</u>	<u>\$ 251,115,234</u>	<u>\$ 284,964,882</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 419,526,304	\$ 488,600,000	\$ 497,111,667	\$ 495,162,064	\$ 487,293,137	\$ 523,105,159	\$ 530,202,221	\$ 568,905,631	\$ 403,895,298	\$ 590,026,715
Restricted	-	-	-	-	-	25,602,020	28,962,996	27,326,143	27,689,733	31,683,153
Unrestricted	51,318,531	125,800,000	98,609,642	143,122,363	182,038,024	161,296,665	191,993,283	222,325,753	430,507,067	256,888,978
Total Business-type Activities' Net Position	<u>\$ 470,844,835</u>	<u>\$ 614,400,000</u>	<u>\$ 595,721,309</u>	<u>\$ 638,284,427</u>	<u>\$ 669,331,161</u>	<u>\$ 710,003,844</u>	<u>\$ 751,158,500</u>	<u>\$ 818,557,527</u>	<u>\$ 862,092,098</u>	<u>\$ 878,598,846</u>
Primary Government										
Net Investment in Capital Assets	\$ 688,586,712	\$ 715,029,295	\$ 803,511,667	\$ 809,208,092	\$ 822,735,154	\$ 861,512,190	\$ 941,192,506	\$ 945,979,861	\$ 820,343,849	\$ 1,008,026,722
Restricted	16,458,462	31,900,000	21,269,101	4,292,533	19,843,817	54,904,539	61,483,116	124,543,867	66,034,135	105,378,157
Unrestricted	154,747,466	172,500,000	(120,390,358)	(129,202,028)	(88,741,462)	(44,365,850)	(104,823,877)	(30,785,732)	199,139,615	50,158,849
Total Primary Government Activities' Net Position	<u>\$ 859,792,640</u>	<u>\$ 919,429,295</u>	<u>\$ 704,390,410</u>	<u>\$ 684,298,597</u>	<u>\$ 753,837,509</u>	<u>\$ 872,050,879</u>	<u>\$ 897,851,745</u>	<u>\$ 1,039,737,996</u>	<u>\$ 1,085,517,599</u>	<u>\$ 1,163,563,728</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental Activities:										
General Government	\$ 126,274,797	\$ 145,700,000	\$ 109,455,944	\$ 150,935,993	\$ 134,946,876	\$ 125,878,780	\$ 137,501,073	\$ 146,968,353	\$ 101,875,696	\$ 106,688,602
Public Safety and Judiciary	182,724,471	187,800,000	184,192,095	233,336,534	190,970,196	186,133,476	199,718,107	216,008,150	279,586,631	287,470,371
Highways, Streets, Sanitation and Refuse	86,067,163	88,900,000	86,301,761	94,672,443	87,187,508	80,927,188	83,664,060	88,264,777	94,247,378	84,536,398
Human Services	84,629,401	79,000,000	78,249,654	96,529,866	81,057,222	81,512,645	80,387,107	76,067,291	86,812,754	116,253,338
Culture and Recreation	24,348,709	25,000,001	26,090,075	33,004,436	24,601,851	24,328,301	24,936,175	27,405,258	33,089,503	51,317,493
Education	155,173,806	158,800,000	158,065,296	166,128,726	175,157,363	180,714,967	160,582,780	154,040,146	181,367,280	186,561,208
Transportation	12,143,357	11,600,000	12,621,480	13,244,050	13,045,156	13,045,157	14,694,681	15,461,739	16,205,159	7,275,051
Interest and Fiscal Changes	18,648,049	19,800,000	26,100,820	22,885,035	26,591,694	27,522,522	28,919,030	22,979,915	24,298,185	30,105,012
Total Governmental Activities Expenses	<u>690,009,753</u>	<u>716,600,001</u>	<u>681,077,125</u>	<u>810,737,083</u>	<u>733,557,866</u>	<u>720,063,036</u>	<u>730,403,013</u>	<u>747,195,629</u>	<u>817,482,586</u>	<u>870,207,473</u>
Business-type Activities:										
Gas	120,738,025	133,137,550	153,143,869	144,436,371	119,137,386	127,316,121	136,490,923	143,171,010	137,916,117	149,291,751
Water	53,201,110	49,803,247	52,161,156	53,276,025	51,634,764	53,402,794	62,606,233	65,703,398	62,305,376	58,843,561
Wastewater	54,615,656	58,438,940	61,153,657	67,382,447	64,768,064	65,175,833	64,961,045	69,299,012	72,276,266	77,423,701
Stormwater	7,487,569	4,744,194	6,229,426	7,610,350	7,208,967	8,002,822	9,296,824	10,699,516	11,297,361	11,876,330
Coliseum	4,066,315	4,066,315	2,571,848	2,571,848	2,260,443	2,661,938	1,769,739	1,385,541	-	-
Cemeteries	1,410,964	1,343,807	1,459,300	1,913,533	1,588,932	1,751,891	1,785,430	1,729,131	1,730,660	2,464,155
Parking	-	-	-	12,178,193	11,329,861	10,734,673	14,435,223	11,907,060	14,339,019	11,622,763
Total Business-type Activities Expenses	<u>241,519,639</u>	<u>250,686,154</u>	<u>276,660,956</u>	<u>289,368,767</u>	<u>257,928,417</u>	<u>269,046,072</u>	<u>291,345,417</u>	<u>303,894,668</u>	<u>299,864,799</u>	<u>311,522,261</u>
Total Primary Government Expenses	<u>\$ 931,529,392</u>	<u>\$ 967,286,155</u>	<u>\$ 957,738,081</u>	<u>\$ 1,100,105,850</u>	<u>\$ 991,486,283</u>	<u>\$ 989,109,108</u>	<u>\$ 1,021,748,430</u>	<u>\$ 1,051,090,297</u>	<u>\$ 1,117,347,385</u>	<u>\$ 1,181,729,734</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 126,215,625	\$ 65,019,167	\$ 56,368,769	\$ 49,393,546	\$ 55,269,092	\$ 66,432,831	\$ 56,529,913	\$ 82,999,462	\$ 85,631,515	\$ 75,887,419
Culture and Recreation	377,643	428,613	216,679	248,813	1,024,289	365,656	1,712,264	981,298	1,074,941	526,016
Other Activities	26,053,492	27,544,471	25,115,281	22,248,389	24,626,836	121,526,052	125,957,970	108,651,189	107,972,495	160,365,743
Operating Grants and Contributions	149,546,405	141,500,000	144,367,918	136,101,577	137,190,859	32,906,250	38,494,867	33,541,166	39,154,918	44,063,379
Capital Grants and Contributions	8,364,411	26,780,248	35,250,158	44,185,991	41,047,136	34,862,903	11,315,940	15,341,009	16,852,304	14,575,742
Total Governmental Activities Program Revenues	<u>\$ 310,557,576</u>	<u>\$ 261,272,499</u>	<u>\$ 261,318,805</u>	<u>\$ 252,178,316</u>	<u>\$ 259,158,212</u>	<u>\$ 256,093,692</u>	<u>\$ 234,010,954</u>	<u>\$ 241,514,124</u>	<u>\$ 250,686,173</u>	<u>\$ 295,418,299</u>
Business-type Activities:										
Charges for Services:										
Gas	\$ 130,742,982	\$ 148,282,997	\$ 176,794,050	\$ 162,902,984	\$ 128,478,137	\$ 135,691,059	\$ 155,118,968	\$ 159,843,381	\$ 150,940,718	\$ 163,913,235
Water	61,814,881	67,827,452	67,512,427	63,912,519	65,836,889	68,181,546	70,249,766	74,872,623	77,341,658	73,268,978
Wastewater	65,709,241	68,533,168	73,393,727	82,343,230	79,101,386	83,251,997	86,934,435	85,644,746	86,822,228	84,031,376
Stormwater	9,505,006	9,845,346	11,330,268	11,137,971	10,997,422	11,208,637	11,559,933	11,744,339	12,192,869	11,943,076
Coliseum	1,423,979	1,686,346	1,384,868	1,585,548	1,379,423	2,034,341	2,744,389	611,442	-	-
Cemeteries	1,198,476	1,329,673	1,477,507	1,592,307	1,559,770	1,261,806	1,618,075	1,454,188	1,617,007	2,095,658
Parking	-	-	-	14,803,836	15,273,141	18,091,685	19,067,327	19,725,671	16,948,365	16,545,438
Operating Grants and Contributions	15,143,172	19,608,232	20,001,217	20,401,711	17,401,151	20,591,436	18,825,861	34,231,028	19,325,402	14,063,039
Total Business-type Activities Program Revenues	<u>285,537,737</u>	<u>317,113,214</u>	<u>351,894,064</u>	<u>358,680,106</u>	<u>320,027,319</u>	<u>340,312,507</u>	<u>366,118,754</u>	<u>388,127,418</u>	<u>365,188,247</u>	<u>365,860,800</u>
Total Primary Government Program Revenues	<u>\$ 596,095,313</u>	<u>\$ 578,385,713</u>	<u>\$ 613,212,869</u>	<u>\$ 610,858,422</u>	<u>\$ 579,185,531</u>	<u>\$ 596,406,199</u>	<u>\$ 600,129,708</u>	<u>\$ 629,641,542</u>	<u>\$ 615,874,420</u>	<u>\$ 661,279,099</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (379,452,177)	\$ (455,327,502)	\$ (419,758,320)	\$ (558,558,767)	\$ (474,399,654)	\$ (463,969,344)	\$ (496,392,059)	\$ (505,681,505)	\$ (566,796,413)	\$ (574,789,155)
Business-type Activities	44,018,098	66,427,060	75,233,109	69,311,339	62,098,902	71,266,435	74,773,337	84,232,750	65,323,448	54,338,539
Total Primary Government Net Expense	<u>\$ (335,434,079)</u>	<u>\$ (388,900,442)</u>	<u>\$ (344,525,211)</u>	<u>\$ (489,247,428)</u>	<u>\$ (412,300,752)</u>	<u>\$ (392,702,909)</u>	<u>\$ (421,618,722)</u>	<u>\$ (421,448,755)</u>	<u>\$ (501,472,965)</u>	<u>\$ (520,450,616)</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Real Estate	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447	\$ 301,191,413	\$ 313,510,367
Sales Tax	30,595,853	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051	33,165,952
Sales Tax for Education	26,406,848	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-	-
Personal Property	44,579,120	48,005,747	46,100,586	49,740,946	48,222,257	59,223,115	62,393,129	65,657,356	67,470,336	64,517,810
Machinery and Tools	15,421,045	14,792,937	13,746,350	12,752,759	14,454,966	12,758,274	14,095,200	15,459,814	15,375,569	13,719,545
General Utility Sales	16,378,212	17,066,009	16,680,313	17,646,514	17,659,169	18,455,308	19,351,132	18,269,540	18,858,085	17,124,936
State Communication Taxes	17,085,208	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289	12,616,557
Bank Stock	12,480,183	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,901	8,812,735	8,951,709	11,649,226
Prepared Food	25,051,579	29,986,231	30,065,438	32,290,063	33,206,090	36,002,917	37,009,033	47,860,645	40,470,943	34,201,334
Cigarette Tax	-	-	-	-	-	-	-	-	3,856,544	3,087,283
Lodging Tax	5,200,817	6,392,330	6,326,387	5,433,289	7,504,354	8,025,516	8,888,653	9,141,366	6,537,135	4,907,209
Admissions	2,399,527	2,448,962	2,923,183	2,866,718	3,036,088	2,747,268	2,775,821	2,900,367	2,561,066	244,726
Real Estate Taxes - Delinquent	7,006,446	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420	12,904,616
Personal property Taxes - Delinquent	3,959,980	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,459	6,513,004	8,715,611	6,074,682
Private Utility Poles and Conduits	154,881	158,568	169,729	160,950	68,699	260,117	163,837	157,378	99,758	100,896
Penalties and Interest	3,660,357	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,569	4,509,826	4,839,234	5,722,385
Titling Tax-Mobile Home	8,051	5,817	6,132	9,083	8,266	9,474	14,583	9,267	8,206	5,235
State Recordation	656,449	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327	-
Property Rental 1%	131,021	139,796	133,774	82,388	79,202	154,115	122,066	171,168	71,218	95,085
Vehicle Rental Tax	1,149,088	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598	1,001,964
Telephone Commissions	338,499	337,349	522,578	538,474	628,014	196,579	198,990	210,793	418,395	481,556
Investment Earnings	125,526	80,854	36,020	38,344	53,281	114,158	221,163	829,719	824,899	282,753
Miscellaneous	1,963,714	2,823,922	1,607,458	15,739,412	19,083,117	20,034,985	18,452,974	27,257,144	23,481,934	44,509,573
Transfers	23,147,547	23,612,453	27,377,577	28,080,617	32,669,758	33,908,419	30,764,389	26,928,463	30,828,438	37,922,671
Special Item	-	485,000	-	1,500,000	-	2,215,826	2,720,280	2,220,055	-	-
Extraordinary Item	(1,320,829)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	450,788,961	465,575,039	455,690,181	495,768,705	512,891,832	541,510,031	522,607,629	577,842,079	596,731,178	617,846,361
Business-type Activities:										
Investment Earnings	\$ 1,738,623	\$ 685,839	\$ 811,070	\$ 675,983	\$ 695,117	\$ 1,937,972	\$ 4,297,491	\$ 7,214,006	\$ 5,965,690	\$ 956,970
Miscellaneous	1,580,041	1,271,707	(4,802,222)	643,748	922,473	1,019,326	102,671	5,207,384	3,073,871	2,040,401
Transfers	(23,147,547)	(23,612,453)	(27,377,577)	(28,080,617)	(32,669,758)	(33,551,050)	(30,764,389)	(26,928,463)	(30,828,438)	(37,922,671)
Total Business-type Activities	(19,828,883)	(21,654,907)	(31,368,729)	(26,760,886)	(31,052,168)	(30,593,752)	(26,364,227)	(14,507,073)	(21,788,877)	(34,925,300)
Total Primary Government	\$ 430,960,078	\$ 443,920,132	\$ 424,321,452	\$ 469,007,819	\$ 481,839,664	\$ 510,916,279	\$ 496,243,402	\$ 563,335,006	\$ 574,942,301	\$ 582,921,061
Change in Net Position										
Governmental Activities	\$ 71,845,493	\$ (4,538,541)	\$ (275,657,761)	\$ (62,790,062)	\$ 38,492,178	\$ 77,540,687	\$ 26,215,570	\$ 72,160,574	\$ 29,934,765	\$ 43,057,206
Business-type Activities	24,189,215	46,598,177	(644,771,577)	42,550,453	31,046,734	40,672,683	48,409,110	69,725,677	43,534,571	19,413,239
Total Primary Government	\$ 96,034,708	\$ 42,059,636	\$ (920,429,338)	\$ (20,239,609)	\$ 69,538,912	\$ 118,213,370	\$ 74,624,680	\$ 141,886,251	\$ 73,469,336	\$ 62,470,445

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City Taxes										
Real Estate	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447	\$ 301,191,413	\$ 313,510,367
Sales-1% Local	30,595,853	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051	33,165,952
Sales Tax for Education	26,406,848	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-	-
Personal Property	44,579,120	48,005,747	46,100,586	49,740,946	48,222,257	59,223,115	62,393,129	65,657,356	67,470,336	64,517,810
Machinery and Tools	15,421,045	14,792,937	13,746,350	12,752,759	14,454,966	12,758,274	14,095,200	15,459,814	15,375,569	13,719,545
General Utility Sales	16,378,212	17,066,009	16,680,313	17,646,514	17,659,169	18,455,308	19,351,132	18,269,540	18,858,085	17,124,936
State Communication Taxes	17,085,208	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289	12,616,557
Bank Stock	12,480,183	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,901	8,812,735	8,951,709	11,649,226
Prepared Food	25,051,579	29,986,231	30,065,438	32,290,063	33,206,090	36,002,917	37,009,033	47,860,645	40,470,943	34,201,334
Transient Lodging	5,200,817	6,392,330	6,326,387	5,433,289	7,504,354	8,025,516	8,888,653	9,141,366	6,537,135	4,907,209
Admissions	2,399,527	2,448,962	2,923,183	2,866,718	3,036,088	2,747,268	2,775,821	2,900,367	2,561,066	244,726
Cigarette Tax	-	-	-	-	-	-	-	-	3,856,544	3,087,283
Real Estate Taxes - Delinquent	7,006,446	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420	12,904,616
Personal Property Taxes -Delinquent	3,959,980	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,459	6,513,004	8,715,611	6,074,682
Private Utility Poles and Conduits	154,881	158,568	169,729	160,950	68,699	260,117	163,837	157,378	99,758	100,896
Penalties and Interest	3,660,357	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,569	4,509,826	4,839,234	5,722,385
Titling Tax-Mobile Home	8,051	5,817	6,132	9,083	8,266	9,474	14,583	9,267	8,206	5,235
State Recordation	656,449	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327	-
Property Rental 1%	131,021	139,796	133,774	82,388	79,202	154,115	122,066	171,168	71,218	95,085
Vehicle Rental Tax	1,149,088	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598	1,001,964
Telephone Commissions	338,499	337,349	522,578	538,474	628,014	196,579	198,990	210,793	418,395	481,556
Total Primary Government	<u>\$ 426,873,003</u>	<u>\$ 438,572,810</u>	<u>\$ 426,669,126</u>	<u>\$ 450,410,332</u>	<u>\$ 461,085,676</u>	<u>\$ 485,236,643</u>	<u>\$ 470,448,823</u>	<u>\$ 520,606,698</u>	<u>\$ 541,595,907</u>	<u>\$ 535,131,364</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund:										
Nonspendable	\$ 1,029,600	\$ 1,029,600	\$ -	\$ 382,200	\$ 383,338	\$ 399,742	\$ 9,953	\$ -	\$ 8,822	\$ 13,822
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	53,073,041	39,427,954	10,793,000	13,000,000	10,000,000	12,019,176	14,047,172	14,068,892	20,090,612	23,969,210
Assigned	35,002,000	11,573,916	35,163,526	7,788,553	5,850,728	15,219,451	13,597,476	26,278,802	33,685,155	37,729,147
Unassigned	72,908,854	75,000,000	80,393,997	84,995,561	98,210,321	107,729,940	108,511,921	111,580,122	112,767,905	100,458,026
Total General Fund	\$ 162,013,495	\$ 127,031,470	\$ 126,350,523	\$ 106,166,314	\$ 114,444,387	\$ 135,368,309	\$ 136,166,522	\$ 151,927,816	\$ 166,552,494	\$ 162,170,205
All Other Governmental Funds:										
Nonspendable	\$ 193,729	\$ 74,327	\$ 74,372	\$ 38,930	\$ -	\$ -	\$ 38,925	\$ -	\$ -	\$ -
Restricted	16,264,733	15,294,132	19,024,423	4,253,603	19,857,793	29,302,519	32,471,242	56,860,588	66,025,313	73,681,182
Committed	9,756,967	5,587,993	745,000	-	745,000	-	-	-	-	-
Assigned	(138,320)	866,410	3,468,218	14,800,003	3,312,542	-	-	-	-	-
Unassigned	(3,508,434)	(168,475,248)	(49,720,104)	(101,563,859)	(83,439,150)	(57,853,866)	(103,646,117)	(69,278,805)	(99,213,840)	(46,226,506)
Total All Other Governmental Funds	\$ 22,568,675	\$ (146,652,386)	\$ (26,408,091)	\$ (82,471,323)	\$ (59,523,815)	\$ (28,551,347)	\$ (71,135,950)	\$ (12,418,217)	\$ (33,188,527)	\$ 27,454,676

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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:										
Taxes	\$ 431,705,312	\$ 433,518,092	\$ 430,868,542	\$ 450,712,602	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869	\$ 538,213,101	\$ 545,617,448
Licenses, Permits and Privilege Fees	39,403,213	42,404,133	38,093,334	39,403,545	39,552,169	37,131,444	43,521,211	44,298,799	47,357,981	44,821,666
Intergovernmental	152,837,949	133,166,823	150,232,431	144,718,110	215,446,474	179,177,023	156,446,068	153,924,075	157,786,238	191,053,585
Service Charges	26,390,218	28,093,614	23,205,623	23,437,359	24,702,348	33,085,235	28,041,105	29,982,993	31,127,227	30,464,977
Fines and Forfeitures	9,744,457	10,200,629	10,221,786	5,822,882	7,543,881	6,586,811	5,972,902	6,857,701	6,650,083	9,320,553
Utility Payments	24,141,572	25,266,237	27,175,174	28,848,885	32,000,694	31,162,094	30,470,118	26,245,139	24,823,423	20,762,997
Investment Income	125,526	80,854	36,019	38,344	53,281	114,158	221,141	829,723	824,899	282,861
Miscellaneous	79,323,182	18,100,667	10,564,344	15,345,228	19,302,223	18,080,483	14,097,621	21,074,188	17,914,366	35,852,389
Total Revenues	<u>763,671,429</u>	<u>690,831,049</u>	<u>690,397,253</u>	<u>708,326,955</u>	<u>811,934,510</u>	<u>786,625,669</u>	<u>757,513,934</u>	<u>800,764,487</u>	<u>824,697,318</u>	<u>878,176,476</u>
Expenditures:										
General Government	90,060,892	99,140,475	77,804,633	91,170,260	88,378,032	84,393,859	65,355,730	73,844,016	66,598,219	74,967,777
Public Safety and Judiciary	177,042,195	179,438,014	178,712,513	190,291,231	191,072,187	192,552,805	209,315,536	215,041,275	224,567,049	254,530,281
Highways, Streets, Sanitation and Refuse	61,164,440	60,345,016	67,017,239	61,720,615	61,691,779	61,226,383	65,685,371	65,147,686	64,711,328	77,463,186
Human Services	80,913,299	74,156,376	76,378,833	81,890,683	81,456,560	83,890,504	83,549,468	76,303,161	72,283,738	76,244,738
Culture and Recreation	22,988,592	22,746,588	24,326,572	26,212,041	23,153,407	23,606,485	24,410,469	24,589,800	25,282,929	24,629,021
Education	150,651,924	153,205,535	154,267,395	162,170,840	170,833,592	176,983,321	155,175,684	156,721,265	176,032,861	187,522,399
Non-Departmental	46,835,962	72,870,264	44,145,152	52,352,720	54,638,951	46,901,510	75,498,843	84,171,652	88,689,125	75,245,104
Capital Outlay	96,796,091	179,946,671	153,252,930	106,538,511	115,975,232	97,879,286	64,920,024	62,975,872	155,501,294	97,368,807
Debt Service:										
Principal Retirement	30,683,823	36,604,656	37,129,045	31,040,730	64,113,008	35,149,119	37,079,297	40,892,796	43,223,078	50,135,816
Interest Payments	22,026,533	19,517,107	24,157,031	24,077,465	27,633,704	28,505,952	25,138,282	29,385,791	29,808,584	30,872,732
Issuance Costs	-	-	738,870	1,324,747	827,439	556,713	2,583,813	1,054,023	-	1,157,913
NOT CODED	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>779,163,751</u>	<u>897,970,702</u>	<u>837,930,213</u>	<u>828,789,843</u>	<u>879,773,891</u>	<u>831,645,937</u>	<u>808,712,517</u>	<u>830,127,337</u>	<u>946,698,205</u>	<u>950,137,774</u>
Other Financing Sources (Uses):										
Transfers In	66,995,617	67,750,346	73,001,130	69,642,441	109,294,954	79,998,362	86,243,332	92,114,489	95,355,877	123,916,360
Transfers Out	(63,886,685)	(65,335,266)	(69,123,692)	(66,809,741)	(104,614,669)	(75,297,532)	(82,551,009)	(87,543,943)	(87,870,996)	(108,958,953)
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)	(57,522,723)
Payoff Line of Credit BAN	-	-	-	-	-	-	-	-	(45,000,000)	(36,600,000)
Proceeds from Section 108	-	-	-	-	-	786,418	786,818	-	-	-
Receipts from EDA	-	-	-	-	-	1,429,408	1,933,462	1,833,891	1,433,945	1,584,853
Payments for Refunding Bonds	-	-	-	(141,723,901)	(21,721,208)	-	(95,000,000)	-	-	89,050,950
Proceeds from Issuance of Bonds	113,379,713	36,487	124,144,030	183,106,648	94,240,683	90,000,000	-	103,585,134	166,930,991	110,447,259
Premium on Issuance of Bonds	-	-	-	-	-	-	54,765,293	85,098	-	15,512,024
Total Other Financing Sources, Net	<u>116,488,645</u>	<u>2,451,567</u>	<u>171,240,338</u>	<u>44,215,447</u>	<u>99,064,962</u>	<u>96,916,656</u>	<u>9,412,193</u>	<u>101,774,669</u>	<u>116,730,835</u>	<u>137,429,770</u>
Special Items:										
Gain on Sale of Land	-	485,000	-	-	-	-	-	-	-	-
Total Special Items	<u>-</u>	<u>485,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Extraordinary Item:										
Disaster Costs	1,320,829	-	-	-	-	-	-	-	-	-
Total Extraordinary Item	<u>1,320,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 99,675,494</u>	<u>\$ (204,203,086)</u>	<u>\$ 23,707,378</u>	<u>\$ (17,407,792)</u>	<u>\$ 31,225,581</u>	<u>\$ 51,896,388</u>	<u>\$ (41,786,390)</u>	<u>\$ 72,161,819</u>	<u>\$ (6,155,074)</u>	<u>\$ 65,468,472</u>
Debt Service as a Percentage of Non-Capital Expenditures	7.7%	7.8%	9.0%	7.6%	12.0%	8.7%	8.4%	9.2%	9.2%	9.5%

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Real Estate	\$ 216,991,101	\$ 213,234,953	\$ 216,006,348	\$ 223,491,278	\$ 234,445,036	\$ 234,294,879	\$ 247,700,125	\$ 273,627,368	\$ 300,312,274	\$ 314,554,821
Sales-1% Local	30,595,853	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051	33,165,952
Sales Tax for Education	26,406,848	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-	-	-
Personal Property	43,780,792	47,234,956	44,753,528	49,260,306	48,531,320	57,603,912	60,801,789	63,646,292	65,221,194	67,189,886
Machinery and Tools	15,519,223	15,001,324	13,607,934	12,838,347	14,060,308	13,828,602	13,996,708	14,917,609	14,769,176	14,439,966
Utility Sales Tax Gas	4,256,292	4,761,197	4,833,897	4,872,622	4,467,916	4,711,342	4,600,765	5,039,881	5,037,801	5,306,763
Utility Sales Tax Electric	12,121,920	12,303,832	11,463,513	12,479,100	12,707,360	13,494,359	14,517,989	13,630,830	14,520,162	12,279,000
Utility Sales Tax Tele	-	-	382,903	294,792	483,893	249,607	232,377	222,609	8,723	196,468
State Communication Taxes	17,085,208	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289	12,616,557
Bank Stock	12,480,183	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,900	8,812,736	8,951,709	11,649,226
Prepared Food	26,991,476	28,320,613	30,444,280	31,686,926	35,455,141	35,605,363	36,948,484	45,740,073	38,099,329	37,018,912
Lodging Tax	5,685,427	6,018,453	5,974,584	5,456,014	8,079,083	8,042,016	8,823,693	9,009,423	6,389,571	5,082,521
Admission	2,726,217	2,372,848	2,964,390	2,357,256	2,885,747	3,287,979	3,074,924	2,848,979	2,503,594	313,005
Cigarette Tax	-	-	-	-	-	-	-	-	3,856,544	3,087,283
Real Estate Taxes - Delinquent	7,006,446	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420	12,902,394
Personal Property Taxes - Delinquent	3,959,980	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,460	6,513,005	8,715,611	6,074,682
Private Utility Poles and Conduits	154,881	158,568	169,729	160,950	68,699	260,117	163,837	157,378	99,758	100,896
Penalties and Interest	3,660,357	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,280	6,474,466	7,059,151	8,055,276
Titling Tax-Mobile Home	8,051	5,817	6,132	9,083	8,266	9,474	14,583	9,267	8,206	5,235
State Recordation	656,449	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973	809,327	-
Property Rental 1%	131,021	139,796	133,774	82,388	79,202	154,115	122,066	171,168	71,218	95,085
Vehicle Rental Tax	1,149,088	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155	1,320,598	1,001,964
Telephone Commissions	338,499	337,349	522,578	538,474	628,014	196,579	198,990	210,793	418,395	481,556
Total General Governmental Tax Revenues	\$ 431,705,312	\$ 433,517,112	\$ 430,868,542	\$ 450,712,602	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869	\$ 538,213,101	\$ 545,617,448

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

Calendar Year	Real Property				Less: Tax Exempt Real Property	Total Taxable Assessed Value	Tax Rate per \$100 of Assessed Value			Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Personal Property	Machinery & Tools			Real Property	Personal Property	Machinery & Tools		
2012	\$ 11,908,691,000	\$ 13,751,070,000	\$ 1,475,484,028	\$ 682,677,850	\$ 5,943,230,000	\$ 21,874,692,878	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,874,692,878	100.00%
2013	\$ 11,527,422,000	\$ 13,981,508,000	\$ 1,458,546,482	\$ 636,293,988	\$ 6,024,864,000	\$ 21,578,906,470	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,578,906,470	100.00%
2014	\$ 13,873,758,000	\$ 11,897,960,000	\$ 1,385,403,241	\$ 594,339,539	\$ 6,183,459,000	\$ 21,568,001,780	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,568,001,780	100.00%
2015	\$ 14,322,697,000	\$ 11,976,725,000	\$ 1,629,774,285	\$ 588,032,927	\$ 6,268,127,000	\$ 22,249,102,212	\$ 1.20	\$ 3.70	\$ 2.30	\$ 22,249,102,212	100.00%
2016	\$ 14,986,306,000	\$ 12,803,864,000	\$ 1,955,517,305	\$ 577,169,740	\$ 6,908,330,000	\$ 23,414,527,045	\$ 1.20	\$ 3.70	\$ 2.30	\$ 23,414,527,045	100.00%
2017	\$ 15,650,193,000	\$ 13,250,426,000	\$ 2,391,005,104	\$ 599,972,231	\$ 7,304,849,000	\$ 24,586,747,335	\$ 1.20	\$ 3.70	\$ 2.30	\$ 24,586,747,335	100.00%
2018	\$ 16,632,993,000	\$ 13,536,643,000	\$ 1,628,651,058	\$ 613,217,909	\$ 7,458,753,000	\$ 24,952,751,967	\$ 1.20	\$ 3.70	\$ 2.30	\$ 24,952,751,967	100.00%
2019	\$ 18,219,437,000	\$ 14,252,708,000	\$ 1,663,501,784	\$ 730,399,166	\$ 7,749,103,000	\$ 27,116,942,950	\$ 1.20	\$ 3.70	\$ 2.30	\$ 27,116,942,950	100.00%
2020	\$ 20,122,594,000	\$ 15,118,810,000	\$ 1,690,546,253	\$ 647,154,332	\$ 8,178,760,000	\$ 29,400,344,585	\$ 1.20	\$ 3.70	\$ 2.30	\$ 29,400,344,585	100.00%
2021	\$ 21,328,512,000	\$ 15,295,611,691	\$ 1,838,971,775	\$ 636,822,212	\$ 8,606,625,691	\$ 30,493,291,987	\$ 1.20	\$ 3.70	\$ 2.30	\$ 30,493,291,987	100.00%

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, 2021 and 2012

Taxpayer	2021			Taxpayer	2012		
	Taxable Assessed Value	Rank	Total Taxable Assessed Value		Taxable Assessed Value	Rank	Total Taxable Assessed Value
Philip Morris Inc.	\$ 359,847,000	1	1.28%	Philip Morris Inc.	\$ 321,784,000	1	1.58%
Philip Morris USA Inc.	316,680,000	2	1.13%	Philip Morris USA Inc.	314,977,000	2	1.54%
Dominion Resources Services Inc.	307,141,000	3	1.10%	Hines Riverfront Plaza LP	242,000,000	3	1.18%
Richmond Riverfront Plaza LP	163,634,000	4	0.58%	James Center Property LLC	183,956,000	4	0.90%
RP James Center LLC	142,853,000	5	0.51%	Chippenham Hospital Inc.	106,455,000	5	0.52%
Sir Properties Trust	119,681,000	6	0.43%	Federal Reserve Bank of Richmond	103,142,000	6	0.50%
Chippenham Hospital Inc.	110,534,000	7	0.39%	Dominion Resources Inc.	91,933,000	7	0.45%
Lex Richmond Tenant LP	98,052,000	8	0.35%	Foundry Park I Inc.	89,060,000	8	0.44%
Federal Reserve Bank	85,408,000	9	0.30%	Parmenter 919 Main Street LP	83,574,000	9	0.41%
Southwood Apartments LLC	80,395,000	10	0.29%	Riverside Owner LLC	78,151,000	10	0.38%
Kireland South 10th Street LLC	76,267,000	11	0.27%	American Retirement Corp	70,000,000	11	0.34%
LS Biotech Eight LLC	71,914,000	12	0.26%	Philip Morris Incorporated	68,120,000	12	0.33%
Suntrust Bank	71,420,000	13	0.25%	Frist States Invest 3500 LLC	63,563,000	13	0.31%
LogisticsPark 95 LLC	69,994,000	14	0.25%	Crestar Bank	61,222,000	14	0.30%
AREP Riverside I LLC	66,779,000	15	0.24%	AH Richmond Tower I LLC	54,572,000	15	0.27%
Parma Richmond LLC	64,481,000	16	0.23%	Stony Point Fashion PK Assoc LLC	54,132,000	16	0.27%
Daniel US Properties LP	59,403,000	17	0.21%	Dominion Resources Serv Inc.	52,478,000	17	0.26%
Scotts View LLC	57,326,000	18	0.20%	Robins AH Co Inc.	48,212,000	18	0.24%
Dominion Resources Serv Inc.	56,997,000	19	0.20%	Miller & Rhoads Building LLC	42,010,000	19	0.21%
Nob Hill Stony Point LLC	56,134,000	20	0.20%	Gambles Hill Lab LLC	40,830,000	20	0.20%
Dominion Energy Services Inc.	55,084,000	21	0.20%	Apple Seven SPE Richmond Inc.	39,575,000	21	0.19%
SJW II LLC	52,948,000	22	0.19%	Eck Enterprises Inc.	38,300,000	22	0.19%
Sauer Properties Inc.	50,210,000	23	0.18%	Alleghany Warehouse Co Inc.	35,370,000	23	0.17%
Alacer Corp	49,804,000	24	0.18%	SJW Limited Partnership	35,000,000	24	0.17%
ECK Enterprises Inc.	48,951,000	25	0.17%	Historic Hotels LLC	34,448,000	25	0.17%
Total of 25 Taxpayers	2,691,937,000		9.61%	Total of 25 Taxpayers	2,352,864,000		11.52%
All Other Properties	25,325,561,000		90.39%	All Other Properties	18,073,087,000		88.48%
Total	\$ 28,017,498,000		100.00%	Total	\$ 20,425,951,000		100.00%

Source: City's Real Estate Assessor

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

2021				2011		
Rank	Employer	Business Category	Approximate Number of Employees	Employer	Business Category	Approximate Number of Employees
1	Capital One Financial Corp.	Financial Services, Call Center	13,000	Capital One Financial Corp.	Financial Services, Call Center	9,995
2	Bon Secours Richmond	Health Care	8,416	VCU Health System	Health Care	7,935
3	VCU Health System	Health Care	8,043	HCA Virginia Health System	Health Care	7,236
4	HCA Virginia Health System	Health Care	7,628	Bon Secours Richmond	Health Care	5,991
5	Dominion Energy	Energy	5,433	Walmart	Retail	5,462
6	Truist	Banking	4,549	Dominion Resources, Inc.	Energy	5,378
7	Amazon.com	Online Retail	4,100	Altria Group Inc.	Cigarettes and Wine	4,110
8	Altria Group Inc.	Cigarettes and Wine	3,850	SunTrust Banks Inc.	Banking	4,100
9	Federal Reserve Bank of Richmond	Reserve Bank	2,700	Dupont	Chemicals and Fibers	3,084
10	Anthem Blue Cross Blue Shield	Health Insurance	2,655	Wells Fargo & Co.	Banking	2,851
11	Wells Fargo	Banking	2,582	WellPoint Inc.	Health Insurance	2,801
12	United Parcel Service	Package Distribution	490	Bank of America	Banking	2,700
13	DuPont	Chemicals and Fibers	2,436	Food Lion	Grocery	2,680
14	CarMax Inc.	Auto Sales	2,200	United Parcel Service	Package Distribution	2,300
15	Bank of America	Banking	1,921	Verizon Communications Inc.	Telecommunications	2,070
16	Markel Coproration	Insurance	1,886	Federal Reserve Bank of Richmond	Reserve Bank	1,851
17	Verizon Communications	Telecommunications	1,700	The Kroger Co.	Grocery	1,720
18	University of Richmond	Private University	1,578	University of Richmond	Private University	1,655
19	General Dynamics Corp.	Call Center	1,450	Genworth Financial	Insurance	1,311
20	T-Mobile USA Inc.	Telecommunications	1,316	Southside Regional Medical Center	Health Care	1,229
21	AdvanSix	Polymers	1,269	Markel Corp.	Insurance	1,207
22	Pharmaceutical Product Dev.	Drug Research and Development	1,200	Honeywell International Inc.	Congolmerate Corporation	1,177
23	Estes Express Lines	Trucking, Air Freight	1,102	BB&T Corp.	Banking	1,176
24	Genworth Financial Inc.	Insurance	1,018	Target Corp.	Retail	1,146
25	CoStar Group	Real Estate Information and Analytics	1,000	The Home Depot Inc.	Retail	1,122

Source: 2021 - Greater Richmond Partnership Largest Employers (Richmond, VA MSA)
2011 - Richmond Times Dispatch Largest Employers (Richmond, VA MSA)

**CITY OF RICHMOND, VIRGINIA
REAL ESTATE TAX LEVIES AND COLLECTIONS
(Modified Accrual Basis of Accounting, Beginning FY2017)
Last Ten Years**

Tax Year	Tax Rate	Total Tax Levy	Current Tax Collections			Total Tax Collections		
			Amount	Percentage of Levy	Delinquent Tax Collections	Amount	Percentage of Levy	
2012	1.20	\$ 227,351,927	\$ 213,930,311	94.1%	\$ 8,196,450	\$ 222,126,761	97.7%	
2013	1.20	\$ 224,663,796	\$ 207,677,432	92.4%	\$ 9,296,883	\$ 216,974,315	96.6%	
2014	1.20	\$ 217,520,214	\$ 202,460,782	93.1%	\$ 6,568,610	\$ 209,029,392	96.1%	
2015	1.20	\$ 225,916,636	\$ 210,327,124	93.1%	\$ 9,155,708	\$ 219,482,832	97.2%	
2016	1.20	\$ 233,675,912	\$ 220,474,082	94.4%	\$ 9,702,731	\$ 230,176,813	98.5%	
2017	1.20	\$ 246,301,342	\$ 234,294,879	95.1%	\$ 8,937,806	\$ 243,232,685	98.8%	
2018	1.20	\$ 255,951,747	\$ 245,246,847	95.8%	\$ 14,295,349	\$ 259,542,196	101.4%	
2019	1.20	\$ 276,074,812	\$ 268,901,538	97.4%	\$ 12,889,862	\$ 281,791,400	102.1%	
2020	1.20	\$ 324,751,725	\$ 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%	

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
2012	3.70	\$ 49,995,079	\$ 44,016,434	88.0%	\$ 4,779,895	\$ 48,796,329	97.6%
2013	3.70	\$ 56,335,465	\$ 45,804,689	81.3%	\$ 10,115,195	\$ 55,919,884	99.3%
2014	3.70	\$ 60,309,698	\$ 50,764,046	84.2%	\$ 5,614,439	\$ 56,378,485	93.5%
2015	3.70	\$ 61,537,220	\$ 54,479,640	88.5%	\$ 8,867,316	\$ 63,346,956	102.9%
2016	3.70	\$ 66,205,914	\$ 57,262,094	86.5%	\$ 6,378,170	\$ 63,640,264	96.1%
2017	3.70	\$ 67,884,998	\$ 57,603,912	84.9%	\$ 9,836,983	\$ 67,440,895	99.3%
2018	3.70	\$ 70,750,402	\$ 59,861,884	84.6%	\$ 9,542,459	\$ 69,404,343	98.1%
2019	3.70	\$ 72,238,643	\$ 61,366,394	84.9%	\$ 6,513,005	\$ 67,879,399	94.0%
2020	3.70	\$ 73,823,208	\$ 65,221,194	88.3%	\$ 8,715,611	\$ 73,936,805	100.2%
2021	3.70	\$ 74,726,366	\$ 67,189,886	89.9%	\$ 6,074,682	\$ 73,264,568	98.0%

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	Certificates of Participation Series 2001A	General Obligation Bonds & Notes	Utility Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2012	\$ 647,464,912	\$ 1,450,834	\$ 14,034,000	\$ 1,690,000	\$ 8,360,231	\$ 12,325,000	\$ 159,595,376	\$ 556,645,429	\$ 1,278,399,452	12.2%	\$ 6,079
2013	495,710,389	1,215,155	101,155,970	11,255,000	7,614,180	-	141,816,089	736,458,840	1,495,225,623	14.9%	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	N/A	7,463
2021	789,671,007	-	35,181,209	9,811,000	-	-	63,250,159	820,746,072	1,718,659,447	N/A	N/A

Note(s): Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Does not include Premiums on Bonds Issued.

See Demographic and Economic Statistics chart for personal income and population data. These ratios are calculated using personal income and population for the most current year available.
The Certificate of Participation was paid off during 2013.

N/A: Information is not available from the U.S. Department of Commerce Bureau of Economic Analysis

CITY OF RICHMOND, VIRGINIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Virginia Public School Authority Bonds	General Obligation Notes	HUD Section 108 Notes	Lease Revenue Bond	Certificates of Participation Series 2001A	Total	Percentage of	Debt Per Capita
								Estimated Actual Taxable Value of Property	
2012	683,893,958	1,450,834	14,034,000	1,690,000	8,360,231	12,325,000	721,754,023	3.66%	3,432
2013	637,526,478	1,215,155	101,155,970	11,255,000	7,614,180	-	758,766,783	3.89%	3,544
2014	731,342,748	977,282	107,460,000	10,695,000	6,827,905	-	857,302,935	4.38%	3,935
2015	776,709,024	736,976	35,035,000	10,125,000	5,999,238	-	828,605,238	4.14%	3,761
2016	807,060,288	494,107	6,875,000	10,125,000	5,125,893	-	829,680,288	3.97%	3,718
2017	747,581,589	248,508	96,250,000	9,605,000	4,205,462	-	857,890,559	3.97%	3,779
2018	761,268,853	-	625,000	9,080,000	3,235,406	-	774,209,259	3.41%	3,384
2019	750,375,777	-	42,200,000	11,157,000	2,213,049	-	805,945,826	3.26%	3,497
2020	809,957,974	-	22,986,000	10,487,000	1,135,571	-	844,566,545	3.12%	3,727
2021	846,340,165	-	41,762,209	9,811,000	-	-	897,913,374	3.20%	N/A

Source: City of Richmond Department of Finance

N/A: Divisor value is not available from the U.S. Census Bureau.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Does not include Premiums on Bonds Issued.

**CITY OF RICHMOND, VIRGINIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 1,971,653,100	\$ 1,948,406,600	\$ 1,958,825,900	\$ 2,003,129,500	\$ 2,088,184,000	\$ 2,159,577,000	\$ 2,271,088,300	\$ 2,472,304,200	\$ 2,706,264,400	\$ 2,801,749,800
Total Net Debt Applicable to Limit	<u>701,068,792</u>	<u>751,152,603</u>	<u>850,475,030</u>	<u>822,605,994</u>	<u>824,554,395</u>	<u>853,685,097</u>	<u>770,973,853</u>	<u>803,732,777</u>	<u>844,566,545</u>	<u>897,913,374</u>
Legal Debt Margin	<u>\$ 1,270,584,308</u>	<u>\$ 1,197,253,997</u>	<u>\$ 1,108,350,870</u>	<u>\$ 1,180,523,506</u>	<u>\$ 1,263,629,605</u>	<u>\$ 1,305,891,903</u>	<u>\$ 1,500,114,447</u>	<u>\$ 1,668,571,423</u>	<u>\$ 1,861,697,855</u>	<u>\$ 1,903,836,426</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	35.56%	38.55%	43.42%	41.07%	39.49%	39.53%	33.95%	32.51%	31.21%	32.05%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value (Taxable)	\$ 28,017,498,000
Debt Limit (10% of Total Assessed Value)	2,801,749,800
Debt Applicable to Limit:	
General Obligation Bonds	<u>897,913,374</u>
Legal Debt Margin	<u>\$ 1,903,836,426</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 6/30/2021 does not include \$820,746,077 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>	
2012	\$ 264,583,790	\$ 185,232,686	\$ 79,351,104	\$ 27,860,480	\$ 30,343,026	\$ 58,203,506	1.36
2013	\$ 291,885,805	\$ 208,615,753	\$ 83,270,052	\$ 29,836,350	\$ 30,284,845	\$ 60,121,195	1.39
2014	\$ 322,906,697	\$ 212,520,886	\$ 110,385,811	\$ 34,088,248	\$ 36,736,199	\$ 70,824,447	1.56
2015	\$ 320,307,318	\$ 208,875,736	\$ 111,431,582	\$ 31,269,119	\$ 35,701,455	\$ 66,970,574	1.66
2016	\$ 296,741,775	\$ 181,337,736	\$ 115,404,039	\$ 34,499,388	\$ 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

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
2012	210,309	\$ 10,492,448	\$ 49,891	32.2	23,336	7.3%	5.9%
2013	214,114	\$ 10,076,103	\$ 47,060	32.6	23,649	6.6%	5.6%
2014	217,853	\$ 10,638,553	\$ 48,834	32.6	23,775	6.0%	5.1%
2015	220,289	\$ 11,322,825	\$ 51,400	32.9	23,957	5.1%	4.4%
2016	223,170	\$ 11,707,912	\$ 52,462	33.2	23,987	4.6%	4.0%
2017	227,032	\$ 12,376,504	\$ 54,514	33.5	24,868	4.3%	3.7%
2018	228,783	\$ 12,669,576	\$ 55,378	34.0	25,015	3.5%	2.9%
2019	230,436	\$ 13,033,423	\$ 56,560	34.2	24,763	3.2%	2.7%
2020	226,610	N/A	N/A	N/A	25,212	8.8%	6.2%
2021	N/A	N/A	N/A	N/A	28,226	N/A	N/A

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
General Government	620	764	739	739	684	566	763	781	776	782
Public Safety and Judiciary										
Police	923	915	918	918	849	845	847	839	848	778
Firefighters and Officers	425	411	439	439	432	409	411	425	415	404
Others	557	528	542	542	521	526	563	554	559	484
Highways, Streets, Sanitation and Refuse										
Engineering & Maintenance	497	389	391	391	327	318	340	346	357	341
Human Services										
Human Services Advocacy	34	13	15	15	14	12	10	16	9	10
Social Services	441	426	353	353	392	368	349	340	310	339
Culture and Recreation	158	161	146	146	235	232	163	158	152	156
Transportation	-	-	-	-	-	-	-	-	-	-
Business-Type Activities:										
Stormwater Utility	-	55	52	52	52	47	54	50	96	52
Gas Utility	367	284	291	291	281	282	275	274	242	260
Water Utility	117	106	101	101	112	116	132	118	106	119
Wastewater Utility	168	176	166	166	169	150	147	144	121	133
Electric Utility	39	26	24	24	21	15	15	14	13	17
Stores and Transportation Division	6	6	8	8	7	6	6	4	5	5
Coliseum	14	14	14	14	-	-	-	-	-	-
Cemeteries NCO	19	19	17	17	18	18	18	12	9	10
Parking	-	-	-	-	6	6	6	8	10	11
Total	4,385	4,293	4,216	4,216	4,120	3,916	4,099	4,083	4,028	3,901

Source: City of Richmond Department of Human Resources

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Police:										
Physical Arrests	13,179	11,184	10,668	11,453	14,156	14,482	13,646	12,703	10,345	7,863
Parking Violations	125,171	125,905	115,961	131,783	118,263	87,503	131,571	144,112	116,105	106,813
Traffic Violations	25,026	18,168	17,233	17,434	10,440	22,068	15,540	16,042	9,424	9,327
Fire:										
Number of Calls Answered	32,287	33,774	34,236	34,616	36,079	38,516	38,267	38,550	35,673	33,058
Inspections	5,675	6,392	2,921	3,254	2,657	2,367	1,449	1,247	1,092	1,700
Highways and Streets:										
Street Resurfacing (Miles)	118	108	130	127	138	82	94	93	203	261
Potholes Repaired	15,135	13,126	20,957	20,161	19,476	20,232	23,547	25,623	36,007	8,017
Sanitation and Refuse:										
Refuse Collected (Tons/Day)	290	295	295	300	356	350	303	276	364	336
Recyclables Collected (Tons/Day)	25	37	37	37	49	50	50	41	51	44
Culture and Recreation:										
Parks Permits Issued	546	546	546	644	448	606	666	645	901	534
Business-Type Activities:										
Gas:										
Maximum Daily Send Out (MCF)	137,485	150,761	169,141	183,745	163,678	171,337	190,134	165,557	155,768	153,988
Annual Send Out (MCF)	14,673,455	17,522,110	19,014,696	19,997,009	18,230,067	17,588,052	19,394,749	17,649,213	23,810,540	20,844,134
Water:										
Average Daily Consumption (MGD)	53	57	55	61	60	60	62	57	60	63
Maximum Daily Consumption (MCD)	89	88	83	83	81	87	87	80	98	95
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)	52	51	53	46	54	54	54	68	55	65
Maximum Daily Sewage Treatment (MGD)	80	82	79	54	83	83	83	80	80	83
Coliseum:										
Average Daily Attendance per Activity ¹	4,161	3,889	1,038	994	4,133	4,857	4,403	4,020	-	-
Cemeteries:										
Number of Interments	790	860	826	875	804	790	695	683	678	890
Number of Lot Sales	6	13	7	12	7	14	14	33	26	18
Number of Single Grave Sales	468	607	555	584	547	526	456	424	561	682
Number of Foundations	493	519	512	544	572	593	514	482	571	696

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Stations	7	7	7	9	4	4	4	4	4	4
Patrol Units	213	223	223	220	194	222	275	279	265	289
Fire:										
Stations	20	20	20	20	20	20	20	20	20	20
Fire Trucks	61	51	41	39	67	51	42	49	55	56
Highways and Streets:										
Streets (Miles)	822	822	1,860	1,860	1,835	1,832	1,836	1,835	1,835	1,830
Streetlights	35,834	36,230	31,247	31,247	31,247	31,247	34,000	34,062	34,123	34,123
Traffic Signals ¹	474	471	521	475	475	475	475	479	479	480
Sanitation and Refuse:										
Collection Trucks	33	33	33	33	33	33	46	35	35	35
Culture and Recreation:										
Parks Acreage	2,808	2,808	2,808	2,844	2,844	2,844	2,844	2,844	2,844	2,844
Parks	72	72	73	73	73	73	73	73	73	73
Baseball/Softball Diamonds	48	48	48	48	48	48	48	45	45	45
Athletic Fields	31	31	31	30	30	30	30	27	27	27
Golf Courses (Driving Range/Par 3 Course)	1	1	1	1	1	1	1	1	1	1
Swimming Pools	9	9	9	9	9	9	9	9	9	9
Tennis Courts	140	140	140	136	136	136	136	136	136	136
Community Centers	20	20	20	20	20	20	20	21	21	19
Theatres	2	2	2	2	2	2	2	2	1	1
Coliseums	1	1	1	1	1	1	1	-	-	-
Gas:										
Miles of Service Lines	1,069	1,138	1,149	1,130	1,139	1,146	1,157	1,167	1,181	1,192
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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