



# 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF RICHMOND, VIRGINIA

For the Fiscal Year Ended June 30, 2019

MAYOR LEVAR M. STONEY





**CITY OF RICHMOND, VIRGINIA**  
**COMPREHENSIVE ANNUAL REPORT**  
For Fiscal Year Ended June 30, 2019

Prepared by the Department of Finance





# INTRODUCTORY



# SECTION



THE CITY OF RICHMOND, VIRGINIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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# City of Richmond



LEVAR M. STONEY  
MAYOR

November 3, 2019

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

We are pleased to present the City of Richmond, Virginia's (City) Comprehensive Annual Financial Report (CAFR) for the fiscal year (FY) ended June 30, 2019. 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) 646-5700. This report may also be found online at [www.RVA.gov/finance/finance-forms](http://www.RVA.gov/finance/finance-forms).

Management of the City is responsible for the establishment and maintenance of accounting and other internal controls to ensure 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 also 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. 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).

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, 2019 are fairly presented in all material respects and in conformity with GAAP. The report of independent auditors is presented as the first component of the Financial Section of this report.

## *Overview of the City of Richmond, Virginia*

The City, incorporated in 1782, is a municipal corporation of the Commonwealth of Virginia and is the state capital. The City occupies 62.55 square miles and serves a growing population of 228,783 as of the U.S. Census Bureau's 2018 annual population estimate. In the Commonwealth, cities have sole jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping jurisdictions and, consequently, citizens of Virginia cities are not subject to overlapping debt or taxation.

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

The results are a diverse economic base that includes research and development, manufacturing, retail, services, law, distribution, tourism, banking and state government, which contributes to a stable and positive business environment. Richmond is home to the Fifth District Federal Reserve Bank, one of 12 Federal Reserve Banks and is also home to the Fourth Circuit U.S. Court of

Appeals, one of 13 in the United States. Richmond has ten Fortune 1000 companies headquartered in the region including seven Fortune 500 firms – Altria Group, Performance Food Group, CarMax, Dominion Energy, Owens and Minor, Genworth Financial, and Markel.

Accolades bestowed on the City in 2018-2019 include the following: Richmond was ranked fourth nationally in economic growth of mid-sized cities (*Business Facilities Magazine*, July 2019); one of the top 25 cities for new college grads (*Smartasset.com*); one of the 10 Coolest U.S. Cities to Visit in 2018 (*Forbes*); #3 on the list of "8 Cities Whose Entrepreneurship Communities are Booming" (*Entrepreneur.com*); #13 on the list of "Best Cities for Adventurous Travelers" (*Travel + Leisure*); Top 10 Destination for 2018 (*Lonely Planet*); One of the East Coast's Most Intriguing Cities (*New York Daily News*); One of the Most Inspiring Art Cities in America (*Departures Magazine*); One of the South's Best Food Towns (*Garden & Gun*); One of Most Exciting Food Cities in America (*Zagat*); Top 3 Best Beer Scene 2018 (*USA Today*); and One of the 5 U.S. Cities where Home Ownership is Affordable (*Curbed*). Other recognition's include the University of Richmond being ranked #61 on the *Wall Street Journal's* Top 1,000 colleges, and the Lewis Ginter Botanical Garden being ranked #4 on *Conde Nast Traveler's* Most Beautiful Botanical Gardens in the U.S.

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 is currently home for the Washington Redskins' summer training camp.

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

## Profile of the Government

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

The City remains focused on "Building a Better Richmond," moving toward the goal of obtaining a Triple-A (AAA) bond rating, and systematically implementing the building blocks required to accomplish these goals. The City has maintained strong credit ratings in recent years, and in August 2019, Moody's, Standard & Poor's, and Fitch Ratings reaffirmed the City's Aa2, AA+, AA+ General Obligation bond ratings, respectively, with Moody's continuing its "positive" outlook. As this CAFR outlines, the City continues to make progress and is well on its way to achieving the primary goals of managing to balanced budgets and increasing the unassigned fund balance, maintaining existing tax rates, increasing delinquent tax collections, and reducing spending.

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

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

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

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

## Budget Process

The budget serves as the foundation for the City's financial planning and spending control. The City adopts an annual budget. The proposed Fiscal Year 2019 budget was presented to City Council in March 2018. 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 FY 2019 budget, a public hearing was held in April with final budget adoption in May 2018.

Legal budgetary restrictions for Fiscal Year 2019 were established at the governmental function (e.g. Department of Finance), with effective administrative controls maintained through detailed line-item budgets. Some agencies also maintained subtotal portions of their appropriations at the program/cost center level (e.g. Sheriff's Office) or service code level (e.g. Department of Public Works). Any revisions that alter the total budgeted amounts and/or appropriations of any fund must be approved by the City Council. Budget to actual comparisons are provided in this report for governmental funds where an appropriated budget has been adopted. These comparisons are presented in the "Other Required Supplementary Information" section of the financial statements.

## Expenditures

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

## Revenue

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

General Fund revenues and other financing sources were under budget by \$(14.8) million for fiscal year ended June 30, 2019.

### *Economic Overview*

At the national level, real gross domestic product showed a 3.7% expansion in the second quarter as compared to the prior year. The national unemployment rate was 3.7% as of July 2019. At the local level, Richmond's economy also showed steady strength. The City's unemployment rate averaged 3.6% for all of 2018. This was 0.2% higher than the Virginia rate of 3.4%. Like some other urban areas throughout the country, Richmond has seen a resurgence of people moving back into the City. The City's population has grown each year since 2004 reaching 228,783 in 2018, according to US Census Bureau estimates.

There were a number of economic development initiatives underway during FY 2019. Richmond's desirable geographic location has positioned the City as a focal point of economic development along the east coast. The presence of the Commonwealth of Virginia's primary state offices, as well as, the colleges of Virginia Commonwealth University, the University of Richmond, and Virginia Union University add talented young graduates to the growing population. Richmond is home to the Fifth Federal Reserve

Bank and the Fourth Circuit U.S. Court of Appeals. After realizing a period of population declines during the 1970-1990s, the City's population has grown steadily during the last two decades reaching 228,783 in 2018. Since 2007, the City's labor force has grown steadily reaching 117,259 in 2018, its highest level in a decade, while unemployment has continued to decline.

In part, the growth in employment and population can be attributed to the significant number of public and private economic development projects underway. During the last two years there has been over \$1.3 billion in new investment in the City, including 3,315 new residential apartments, 7+ million square feet of new/renovated office space, 137 new hotel rooms, and 2.5 million square feet of new/renovated industrial and warehouse space.

Just a few of the major new economic development projects include:

- In July 2019, the new 20 story Dominion Energy Headquarters Tower opened containing 960,000 square feet of office space which will house over 1,200 of the Fortune 500 firm's employees.
- On May 6, 2019, Virginia Commonwealth University announced that it has secured State funding to support construction of a new 168,000 square foot College of Humanities and Sciences building estimated to cost \$121.0 million.
- Virginia Commonwealth University Health Systems has begun construction of its \$350.0 million expansion of the current Children's Hospital of Richmond.
- In October, 2018 Seacoast Builders completed its \$25.0 million, 178 apartment unit development called Vida East in the City's Shockoe Bottom neighborhood.
- In one of the City's fastest growing neighborhoods, Scott's Addition, many commercial and residential projects are underway including "the Nest" project which is a \$20.0 million, six story, 118 unit apartment building.
- In the Carytown area, the \$45.0 million Carytown Exchange retail development is underway, which will be anchor by a new grocery store.
- In September 2018, Bon Secours Hospitals announced plans to develop the former Westhampton School anchored property into a \$53.0 million medical campus to include medical offices and residential units.
- Nearing completion along the City's Canal Walk in downtown is the \$58.0 million Locks Tower development, a 12 story commercial office building.

### *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 includes running a top-notch, well managed organization grounded in accountability and strong financial management that serves the community, manages resources and develops employees.

Throughout the fiscal year, a number of proactive financial reporting actions were continued through FY2019, 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 FY 2020, 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.

In August 2018, the City successfully sold \$55.2 million of General Obligation Public Improvement bonds to finance ongoing capital projects. At the time of the bond sale, all three bond rating firms reaffirmed their strong, Aa2, AA+, and AA+ credit ratings of the City.

### *Financial Policies and Guidelines*

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

#### **Fund Balance Guidelines**

As of June 30, 2019, the General Fund Unassigned Fund Balance was \$111.6 million, which equals 15 percent of the adopted FY 2020 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 in the event of unusual, unanticipated and seemingly insurmountable hardship.

**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 the 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-god 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, 2019 the City had a legal debt limit of \$2,472,304,200 and the statutory capacity to issue approximately \$1,668,571,423 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, 2019 <sup>1</sup>	\$ 2,472,304,200
Less: bonds and notes payable <sup>2</sup>	<u>(803,732,777)</u>
Legal margin for creating additional debt	<u>\$ 1,668,571,423</u>

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

<sup>2</sup> Does not include \$714,818,327 of Richmond Public Utility Revenue Bonds or \$2,213,049 of Lease Revenue Bonds that by State law are not required to be included in calculations for legal margin for creation of debt.



**C. Short-Term Debt**

As of June 30, 2019, the City had two Bond Anticipation Note Line of Credit Facilities (BAN) in place, including a \$150.0 million BAN to finance new school construction projects, as well as, a \$60.0 million BAN to provide interim financing of ongoing City capital 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 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.

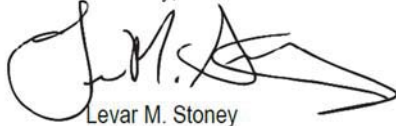
**E. Authorized but Unissued Bonds and Notes**

As of June 30, 2019, the City had a total of \$407,604,900 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, \$315,067,049 is earmarked for self-supporting Public Utility revenue bond funded projects, \$6,189,722 of General Obligation bond funded projects of the Storm water Utility, \$71,299,462 for various General Fund supported capital projects, and \$15,048,667 for funding of equipment purchases.


*Acknowledgments*

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

Sincerely,

A handwritten signature in black ink, appearing to read 'L.M.S.', with a long, sweeping horizontal stroke extending to the right.

Levar M. Stoney  
Mayor

A handwritten signature in black ink, appearing to read 'Lenora G. Reid, CPA', written in a cursive style.

Lenora G. Reid, CPA  
Acting Chief Administrative Officer



# City of Richmond



LEVAR M. STONEY  
MAYOR

## MANAGEMENT REPORT ON RESPONSIBILITY FOR FINANCIAL REPORTING


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

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

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

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

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



Levar M. Stoney  
Mayor



Lenora G. Reid, CPA  
Acting Chief Administrative Officer



CITY OF RICHMOND, VIRGINIA  
STRONG MAYOR – COUNCIL FORM OF GOVERNMENT  
Fiscal Year Ended June 30, 2019

**CITY MAYOR**  
Levar M. Stoney

***ACTING CHIEF ADMINISTRATIVE OFFICER***  
Lenora G. Reid, CPA

***CITY COUNCIL***

Cynthia I. Newbille - President  
Chris A. Hilbert - Vice President  
Andreas D. Addison  
Parker C. Agelasto  
Kimberly B. Gray  
Michael J. Jones

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

**CITY  
AUDITOR**

Louis Lassiter, CPA

**ATTORNEY**

Allen L. Jackson

**SUPERINTENDENT  
OF SCHOOLS**

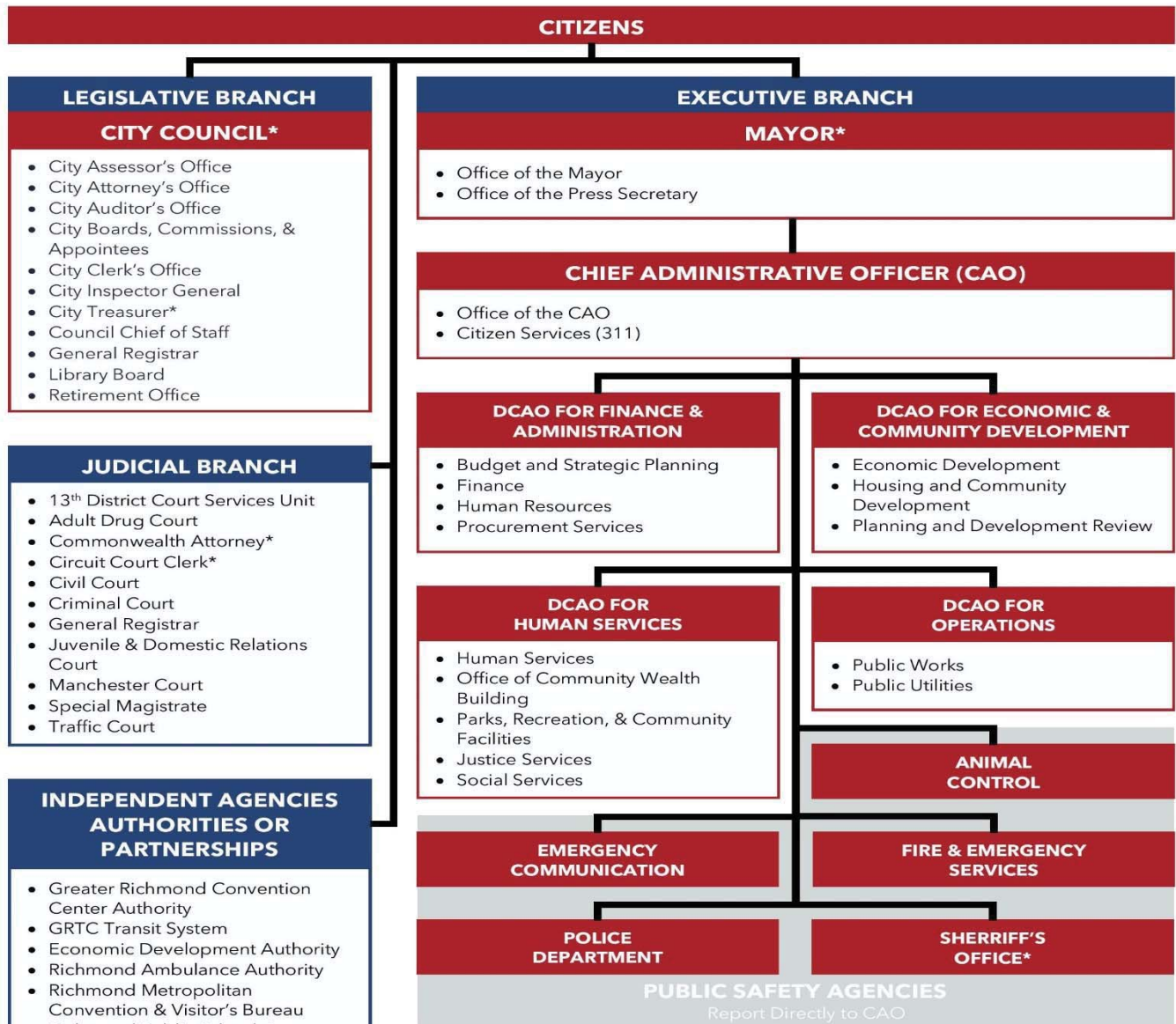
Jason Kamras

Prepared by

**DEPARTMENT OF FINANCE**

**INDEPENDENT AUDITORS**

**CliftonLarsonAllen, LLP**



# ORGANIZATION CHART



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





FINANCIAL



SECTION



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, Virginia (the City), as of and for the year ended June 30, 2019, 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 59 percent, 196 percent, and 82 percent, respectively, of the assets and deferred outflows of resources, fund balance/net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Richmond Retirement System, which represent 64 percent, 77 percent, and 24 percent, respectively, of the assets and deferred outflows of resources, fund balance/net position, and revenues of the aggregate remaining fund information of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for Richmond School Board, Richmond Economic Development Authority, Richmond Behavioral Health Authority and Richmond Retirement System, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accountants of the Commonwealth of Virginia (Specifications). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

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

#### ***Other Information***

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2019, on our consideration of the City of Richmond, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
November 3, 2019



**CITY OF RICHMOND, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)**

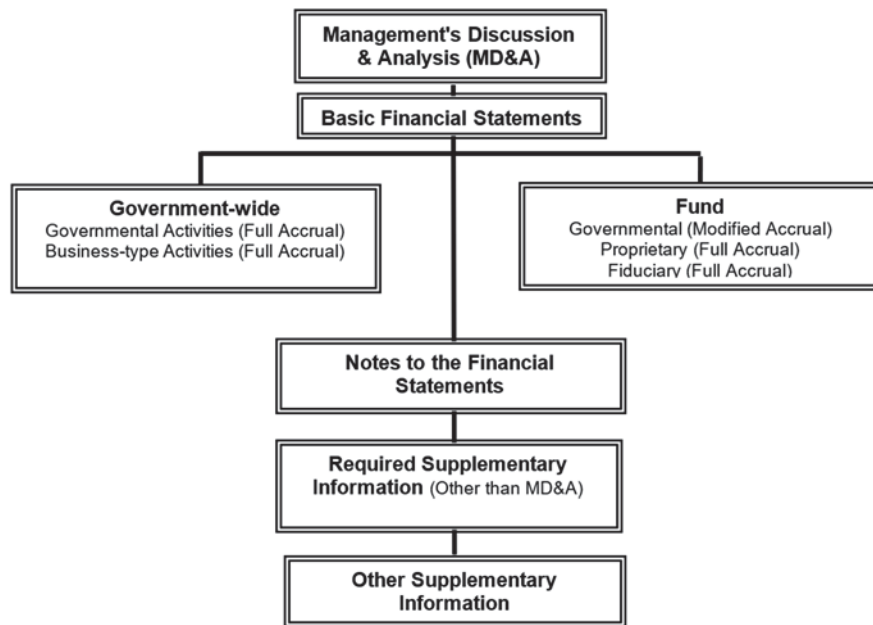
The following discussion and analysis provided by the City's management presents a narrative overview and analysis of the financial activities of the City through the presentation of its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. City management encourages readers 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 2019**

- The City's General Fund reported an ending fund balance of \$151.9 million, an increase of \$15.8 million or 11.6 percent compared to the prior year. Of the total General Fund balance: \$9.4 thousand is non-spendable, \$14.0 million is committed to revenue stabilization, \$68.9 thousand committed to School Board operations, \$3.5 million is assigned to subsequent years' expenditures, \$6.3 million to Capital Reserve, \$0.1 million to City Attorney Special Funds, \$0.3 million for the Arts, \$8.9 million for School Facilities, \$7.0 million for the Retirement System, \$0.3 million for OPEB Trust Fund and \$111.6 million is Unassigned. The Unassigned fund balance represents 15.9 percent of actual expenditures and transfers out of \$699.8 million. The Unassigned fund balance exceeds the City's fiscal policy guidelines.
- The City's total taxable assessed value for real and personal property including machinery and tools increased by \$2,164.2 million or 8.7 percent.
- The City's general obligation bond ratings were reaffirmed as Aa2 by Moody's with a positive outlook and by both Standard and Poor's and Fitch Ratings as AA+, respectively, 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 \$1,039.7 million. Net position was comprised mainly of \$946.0 million attributable to the City's net investment in capital assets, \$124.5 million restricted and \$(30.8) million unrestricted.
- Net position for governmental activities increased \$74.5 million or 50.8 percent compared to the prior year, includes reinstatement for Parking Assets of \$2.3 million.
- For this fiscal year, General Fund revenues and financing sources were \$715.8 million. General Fund expenditures and other financing uses were \$699.8 million. City taxes accounted for 72.3 percent of revenue.
- The City's business-type activities net position increased by \$67.4 million or 9.0 percent, includes reinstatement for Parking Assets of \$2.3 million.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Government-wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all of the City's assets and liabilities, both short-term and long-term, while the Statement of Activities reports all of the current year's revenues and expenses as soon as the underlying event for recognition occurs, regardless of the timing of the related cash flows. Over time, the increases or decreases in the City's net position can be an indicator of the City's financial condition. CAFR users should also consider additional non-financial factors in assessing the overall health of the City.

The City's government-wide financial statements are divided into three categories:

- **Governmental Activities** – Most of the City's basic services including Police, Fire, Economic and Community Development, Parks, Recreation and Community Facilities, Social Services, and General Administration are reported here. The majority of these activities are supported by property taxes, other local taxes and federal and state funding.
- **Business-type Activities** – The City's Gas, Water, Wastewater, Storm water, Parking, Coliseum, 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:
  - o **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.
  - o **Internal Service Funds** – The City uses internal service funds to report activities that provide supplies and services for the City's other programs and activities.
- **Fiduciary Funds** – Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. These fiduciary activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations. The City maintains two fiduciary funds:
  - o **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.
  - o **Agency Funds** – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. The Agency Funds consist of the assets and liabilities of several organizations for which the City serves as fiscal agent, such as the Department of Parks, Recreation and Community Facilities, the Department of Public Works and the Law Department.

## Notes to the Financial Statements

The notes to the financial statements provide information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. The notes also present certain required supplementary information.

## GOVERNMENT-WIDE ANALYSIS

### Net Position

FY 2019, Total Assets for the Primary Government were \$3,240.6 million, an increase from prior year total assets by \$105.8 million. Total Assets for only governmental activities were \$1,451.8 million, up by \$94.7 million or 7.0 percent. Total Assets from business-type activities increased by \$11.1 million and were still predominant in FY 2019, accounting for 55.2 percent of total Primary Government assets compared to 56.7 percent in FY 2018.

Total Liabilities were \$2,279.8 million down \$(21.1) million from \$2,300.9 million in FY 2018. Total Liabilities associated with governmental type activities increased by \$29.4 million up 2.3 percent while total liabilities associated with business-type activities decreased \$(50.5) million or (4.8) percent.

Total net position was \$1,039.8 million up \$141.9 million over the prior year's balance. Table 1 summarizes the City's government-wide net position at June 30, 2019 and 2018.



**Table 1**  
**City of Richmond's Schedule of Net Position**  
**as of the Fiscal Years Ended June 30, 2019 and 2018**  
**(In Millions, rounded)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 315.6	\$ 230.3	\$ 409.3	\$ 424.2	\$ 724.9	\$ 654.5
Capital Assets, Net	1,136.2	1,126.8	1,379.5	1,353.5	2,515.7	2,480.3
Total Assets	<u>1,451.8</u>	<u>1,357.1</u>	<u>1,788.8</u>	<u>1,777.7</u>	<u>3,240.6</u>	<u>3,134.8</u>
Deferred Outflow of Resources	<u>86.4</u>	<u>109.2</u>	<u>30.3</u>	<u>35.1</u>	<u>116.7</u>	<u>144.3</u>
Current and Other Liabilities	194.2	172.1	86.4	89.5	280.6	261.6
Long-Term Obligations Outstanding	1,089.7	1,082.4	909.5	956.9	1,999.2	2,039.3
Total Liabilities	<u>1,283.9</u>	<u>1,254.5</u>	<u>995.9</u>	<u>1,046.4</u>	<u>2,279.8</u>	<u>2,300.9</u>
Deferred Inflows of Resources	<u>33.1</u>	<u>65.1</u>	<u>4.6</u>	<u>15.2</u>	<u>37.7</u>	<u>80.3</u>
Net Position:						
Net Investment in Capital Assets	377.1	411.0	568.9	530.2	946.0	941.2
Restricted	97.2	32.5	27.3	29.0	124.5	61.5
Unrestricted	(253.1)	(296.8)	222.4	192.0	(30.7)	(104.8)
Total Net Position	<u>\$ 221.2</u>	<u>\$ 146.7</u>	<u>\$ 818.6</u>	<u>\$ 751.2</u>	<u>\$ 1,039.8</u>	<u>\$ 897.9</u>

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

#### Activities

In FY 2019, total Primary Government revenues increased from the prior year by \$97.2 million or 8.9 percent to \$1,190.8 million. Program revenues (charges for service, grants, and contributions) of \$629.5 million accounted for 52.9 percent of all Primary Government revenues, while property and other local taxes attributable to governmental activities accounted for \$520.6 million, most of the remainder. Total revenues for all governmental activities were \$790.3 million. Governmental Activities' program revenues of \$241.4 million accounted for 30.5 percent.

Total expenses for Primary Government were \$1,051.1 million. Four activities: General Government, Public Safety and Judiciary, Education, and Business-type activities accounted for the following amounts and percentages: \$147.0 million (14.0 percent), \$216.0 million (20.5 percent), \$154.0 million (14.7 percent), and \$303.9 million (28.9 percent), respectively. Table 2 summarizes the City's government-wide activities for the years ended June 30, 2019 and 2018.

**Table 2**  
**City of Richmond's Schedule of Activities**  
**as of the Fiscal Years Ended June 30, 2019 and 2018**  
**(In Millions, rounded)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 192.6	184.2	\$ 353.9	\$ 347.3	\$ 546.5	\$ 531.5
Operating Grants and Contributions	33.5	38.5	0.2	0.1	33.7	38.6
Capital Grants and Contributions	15.3	11.3	34.0	18.7	49.3	30.0
General Revenues:						
Property Taxes	374.9	300.3	-	-	374.9	300.3
Other Taxes	145.7	170.2	-	-	145.7	170.2
Investment Income	0.8	0.2	-	-	0.8	0.2
Miscellaneous	27.5	18.4	12.4	4.4	39.9	22.8
Total Revenues	<u>790.3</u>	<u>723.1</u>	<u>400.5</u>	<u>370.5</u>	<u>1,190.8</u>	<u>1,093.6</u>
<b>Expenses:</b>						
Primary Government						
General Government	147.0	137.5	-	-	147.0	137.5
Public Safety and Judiciary	216.0	199.7	-	-	216.0	199.7
Highway, Street, Sanitation and Refuse	88.3	83.7	-	-	88.3	83.7
Human Services	76.0	80.4	-	-	76.0	80.4
Culture and Recreation	27.4	24.9	-	-	27.4	24.9
Education	154.0	160.6	-	-	154.0	160.6
Transportation	15.5	14.7	-	-	15.5	14.7
Capital Outlay	-	-	-	-	-	-
Interest and Fiscal Charges	23.0	28.9	-	-	23.0	28.9
Business-type Activities	-	-	303.9	291.3	303.9	291.3
Total Expenses	<u>\$ 747.2</u>	<u>\$ 730.4</u>	<u>\$ 303.9</u>	<u>\$ 291.3</u>	<u>\$ 1,051.1</u>	<u>\$ 1,021.7</u>
(Loss) Income Before Transfers	43.1	(7.3)	96.6	79.2	139.7	71.9
Transfers	26.9	30.8	(26.9)	(30.8)	-	-
Proceeds from Section 108 and EDA	2.2	2.7	-	-	2.2	2.7
Changes in Net Position	72.2	26.2	69.7	48.4	141.9	74.6
Net Position, Beginning of Year	146.7	120.5	751.2	702.8	897.9	823.3
Prior Period Adjustment	2.3	-	(2.3)	-	-	-
Net Position, End of Year as restated	<u>\$ 221.2</u>	<u>\$ 146.7</u>	<u>\$ 818.6</u>	<u>\$ 751.2</u>	<u>\$ 1,039.8</u>	<u>\$ 897.9</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 \$715.8 million in FY 2019, an increase of \$40.2 million from the prior year. Property and other local taxes accounted for \$517.6 million or 72.3 percent of total revenues

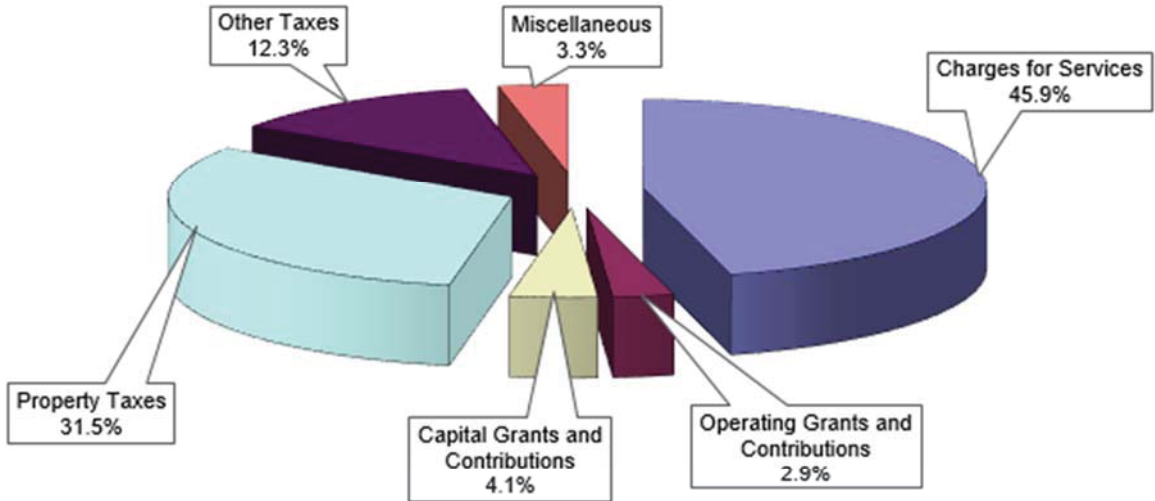
On the other side of the ledger, expenditures and transfers out totaled \$699.8 million, an increase of \$24.8 million or 3.7 percent, from the prior year. Public Safety & Judiciary and Education, the two largest program areas, totaled \$363.1 million, or 51.9 percent of total General Fund expenses.

**Table 3**  
**City of Richmond's Budgetary Comparison**  
**General Fund**  
**For the Fiscal Years Ended June 30, 2019 and 2018**  
**(In Millions, rounded)**

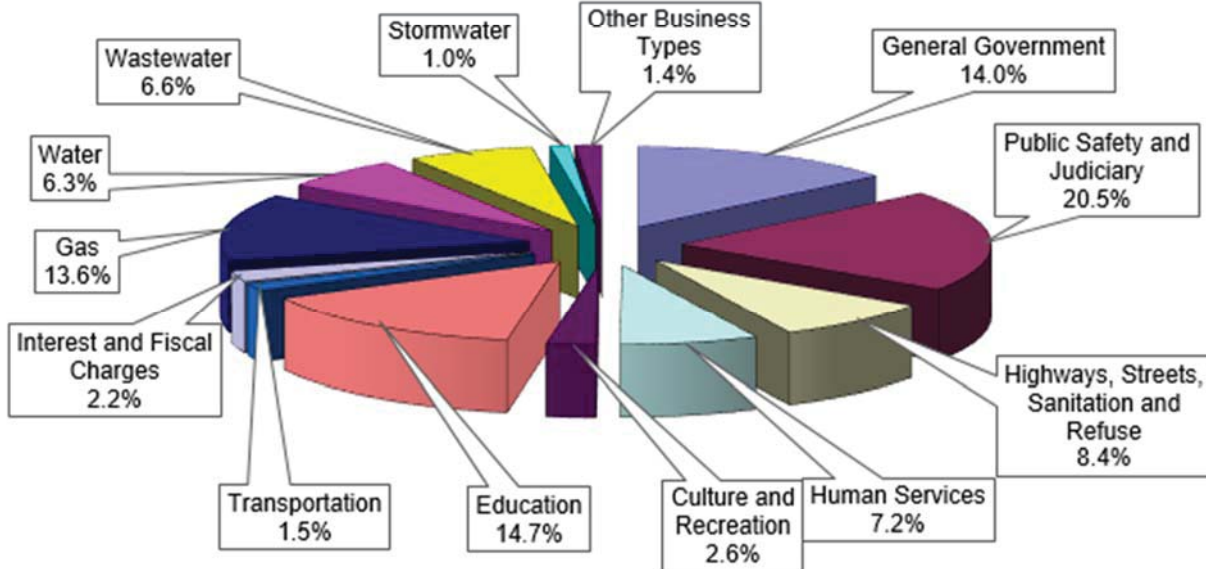
	Original Budget		Amended Budget		Actual		Positive (Negative) Variance	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>								
Property Taxes	\$ 344.1	\$ 328.2	\$ 346.3	\$ 342.7	\$ 371.6	\$ 332.3	\$ 25.3	\$ (10.4)
Other Taxes	158.0	152.0	158.2	136.3	146.0	146.4	(12.2)	10.1
Intergovernmental	86.9	87.7	87.9	86.5	82.6	83.7	(5.3)	(2.8)
Miscellaneous	113.5	114.2	113.3	110.2	110.4	109.3	(2.9)	(0.9)
Other Financing Sources	17.5	9.8	24.7	15.2	5.2	3.9	(19.5)	(11.3)
Total Revenues and Other Financing Sources	<u>\$ 719.9</u>	<u>\$ 691.9</u>	<u>\$ 730.4</u>	<u>\$ 690.9</u>	<u>\$ 715.8</u>	<u>\$ 675.6</u>	<u>\$ (14.6)</u>	<u>\$ (15.3)</u>
<b>Expenses:</b>								
General Government	\$ 54.0	\$ 49.4	\$ 55.3	\$ 50.0	\$ 51.2	\$ 45.7	\$ 4.1	\$ 4.3
Public Safety and Judiciary	202.9	198.2	208.2	203.1	206.4	\$ 201.6	1.8	1.5
Highway, Street, Sanitation and Refuse	31.2	38.8	33.1	31.1	32.6	31.4	0.5	(0.3)
Human Services	62.1	71.3	62.2	63.1	58.2	60.7	4.0	2.4
Culture and Recreation	22.2	21.4	22.8	22.6	23.1	22.6	(0.3)	-
Education	178.3	165.0	178.4	165.0	156.7	155.2	21.7	9.8
Non-Departmental	55.0	73.1	53.7	52.2	84.4	75.5	(30.5)	(23.3)
Other Financing Uses	114.3	74.7	122.1	113.6	87.2	82.3	34.7	31.3
Total Expenses and Other Financing Uses	<u>\$ 720.0</u>	<u>\$ 691.9</u>	<u>\$ 735.8</u>	<u>\$ 700.7</u>	<u>\$ 699.8</u>	<u>\$ 675.0</u>	<u>\$ 36.0</u>	<u>\$ 25.7</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, 2019**



**Primary Government Functional Expenses  
Year Ended June 30, 2019**



## CAPITAL ASSETS

The Department of Public Utilities' spent \$94.0 million during the fiscal year to expand, upgrade, and renew its infrastructure. The Gas Utility invested approximately \$10.4 million to support our expanding market base and \$16.3 million in upgrades to existing infrastructure. The Water Utility invested approximately \$16.4 million in upgrades to existing infrastructure including \$5.6 million of investments in major plant and pumping improvements. The Wastewater Utility invested approximately \$40.0 million in upgrades to existing infrastructure, of which \$2.6 million was spent on major plant improvements. The Storm water Utility and Electric Utility invested \$9.7 million and \$1.2 million, respectively, to upgrade their existing infrastructure.

**Table 4**  
**City of Richmond's Capital Assets**  
**As of the Fiscal Years Ended June 30, 2019 and 2018**  
**(In Millions, rounded)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 98.9	\$ 98.8	\$ 30.9	\$ 30.9	\$ 129.8	\$ 129.7
Construction In Progress	97.3	85.5	42.8	69.4	140.1	154.9
Works of Art/Historical Treasures	8.7	8.5	-	-	8.7	8.5
Total Assets Not Being Depreciated	<u>204.9</u>	<u>192.8</u>	<u>73.7</u>	<u>100.3</u>	<u>278.6</u>	<u>293.1</u>
Capital Assets Being Depreciated:						
Infrastructure	955.7	938.3	-	-	955.7	938.3
Buildings and Structures	933.9	922.2	2,213.2	2,092.9	3,147.1	3,015.1
Equipment and Other Assets	142.0	136.5	41.2	41.5	183.2	178.0
Improvements Other Than Buildings	30.2	21.5	-	-	30.2	21.5
Total Other Assets	<u>2,061.8</u>	<u>2,018.5</u>	<u>2,254.4</u>	<u>2,134.4</u>	<u>4,316.2</u>	<u>4,152.9</u>
Less Accumulated Depreciation For:						
Infrastructure	615.0	592.5	-	-	615.0	592.5
Buildings and Structures	394.5	375.7	940.8	873.7	1,335.3	1,249.4
Equipment and Other Assets	108.0	104.2	7.9	7.6	115.9	111.8
Improvements Other Than Buildings	13.0	11.9	-	-	13.0	11.9
Total Accumulated Depreciation	<u>1,130.5</u>	<u>1,084.3</u>	<u>948.7</u>	<u>881.3</u>	<u>2,079.2</u>	<u>1,965.6</u>
Total Capital Assets Being Depreciated, Net	<u>931.3</u>	<u>934.2</u>	<u>1,305.7</u>	<u>1,253.1</u>	<u>2,237.0</u>	<u>2,187.3</u>
Total Capital Assets, Net	<u>\$ 1,136.2</u>	<u>\$ 1,127.0</u>	<u>\$ 1,379.4</u>	<u>\$ 1,353.4</u>	<u>\$ 2,515.6</u>	<u>\$ 2,480.4</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, 2019, the City had \$1.67 billion of outstanding bonds, notes and bond premiums, a decrease of \$5.0 million compared to the previous year. Outstanding debt of the City's governmental activities at year end was \$784.6 million, while the business type activities outstanding debt (primarily Utilities and Parking operations) was \$886.7 million. More detailed information about the City's long-term liabilities is presented in Note 7 of the notes to the financial statements.

In FY 2019, the City issued its \$46.9 million Series 2018A tax-exempt General Obligation bonds to finance ongoing City capital projects, as well as its \$8.3 million Series 2018B taxable General Obligation bonds to pay off and permanently finance debt outstanding on an existing bank loan.

During the fiscal year, the City also established two Line of Credit Bond Anticipation Note facilities with a Commercial bank, one in the amount of \$150.0 million being used to support the construction of three new schools and the second for \$60.0 million. During the current year the City had drawn down a total of \$42.2 million on these two lines of credits. The city also issued \$2.6 million of HUD Section 108 Notes to finance an economic development housing project.

During the 2019 fiscal year, Moody's Investors Services reaffirmed the City's Aa2 bond rating with a Positive outlook. Both Standard and Poor's and Fitch Ratings also reaffirmed their AA+ ratings of the City.

**Table 5**  
**City of Richmond's Long-Term Obligations**  
**For the Fiscal Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Not Due Within One Year	Due Within One Year
<b>Primary Government - Governmental Activities</b>						
General Obligation Bonds	\$ 631,881,280	\$ 55,200,000	\$ 40,224,554	\$ 646,856,726	\$ 604,782,958	\$ 42,073,768
General Obligation Bond - Direct Borrowing	21,041,241	-	8,569,200	12,472,041	12,401,191	\$ 70,850
Total General Obligation Bonds	<u>652,922,521</u>	<u>55,200,000</u>	<u>48,793,754</u>	<u>659,328,767</u>	<u>617,184,149</u>	<u>42,144,618</u>
General Obligation Notes	625,000	-	625,000	-	-	-
Qualified Zone Academy Bonds	1,062,453	-	622,472	439,981	361,646	78,335
HUD Section 108 Notes	9,080,000	2,607,000	530,000	11,157,000	10,487,000	670,000
Premium on Debt Issued	75,031,454	3,663,231	9,423,318	69,271,367	59,851,798	9,419,569
Total General Obligation Bonds and Notes	<u>738,721,428</u>	<u>61,470,231</u>	<u>59,994,544</u>	<u>740,197,115</u>	<u>687,884,593</u>	<u>52,312,522</u>
Line of Credit - Bond Anticipation Note - Series 2018A	-	6,200,000	-	6,200,000	6,200,000	-
Line of Credit - Bond Anticipation Note - Series 2018B	-	36,000,000	-	36,000,000	36,000,000	-
Total Obligations	<u>\$ 738,721,428</u>	<u>\$ 103,670,231</u>	<u>\$ 59,994,544</u>	<u>\$ 782,397,115</u>	<u>\$ 730,084,593</u>	<u>\$ 52,312,522</u>
Advantage Richmond Lease Revenue Bond	\$ 3,235,406	-	\$ 1,022,357	\$ 2,213,049	\$ 1,135,571	\$ 1,077,478
Compensated Absences	\$ 18,846,585	\$ 17,939,783	\$ 17,841,315	\$ 18,945,053	\$ 17,097,925	\$ 1,847,128
Net Other Postemployment Benefit Obligations	\$ 68,941,090	\$ 5,119,701	-	\$ 74,060,791	\$ 74,060,791	-
Net Pension Liability	\$ 273,368,688	-	\$ 6,049,722	\$ 267,318,966	\$ 267,318,966	-

**Table 6**  
**City of Richmond's Long-Term Obligations**  
**For the Fiscal Year Ended June 30, 2019**

**Primary Government - Business-type Activities**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Not Due Within One Year	Due Within One Year
General Obligation Bonds:						
Utilities						
Gas	\$ 24,055,697	\$ -	\$ 5,545,984	\$ 18,509,713	\$ 12,803,661	\$ 5,706,052
Water	17,758,333	-	4,401,943	13,356,390	8,832,688	4,523,702
Wastewater	2,125,000	-	692,000	1,433,000	724,500	708,500
Stormwater	1,181,400	20,013	70,616	1,130,797	1,066,328	64,469
Premium on Debt, Net	301,146	-	166,379	134,767	134,767	-
Utilities General Obligation Debt	<u>45,421,576</u>	<u>20,013</u>	<u>10,876,922</u>	<u>34,564,667</u>	<u>23,561,944</u>	<u>11,002,723</u>
Non-Major						
Non-Major Enterprise Funds	62,163,448	-	5,986,319	56,177,129	49,985,002	6,192,127
Premium on Debt, Net	1,764,798	-	227,419	1,537,379	1,537,379	-
Non-Major General Obligation Debt	<u>63,928,246</u>	<u>-</u>	<u>6,213,738</u>	<u>57,714,508</u>	<u>51,522,381</u>	<u>6,192,127</u>
Total General Obligation Debt	109,349,822	20,013	17,090,660	92,279,175	75,084,325	17,194,850
Revenue Bonds:						
Gas	256,656,784	-	6,991,682	249,665,102	242,946,532	6,718,570
Water	200,648,298	-	5,964,269	194,684,029	189,139,506	5,544,523
Wastewater	281,472,665	-	11,003,471	270,469,194	260,446,525	10,022,669
Premium on Debt, Net	86,285,036	-	6,667,280	79,617,756	79,617,756	-
Total Revenue Bonded Debt	<u>825,062,783</u>	<u>-</u>	<u>30,626,702</u>	<u>794,436,081</u>	<u>772,150,319</u>	<u>22,285,762</u>
Total Bonded Debt	<u>\$ 934,412,605</u>	<u>\$ 20,013</u>	<u>\$ 47,717,362</u>	<u>\$ 886,715,256</u>	<u>\$ 847,234,644</u>	<u>\$ 39,480,612</u>
Compensated Absences:						
Gas	\$ 862,994	\$ 854,653	\$ 797,612	\$ 920,035	\$ 709,695	\$ 210,340
Water	710,700	659,304	660,264	709,740	547,478	162,262
Wastewater	609,171	586,048	564,339	630,880	486,647	144,233
Storm water	228,439	219,768	211,626	236,581	182,493	54,088
Stores Operating Fund	25,383	24,418	23,514	26,287	20,277	6,010
Cemeteries	81,483	50,390	77,628	54,245	52,136	2,109
Other Non-major Enterprise Funds	38,882	42,111	35,661	45,332	43,404	1,928
Total Compensated Absences	<u>\$ 2,557,052</u>	<u>\$ 2,436,692</u>	<u>\$ 2,370,644</u>	<u>\$ 2,623,100</u>	<u>\$ 2,042,130</u>	<u>\$ 580,970</u>
Net Other Postemployment Benefit Obligations	<u>\$ 11,475,836</u>	<u>\$ 502,535</u>	<u>\$ -</u>	<u>\$ 11,978,371</u>	<u>\$ 11,978,371</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 39,809,050</u>	<u>\$ -</u>	<u>\$ 769,580</u>	<u>\$ 39,039,470</u>	<u>\$ 39,039,470</u>	<u>\$ -</u>

**ECONOMIC FACTORS**

The City's economy showed steady growth. The City unemployment rate, non-seasonally adjusted, was 3.1% for the month ending June 2019. This was 0.2 percentage higher than the Virginia rate of 2.9%, however, when compared to the same period a year ago, the rate decreased 0.3%, from 3.4% to 3.1%. Like some other urban areas throughout the country, Richmond has seen a resurgence of people moving back into the City. The City's population has grown each year since 2004 reaching 228,783 in 2018, according to US Census Bureau estimates.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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





*BASIC FINANCIAL*



*STATEMENTS*



CITY OF RICHMOND, VIRGINIA  
STATEMENT OF NET POSITION  
June 30, 2019

	Primary Government			Exhibit A
	Governmental Activities	Business-type Activities	Total	Component Units
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents (Note 3)	\$ 162,012,333	\$ 243,822,752	\$ 405,835,085	\$ 104,924,655
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes and Licenses	61,355,728	-	61,355,728	-
Accounts Receivable	27,060,094	40,961,819	68,021,913	11,544,324
Internal Balances, Net	2,043,548	(1,987,316)	56,232	-
Due From Other Governments (Note 5)	37,306,368	13,078,834	50,385,202	28,968,553
Inventories of Materials and Supplies	287,769	11,410,117	11,697,886	619,080
Prepaid Assets	38,336	7,186,141	7,224,477	8,088,788
Total Current Assets	<u>290,104,176</u>	<u>314,472,347</u>	<u>604,576,523</u>	<u>154,145,400</u>
<b>Non-Current Assets:</b>				
Restricted Assets - Cash and Investments (Note 3)	25,511,785	94,903,582	120,415,367	9,051,016
Mortgage Loans Receivable	-	-	-	26,137,026
Capital Assets, Net (Note 6):				
Land and Works of Art/Historical Treasures	107,583,722	30,924,415	138,508,137	8,970,060
Infrastructure, Net	340,643,086	-	340,643,086	-
Buildings, Structures, Improvements, and Equipment, Net	590,649,347	1,305,735,594	1,896,384,941	131,123,460
Construction in Progress	97,311,773	42,793,336	140,105,109	9,346,013
Total Capital Assets, Net	<u>1,136,187,928</u>	<u>1,379,453,345</u>	<u>2,515,641,273</u>	<u>149,439,533</u>
Total Non-Current Assets	<u>1,161,699,713</u>	<u>1,474,356,927</u>	<u>2,636,056,640</u>	<u>184,627,575</u>
Total Assets	<u>1,451,803,889</u>	<u>1,788,829,274</u>	<u>3,240,633,163</u>	<u>338,772,975</u>
<b>Deferred Outflows of Resources</b>				
Deferred Losses on Refunding	23,226,896	19,501,030	42,727,926	-
Pension Related Activities (Note 11)				
Outflows-Pension & OPEB Related	63,151,745	10,806,367	73,958,112	46,194,886
Total Deferred Outflows of Resources	<u>86,378,641</u>	<u>30,307,397</u>	<u>116,686,038</u>	<u>46,194,886</u>

CITY OF RICHMOND, VIRGINIA  
STATEMENT OF NET POSITION  
June 30, 2019

Exhibit A, Concluded

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Combined RPS City Withholding	\$ 1,799,410	\$ -	\$ 1,799,410	\$ -
Accounts Payable	27,497,020	17,666,192	45,163,212	10,791,949
Accrued Liabilities	11,746,886	10,447,613	22,194,499	37,621,153
Accrued Wages	7,522,792	1,297,873	8,820,665	-
Due To Component Units-Schools	42,845,488	-	42,845,488	-
Due To Other Governments	802,626	-	802,626	4,233,039
Accrued Interest on Bonds and Notes Payable	10,985,529	15,968,541	26,954,070	-
Unearned Revenues	-	-	-	19,764,654
General Obligation Bonds, Serial Notes Payable (Note 7)	52,312,522	17,194,850	69,507,372	14,796
Revenue Bonds Payable (Note 7)	1,077,478	22,285,762	23,363,240	-
Compensated Absences (Note 7)	1,847,128	580,970	2,428,098	2,232,883
Other Liabilities and Claims Payable	35,808,321	969,549	36,777,870	18,302,612
<b>Total Current Liabilities</b>	<b>194,245,200</b>	<b>86,411,350</b>	<b>280,656,550</b>	<b>92,961,086</b>
<b>Non-Current Liabilities</b>				
Customers' Deposits	-	9,250,890	9,250,890	774,702
General Obligation Bonds, Serial Notes Payable (Note 7)	730,084,593	75,084,325	805,168,918	779,929
Revenue Bonds Payable (Note 7)	1,135,571	772,150,319	773,285,890	-
Compensated Absences (Note 7)	17,097,925	2,042,130	19,140,055	-
Other Liabilities and Claims Payable	-	-	-	368,520,409
Net Pension & OPEB Liability	341,379,757	51,017,841	392,397,598	14,992,337
<b>Total Non-Current Liabilities</b>	<b>1,089,697,846</b>	<b>909,545,505</b>	<b>1,999,243,351</b>	<b>385,067,377</b>
<b>Total Liabilities</b>	<b>1,283,943,046</b>	<b>995,956,855</b>	<b>2,279,899,901</b>	<b>478,028,463</b>
<b>Deferred Inflows of Resources</b>				
Membership Fees Received in Advance	-	-	-	11,791
Inflows-Unearned Revenues	13,031,735	-	13,031,735	-
Prepaid Taxes	53,267	-	53,267	-
Grant Proceeds	15,965,829	-	15,965,829	-
Rate Stabilization	-	4,333,333	4,333,333	-
Pension Related Activities (Note 11): Inflows-Pension & OPEB Related	4,008,184	288,956	4,297,140	40,643,648
<b>Total Deferred Inflows of Resources</b>	<b>33,059,015</b>	<b>4,622,289</b>	<b>37,681,304</b>	<b>40,655,439</b>
<b>Net Position</b>				
Net Investment in Capital Assets	377,074,230	568,905,631	945,979,861	124,112,974
Restricted	97,217,724	27,326,143	124,543,867	28,389,756
Unrestricted	(253,111,485)	222,325,753	(30,785,732)	(286,218,771)
<b>Total Net Position</b>	<b>\$ 221,180,469</b>	<b>\$ 818,557,527</b>	<b>\$ 1,039,737,996</b>	<b>\$ (133,716,041)</b>

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

CITY OF RICHMOND, VIRGINIA  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2019

EXHIBIT B

Functions/Program Activities	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
Primary Government:								
Governmental:								
General Government	\$ 146,968,353	\$ 82,999,462	\$ 12,222,351	\$ 723,250	(53,016,365)	-	(53,016,365)	-
Public Safety and Judiciary	216,008,150	23,693,366	6,347,270	-	(194,660,426)	-	(194,660,426)	-
Highways, Streets, Sanitation and Refuse	88,264,777	36,347,460	11,351,139	13,587,507	(28,332,653)	-	(28,332,653)	-
Human Services	76,067,291	48,610,363	3,064,781	-	(26,844,018)	-	(26,844,018)	-
Culture and Recreation	27,405,258	981,298	555,625	-	(26,838,234)	-	(26,838,234)	-
Education	154,040,146	-	-	-	(154,040,146)	-	(154,040,146)	-
Transportation	15,461,739	-	-	-	(15,461,739)	-	(15,461,739)	-
Interest and Fiscal Charges	22,979,915	-	1,030,252	-	(21,949,663)	-	(21,949,663)	-
Total Governmental Activities	747,195,629	192,631,949	33,541,166	15,341,009	(505,681,505)	-	(505,681,505)	-
Business-type:								
Water and sewer services	278,173,420	320,360,750	175,094	33,768,499	76,130,923	76,130,923	76,130,923	-
Stormwater	10,699,516	11,744,339	12,260	275,175	1,332,258	1,332,258	1,332,258	-
Coliseum	1,385,541	611,442	-	-	(774,099)	(774,099)	(774,099)	-
Cemeteries	1,729,131	1,454,188	-	-	(274,943)	(274,943)	(274,943)	-
Parking	11,907,060	19,725,671	-	-	7,818,611	7,818,611	7,818,611	-
Total Business-type Activities	303,894,668	353,896,390	187,354	34,043,674	84,232,750	84,232,750	84,232,750	-
Total Primary Government	1,051,090,297	546,528,339	33,728,520	49,384,683	(505,681,505)	84,232,750	(421,448,755)	-
Component Units:								
School Board	364,219,324	1,379,134	115,168,411	6,131,000	-	-	(241,540,779)	-
Richmond Economic Development Authority	1,965,779	1,081,548	1,255,587	-	-	-	371,356	-
Richmond Ambulance Authority	19,956,948	14,708,963	-	-	-	-	(5,247,985)	-
Richmond Behavioral Health Authority	51,279,818	19,229,629	-	-	-	-	(32,050,189)	-
Richmond Redevelopment & Housing Authority	64,797,906	10,645,201	49,780,970	4,691,928	-	-	320,193	-
Total Component Units	502,219,775	47,044,475	166,204,968	10,822,928	-	-	(278,147,404)	-
General Revenues:								
City Taxes								
Real Estate					274,413,447	-	274,413,447	-
Sales Tax					36,953,797	-	36,953,797	-
Personal Property					65,657,356	-	65,657,356	-
Machinery and Tools					15,459,814	-	15,459,814	-
General Utility Sales					18,269,540	-	18,269,540	-
State Communication Taxes					14,413,205	-	14,413,205	-
Bank Stock					8,812,735	-	8,812,735	-
Prepared Food					47,860,645	-	47,860,645	-
Lodging Tax					9,141,366	-	9,141,366	-
Admissions					2,900,367	-	2,900,367	-
Real Estate Taxes - Delinquent					12,889,862	-	12,889,862	-
Personal Property Taxes - Delinquent					6,513,004	-	6,513,004	-
Private Utility Poles and Conduits					157,378	-	157,378	-
Penalties and Interest					4,509,826	-	4,509,826	-
Tilling Tax-Mobile Home					9,267	-	9,267	-
State Recreation					1,058,973	-	1,058,973	-
Property Rental 1%					171,168	-	171,168	-
Vehicle Rental Tax					1,204,155	-	1,204,155	-
Telephone Commissions					210,793	-	210,793	-
Total City Taxes					520,606,698	-	520,606,698	-
Intergovernmental Revenue					-	-	109,010,401	-
Payment From Primary Government - Unrestricted					-	-	168,810,958	-
Investment Earnings					829,719	7,214,006	8,043,725	-
Miscellaneous					27,257,144	5,207,384	32,464,528	-
Gain/(Loss) on Disposal of Capital Assets					-	-	-	-
Proceeds from Sect 108 and EDA Transfers					-	-	351,021	-
Total General Revenues and Transfers					26,928,463	(26,928,463)	288,131,164	-
Changes in Net Position					577,842,079	(14,507,073)	9,983,760	-
Net Position - Beginning of Year, as restated					72,160,574	69,725,677	141,886,251	-
Net Position - End of Year					149,019,895	748,831,850	897,851,745	-
					\$ 221,180,469	\$ 818,557,527	\$ 1,039,737,996	

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

CITY OF RICHMOND, VIRGINIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019

EXHIBIT C

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments (Note 3)	\$ 87,051,164	\$ 166,213	\$ -	\$ 29,613,077	\$ 116,830,454
Receivables (Net of Allowance for Doubtful Accounts)					
Taxes and Licenses	61,355,728	-	-	-	61,355,728
Accounts Receivable, Net	2,426,306	2,607,001	-	15,372,562	20,405,869
Due From Other Funds (Note 4)	89,863,286	-	-	-	89,863,286
Due From Other Governments (Note 5)	28,872,438	-	3,058,970	5,374,960	37,306,368
Prepays Assets	9,442	-	-	-	9,442
Restricted Assets - Cash and Investments (Note 3)	-	8,986,205	16,452,295	73,285	25,511,785
Total Assets	<u>\$ 269,578,364</u>	<u>\$ 11,759,419</u>	<u>\$ 19,511,265</u>	<u>\$ 50,433,884</u>	<u>\$ 351,282,932</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 12,448,688	\$ -	\$ 8,633,060	\$ 2,388,312	\$ 23,470,060
Accrued Wages	6,610,217	-	37,581	564,755	7,212,553
Accrued Liabilities	3,635,172	-	3,325,585	2,940,789	9,901,546
Due To Other Funds (Note 4)	-	-	55,930,807	4,567,940	60,498,747
Due To Other Governments	802,626	-	-	-	802,626
Due To Component Unit	42,845,488	-	-	-	42,845,488
Total Liabilities	<u>66,342,191</u>	<u>-</u>	<u>67,927,033</u>	<u>10,461,796</u>	<u>144,731,020</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue-Property Taxes (Note 2)	51,013,773	-	-	-	51,013,773
Prepaid Taxes	53,267	-	-	-	53,267
Unavailable Revenue-Grant Proceeds	231,875	-	7,183,956	8,550,000	15,965,831
Total Deferred Inflows of Resources	<u>51,298,915</u>	<u>-</u>	<u>7,183,956</u>	<u>8,550,000</u>	<u>67,032,871</u>
<b>FUND BALANCE (Note 8):</b>					
Nonspendable	9,442	-	-	-	9,442
Restricted	-	8,986,205	16,452,295	31,422,088	149,204,138
Committed	14,068,892	-	-	-	14,068,892
Assigned	26,278,802	-	-	-	26,278,802
Unassigned	111,580,122	2,773,214	(72,052,019)	-	(50,042,233)
Total Fund Balances	<u>151,937,258</u>	<u>11,759,419</u>	<u>(55,599,724)</u>	<u>31,422,088</u>	<u>139,519,041</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 269,578,364</u>	<u>\$ 11,759,419</u>	<u>\$ 19,511,265</u>	<u>\$ 50,433,884</u>	<u>\$ 351,282,932</u>

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

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

June 30, 2019

EXHIBIT C, Concluded

Total fund balances for governmental funds \$ 139,519,041

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	104,220,336	
Infrastructure, net	340,643,086	
Buildings, structures, improvements, and equipment, net	555,496,812	
Construction in progress	95,958,259	1,096,318,493

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	23,223,884	
Deferred outflows related to pensions - OPEB-VRS	234,055	
Deferred outflows related to pensions - OPEB-COR	2,812,401	
Deferred outflows related to pensions - RRS	54,651,088	
Deferred outflows related to pensions - VRS	4,702,343	85,623,771

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	37,982,038	37,982,038
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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	(10,985,529)	
Governmental bonds, notes payable, and line of credit	(781,963,810)	
Compensated absences	(18,305,885)	
Pension related - Deferred Inflow of Resources - RRS	(1,451,642)	
Pension related - Deferred Inflow of Resources - VRS	(2,737,588)	
Pension related - Net Pension Liability - RRS	(255,511,962)	
Pension related - Net Pension Liability - VRS	(6,085,778)	
OPEB Deferred Inflow of Resources	(291,000)	
Net other postemployment benefit liability-VRS	(2,061,000)	
Net other postemployment benefit liability-Richmond Plan	(69,850,624)	(1,149,244,818)

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

10,981,944

Net position of governmental activities	\$ 221,180,469
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CITY OF RICHMOND, VIRGINIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2019

EXHIBIT D

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
<b>Revenues</b>					
City Taxes					
Real Estate	\$ 273,627,368	\$ -	\$ -	\$ -	\$ 273,627,368
Sales Tax	36,953,797	-	-	-	36,953,797
Personal Property	63,646,292	-	-	-	63,646,292
Machinery and Tools	14,917,609	-	-	-	14,917,609
Utility Sales Tax Gas	5,039,881	-	-	-	5,039,881
Utility Sales Tax Electric	13,630,830	-	-	-	13,630,830
Utility Sales Tax Telephone	222,609	-	-	-	222,609
State Communications Taxes	14,413,205	-	-	-	14,413,205
Bank Stock	8,812,736	-	-	-	8,812,736
Prepared Food	45,740,073	-	-	-	45,740,073
Lodging Tax	9,009,423	-	-	-	9,009,423
Admission	2,848,979	-	-	-	2,848,979
Real Estate Taxes - Delinquent	12,889,862	-	-	-	12,889,862
Personal Property Taxes - Delinquent	6,513,005	-	-	-	6,513,005
Private Utility Poles and Conduits	157,378	-	-	-	157,378
Penalties and Interest	6,474,439	-	-	27	6,474,466
Tilling Tax-Mobile Home	9,267	-	-	-	9,267
State Recordation	1,058,973	-	-	-	1,058,973
Property Rental 1%	171,168	-	-	-	171,168
Vehicle Rental Tax	1,204,155	-	-	-	1,204,155
Telephone Commissions	210,793	-	-	-	210,793
<b>Total City Taxes</b>	<b>517,551,842</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>517,551,869</b>
Licenses, Permits and Privilege Fees	44,298,799	-	-	-	44,298,799
Intergovernmental	82,554,149	1,030,252	14,310,759	56,028,915	153,924,075
Service Charges	27,640,559	-	-	2,342,434	29,982,993
Fines and Forfeitures	6,840,835	-	-	16,866	6,857,701
Utility Payments	26,245,139	-	-	-	26,245,139
Investment Income	-	569,918	251,113	8,692	829,723
Miscellaneous	5,337,654	-	141,229	15,595,305	21,074,188
<b>Total Revenues</b>	<b>710,468,977</b>	<b>1,600,170</b>	<b>14,703,101</b>	<b>73,992,239</b>	<b>800,764,487</b>
<b>Expenditures</b>					
Current:					
General Government	51,254,467	-	-	22,589,549	73,844,016
Public Safety and Judiciary	206,493,463	-	-	8,547,812	215,041,275
Highways, Streets, Sanitation and Refuse	32,552,819	-	-	32,594,867	65,147,686
Human Services	58,201,359	-	-	18,101,802	76,303,161
Culture and Recreation	23,068,474	-	-	1,521,326	24,589,800
Education	156,721,265	-	-	-	156,721,265
Non-Departmental	84,421,652	-	-	-	84,421,652
Capital Outlay	-	-	62,975,872	-	62,975,872
Debt Service:					
Principal Retirement	-	40,892,796	-	-	40,892,796
Interest Payments	-	29,385,791	-	-	29,385,791
Debt Issuance Costs	-	736,935	317,088	-	1,054,023
<b>Total Expenditures</b>	<b>612,713,499</b>	<b>71,015,522</b>	<b>63,292,960</b>	<b>83,355,356</b>	<b>830,377,337</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	97,755,478	(69,415,352)	(48,589,859)	(9,363,117)	(29,612,850)
<b>Other Financing Sources (Uses)</b>					
Issuance of Debt and Notes Payable	-	11,116,792	92,468,342	-	103,585,134
Premium on Bond Issued	-	85,098	-	-	85,098
Receipts from EDA	-	1,833,891	-	-	1,833,891
Payment to Refunded Bond Escrow Agent	-	(8,300,000)	-	-	(8,300,000)
Transfers In-Other Funds	5,173,037	68,618,667	-	18,322,785	92,114,489
Transfers Out-Other Funds	(87,157,779)	-	-	(386,164)	(87,543,943)
<b>Total Other Financing Sources (Uses), Net</b>	<b>(81,984,742)</b>	<b>73,354,448</b>	<b>92,468,342</b>	<b>17,936,621</b>	<b>101,774,669</b>
Net Change in Fund Balances	15,770,736	3,939,096	43,878,483	8,573,504	72,161,819
Fund Balances - Beginning of Year	136,166,522	7,820,323	(99,478,207)	22,848,584	67,357,222
Fund Balances - End of Year	\$ 151,937,258	\$ 11,759,419	\$ (55,599,724)	\$ 31,422,088	\$ 139,519,041

The accompanying notes are an integral part of the basic 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, 2019

EXHIBIT D, Concluded

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

Net change in fund balances - Total governmental funds		\$ 72,161,819
<p>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.</p>		
Purchase/Disposal of assets	56,505,390	
Depreciation expense	<u>(47,622,037)</u>	8,883,353
<p>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.</p>		
Proceeds from borrowing, net of escrow payments	(103,670,231)	
Principal payments of bonds, net of payments on behalf of Component Units	49,703,444	
Amortization of bond premiums and refunding	<u>6,639,603</u>	(47,327,184)
<p>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.</p>		
Change in deferred tax revenue	9,972,657	9,972,657
<p>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.</p>		
Change in accrued interest	(51,282)	
Change in compensated absences	(105,420)	
Pension Expense	20,497,417	
Change in other postemployment benefit obligations	<u>(2,611,385)</u>	17,729,330
<p>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.</p>		
		<u>10,740,599</u>
Change in net position of governmental activities		<u>\$ 72,160,574</u>

CITY OF RICHMOND, VIRGINIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2019

EXHIBIT E-1

	Enterprise Funds						Internal Service Funds
	Gas	Water	Wastewater	Storm water	Other	Total	
<b>Assets</b>							
<b>Current Assets:</b>							
Cash and Cash Equivalents (Note 3)	\$ 42,067,940	\$ 72,563,289	\$ 118,463,779	\$ -	\$ 10,727,744	\$ 243,822,752	\$ 45,181,879
Accounts Receivables (Net of Allowance for Doubtful Accounts)	5,241,729	16,814,786	12,619,314	4,272,787	2,013,204	40,961,820	6,285,457
Due From Other Funds (Note 4)	888,066	852,375	4,077,490	437	-	5,818,368	-
Due From Other Governments (Note 5)	5,466	4,435,226	8,625,882	12,260	-	13,078,834	-
Inventories of Materials and Supplies	6,778,517	-	-	-	-	6,778,517	4,919,369
Prepaid Expenses and Other Current Assets	2,438,594	2,032,625	2,612,172	-	-	7,083,391	131,644
Total Current Assets	<u>57,420,312</u>	<u>96,698,301</u>	<u>146,398,637</u>	<u>4,285,484</u>	<u>12,740,948</u>	<u>317,543,682</u>	<u>56,518,349</u>
<b>Noncurrent Assets:</b>							
Restricted Cash	21,611,024	50,122,601	23,169,957	-	-	94,903,582	-
<b>Capital Assets (Note 6):</b>							
Land	219,200	878,307	1,101,261	-	27,039,115	29,237,883	5,049,921
Buildings and Structures	628,731,444	509,162,281	588,394,279	11,319,408	71,255,204	1,808,862,616	60,274,769
Equipment and Other Assets	61,416,276	96,288,941	207,189,281	35,929,259	9,596,651	410,420,408	128,757,246
Construction in Progress	2,035,149	11,458,121	28,454,853	845,213	-	42,793,336	1,353,514
Less: Accumulated Depreciation	(279,836,036)	(234,903,641)	(341,735,104)	(6,341,458)	(51,566,457)	(914,382,696)	(153,044,214)
Total Capital Assets, Net Accumulated Depreciation	<u>412,566,033</u>	<u>382,884,009</u>	<u>483,404,570</u>	<u>41,752,422</u>	<u>56,324,513</u>	<u>1,376,931,547</u>	<u>42,391,236</u>
Total Noncurrent Assets	<u>434,177,057</u>	<u>433,006,610</u>	<u>506,574,527</u>	<u>41,752,422</u>	<u>56,324,513</u>	<u>1,471,835,129</u>	<u>42,391,236</u>
<b>Total Assets</b>	<u>491,597,369</u>	<u>529,704,911</u>	<u>652,973,164</u>	<u>46,037,906</u>	<u>69,065,461</u>	<u>1,789,378,811</u>	<u>98,909,585</u>
<b>Deferred Outflows of Resources</b>							
Losses on Refunding of Debt	7,654,173	5,621,806	6,225,051	-	-	19,501,030	3,012
Outflows-Pension and OPEB Related	3,851,416	2,407,095	3,074,253	960,334	407,836	10,700,934	857,291
Total Deferred Outflows of Resources	<u>11,505,589</u>	<u>8,028,901</u>	<u>9,299,304</u>	<u>960,334</u>	<u>407,836</u>	<u>30,201,964</u>	<u>860,303</u>
<b>Liabilities</b>							
<b>Current Liabilities:</b>							
Combined RPS City Withholding	-	-	-	-	-	-	1,799,410
Accounts Payable	12,279,307	6,699,735	5,680,317	953,407	960,645	26,573,411	4,574,021
Accrued Liabilities	114,093	935,472	-	-	-	1,049,565	3,644,750
Accrued Wages	460,861	356,104	317,962	114,406	41,430	1,290,763	317,349
Due To Other Funds (Note 4)	-	-	-	5,489,474	1,987,316	7,476,790	27,649,885
Accrued Interest on Bonds Payable	5,700,388	4,454,744	5,028,042	-	785,367	15,968,541	35,878
General Obligation Bonds and Notes Payable (Note 7)	5,706,052	4,523,702	708,500	64,469	6,192,127	17,194,850	139,753
Revenue Bonds Payable (Note 7)	6,718,570	5,544,523	10,022,669	-	-	22,285,762	1,077,478
Compensated Absences (Note 7)	210,340	162,262	144,233	54,088	4,037	574,960	49,217
Total Current Liabilities	<u>31,189,611</u>	<u>22,676,542</u>	<u>21,901,723</u>	<u>6,675,844</u>	<u>9,970,922</u>	<u>92,414,642</u>	<u>39,287,741</u>
<b>Noncurrent Liabilities:</b>							
Customers' Deposits	6,977,874	2,273,016	-	-	-	9,250,890	-
General Obligation Bonds and Notes Payable (Note 7)	12,866,280	8,891,224	738,112	1,066,328	51,522,381	75,084,325	293,552
Revenue Bonds Payable (Note 7)	272,439,077	212,640,243	287,070,999	-	-	772,150,319	1,135,571
Compensated Absences (Note 7)	709,695	547,478	486,647	182,493	95,540	2,021,853	616,238
Net Pension and OPEB Liability	18,294,652	11,707,538	14,047,236	4,548,970	1,961,123	50,559,519	6,068,429
Other Liabilities	203,296	-	-	766,253	-	969,549	35,808,321
Total Noncurrent Liabilities	<u>311,490,874</u>	<u>236,059,499</u>	<u>302,342,994</u>	<u>6,564,044</u>	<u>53,579,044</u>	<u>910,036,455</u>	<u>43,922,111</u>
<b>Total Liabilities</b>	<u>342,680,485</u>	<u>258,736,041</u>	<u>324,244,717</u>	<u>13,239,888</u>	<u>63,549,966</u>	<u>1,002,451,097</u>	<u>83,209,852</u>
<b>Deferred Inflows of Resources</b>							
Inflows-Pension and OPEB Related	78,542	(11,323)	183,229	26,913	(3,639)	273,722	(456,812)
Rate Stabilization	-	-	4,333,333	-	-	4,333,333	-
Total Deferred Inflows of Resources	<u>78,542</u>	<u>(11,323)</u>	<u>4,516,562</u>	<u>26,913</u>	<u>(3,639)</u>	<u>4,607,055</u>	<u>(456,812)</u>
<b>Net Position</b>							
Net Investment in Capital Assets	134,405,321	198,388,210	203,569,481	35,132,151	(5,111,330)	566,383,833	39,747,893
Restricted - Debt Service	9,360,018	7,543,406	10,422,719	-	-	27,326,143	-
Unrestricted	16,578,592	73,077,478	119,518,989	(1,400,712)	11,038,300	218,812,647	(22,731,045)
Total Net Position	<u>\$ 160,343,931</u>	<u>\$ 279,009,094</u>	<u>\$ 333,511,189</u>	<u>\$ 33,731,439</u>	<u>\$ 5,926,970</u>	<u>\$ 812,522,623</u>	<u>\$ 17,016,848</u>

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

Net Position as Shown on Statement of Net  
Position-Proprietary Fund 812,522,623

The Allocation of Internal Service Fund to  
Various Activities, Funds, Etc. as it Relates  
to Business-Type Activities 6,034,904

Net Position Shown on Government Wide  
Statement of Net Position \$ 818,557,527

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

CITY OF RICHMOND, VIRGINIA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN THE NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2019

EXHIBIT E-2

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Storm water	Other		
<b>Operating Revenues</b>							
Charges for Goods and Services	\$ 159,450,739	\$ 74,574,616	\$ 85,644,470	\$ 11,743,993	\$ 21,836,995	\$ 353,250,813	\$ 123,500,402
<b>Operating Expenses</b>							
Purchased Gas	72,525,915	-	-	-	-	72,525,915	-
Intragovernmental Goods and Services Sold	-	-	-	-	-	-	10,898,848
Salaries and Wages and Benefits	16,377,668	13,576,388	12,093,305	4,461,372	1,650,201	48,158,934	10,768,466
Data Processing	-	-	-	-	-	-	7,982,918
Materials and Supplies	1,056,645	1,942,493	1,192,952	223,585	198,376	4,614,051	1,845,019
Rents and Utilities	367,970	4,557,835	4,596,606	128,670	820,310	10,471,391	3,288,909
Maintenance and Repairs	12,620,154	7,784,039	5,921,412	3,421,315	3,572,866	33,319,786	2,194,901
Depreciation and Amortization	21,579,594	19,488,269	23,088,261	1,824,210	1,789,080	67,769,414	8,095,904
Claims and Settlements	-	-	-	-	-	-	58,388,859
Uncollectible Expense	959,060	774,029	652,421	384,805	-	2,770,315	(942)
Miscellaneous Operating Expenses	14,427,219	14,972,454	20,950,736	236,245	5,500,198	56,086,852	8,805,896
Total Operating Expenses	139,914,225	63,095,507	68,495,693	10,680,202	13,531,031	295,716,658	112,268,778
Operating Income (Loss)	19,536,514	11,479,109	17,148,777	1,063,791	8,305,964	57,534,155	11,231,624
<b>Non-Operating Revenues (Expenses)</b>							
Intergovernmental Grants and Contributions	186,719	14,089,972	19,491,808	275,175	-	34,043,674	96,923
Interest on Long-Term Debt	(10,875,116)	(8,426,629)	(9,447,818)	(19,000)	(1,050,023)	(29,818,586)	(82,427)
Interest Income	2,027,763	2,093,009	2,950,811	142,423	-	7,214,006	3,277
Interest Expense	(37,091)	(12,738)	-	-	-	(49,829)	-
Miscellaneous Revenues (Expenses)	(285,057)	(124,149)	2,184,336	3,600,200	-	5,375,330	(167,520)
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	(84,312)	(84,312)	(259,493)
Total Non-Operating Revenues (Expenses), Net	(8,982,782)	7,619,465	15,179,137	3,998,798	(1,134,335)	16,680,283	(409,240)
Net Income Before Transfers	10,553,732	19,098,574	32,327,914	5,062,589	7,171,629	74,214,438	10,822,384
Transfers In-Other Funds	-	-	-	-	602,491	602,491	-
Transfers Out-Other Funds	(658,907)	(2,045,473)	(2,468,657)	-	-	(5,173,037)	-
Change in Net Position	9,894,825	17,053,101	29,859,257	5,062,589	7,774,120	69,643,892	10,822,384
Net Position - Beginning of Year, as restated	150,449,106	261,955,993	303,651,932	28,668,850	(1,847,150)	742,878,731	6,194,464
Net Position - End of Year	\$ 160,343,931	\$ 279,009,094	\$ 333,511,189	\$ 33,731,439	\$ 5,926,970	\$ 812,522,623	\$ 17,016,848

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 69,643,892

The Allocation of Internal Service Fund to Various Activities, Funds, Etc. as it Relates to Business-Type Activities 81,785

Change in Net Position as Shown on Government-wide Statement of Activities \$ 69,725,677

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

**CITY OF RICHMOND, VIRGINIA  
STATEMENTS OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2019**

EXHIBIT E-3

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Storm water	Other		
<b>Cash Flows From Operating Activities</b>							
Receipts from Customers	\$ 157,256,786	\$ 71,185,618	\$ 85,127,265	\$ 10,962,683	\$ 22,105,787	\$ 346,638,139	\$ 127,202,959
Payments to Suppliers	(93,516,739)	(22,475,846)	(24,006,673)	(4,098,461)	(11,549,174)	(155,646,893)	(92,703,395)
Payments to Employees	(17,119,157)	(14,146,787)	(12,646,119)	(4,644,618)	(1,418,844)	(49,975,525)	(11,186,798)
Payments to Other Funds	(7,834,300)	(6,015,885)	(8,603,345)	-	-	(22,453,530)	-
Receipts from Other Funds	-	-	-	-	-	-	(927,904)
Other Receipts or (Payments)	(197,148)	23,495	17,669	100,200	-	(55,784)	(167,520)
Net Cash Provided By Operating Activities	<u>38,589,442</u>	<u>28,570,595</u>	<u>39,888,797</u>	<u>2,319,804</u>	<u>9,137,769</u>	<u>118,506,407</u>	<u>22,217,342</u>
<b>Cash Flows From Noncapital Financing Activities</b>							
Government Subsidies	181,252	13,185,841	10,865,926	768,962	1,043,169	26,045,150	96,922
Transfers In - Other Funds	-	-	-	-	-	-	-
Transfers Out - Other Funds	(658,907)	(2,045,473)	(2,468,657)	-	-	(5,173,037)	-
Due From Other Funds	(774,968)	(758,088)	(706,242)	2,118,726	-	(120,572)	-
Due to Other Funds	-	-	-	-	414,716	414,716	4,192,964
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(1,252,623)</u>	<u>10,382,280</u>	<u>7,691,027</u>	<u>2,887,688</u>	<u>1,457,885</u>	<u>21,166,257</u>	<u>4,289,886</u>
<b>Cash Flows From Capital and Related Financing Activities</b>							
Acquisition of Capital Assets	(23,229,172)	(17,502,706)	(43,294,895)	(10,557,540)	(3,515,940)	(98,100,253)	(5,561,829)
Proceeds from Bond Sale	-	-	-	20,013	-	20,013	-
Repayments of Revenue Bonds, General Obligation Bonds	(12,537,666)	(10,366,211)	(11,695,471)	(70,616)	(6,213,739)	(40,883,703)	(1,888,458)
Repayments of Notes Payables	-	-	-	-	-	-	(625,000)
Interest Paid on Long-Term Debt	(12,840,472)	(10,061,532)	(11,333,767)	(19,000)	(1,541,239)	(35,796,010)	(105,736)
Net Cash Used in Capital and Related Financing Activities	<u>(48,607,310)</u>	<u>(37,930,449)</u>	<u>(66,324,133)</u>	<u>(10,627,143)</u>	<u>(11,270,918)</u>	<u>(174,759,953)</u>	<u>(8,181,023)</u>
<b>Cash Flows From Investing Activities</b>							
Interest Earned on Operating Funds	2,027,763	2,093,009	2,950,811	142,423	-	7,214,006	-
Interest Paid on Customers' Deposits	(37,091)	(12,738)	-	-	-	(49,829)	-
Net Cash Provided By Investing Activities	<u>1,990,672</u>	<u>2,080,271</u>	<u>2,950,811</u>	<u>142,423</u>	<u>-</u>	<u>7,164,177</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents at July 1, 2018	<u>(9,279,819)</u>	<u>3,102,697</u>	<u>(15,793,498)</u>	<u>(5,277,228)</u>	<u>(675,264)</u>	<u>(27,923,112)</u>	<u>18,326,205</u>
Cash and Cash Equivalents at June 30, 2019	<u>\$ 63,678,964</u>	<u>\$ 122,685,890</u>	<u>\$ 141,633,736</u>	<u>\$ -</u>	<u>\$ 10,727,745</u>	<u>\$ 338,726,335</u>	<u>\$ 45,181,879</u>
<b>Reconciliation of Operating Income (Loss)</b>							
To Net Cash Provided by (Used In) Operating Activities							
Operating Income (Loss)	\$ 19,536,514	\$ 11,479,109	\$ 17,148,777	\$ 1,063,791	\$ 8,305,964	\$ 57,534,155	\$ 11,231,624
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:							
Depreciation	21,579,594	19,488,269	23,088,261	1,824,210	1,789,080	67,769,414	8,095,904
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	84,312	84,312	259,493
Pension Expense	(798,534)	(569,446)	(574,522)	(191,384)	(93,072)	(2,226,958)	(507,550)
Miscellaneous Revenues (Expenses)	(285,057)	(124,149)	17,669	100,200	-	(291,337)	(167,520)
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Accounts Receivable	(1,234,893)	(2,614,969)	135,217	(396,504)	523,892	(3,587,257)	3,442,125
Due from General Fund	-	-	-	-	-	-	(672,312)
Due From Component Unit	-	-	-	-	-	-	-
Inventories of Material and Supplies	(160,579)	-	-	-	-	(160,579)	(501,609)
Prepaid Expenses	(261,875)	1,929	(41,323)	-	52,195	(249,074)	(7,695)
Accounts Payable	57,085	510,589	93,009	(241,309)	(1,173,861)	(754,487)	1,276,551
Accrued Liabilities	12,236	252,580	-	-	9,463	274,279	(231,479)
Customers' Deposits	87,910	147,643	-	-	(339,416)	(103,863)	-
Compensated Absences	57,041	(960)	21,709	8,141	(20,788)	65,143	(190)
Other Liabilities	-	-	-	152,659	-	152,659	-
Total Adjustments	<u>19,052,928</u>	<u>17,091,486</u>	<u>22,740,020</u>	<u>1,256,013</u>	<u>831,805</u>	<u>60,972,252</u>	<u>10,985,718</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 38,589,442</u>	<u>\$ 28,570,595</u>	<u>\$ 39,888,797</u>	<u>\$ 2,319,804</u>	<u>\$ 9,137,769</u>	<u>\$ 118,506,407</u>	<u>\$ 22,217,342</u>

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

CITY OF RICHMOND, VIRGINIA  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2019

EXHIBIT F-1

	Pension Trust Funds	Agency Funds
Assets:		
Cash and Short-term Investments	\$ 11,529,423	\$ 3,580,458
Pooled Funds	250,000	
Receivables:		
Due from Other Funds	-	-
Due from Brokers on Sale of Securities	5,259,719	-
Interest and Dividends	225,206	-
Contributions from Participating Employees	1,011,405	-
Other Accounts Receivable	2,826,390	-
Investments, at Fair Value		
Common Stock	148,159,251	-
International Stocks	100,842,560	-
International Bonds	103,751,377	-
Real Estate Investment Trusts	35,364,309	-
US Fixed Income	27,687,832	-
Hedge Funds	75,944,723	-
Private Debt	152,080,935	-
Private Equity	23,070,051	-
Opportunistic Fixed Income	25,485,292	-
Total Investment, at Fair Value	692,386,330	3,580,458
Cash Collateral Received - Security Lending Program	2,165,902	-
Assets	715,654,375	3,580,458
Capital Assets:		
Furniture Fixtures and Equipment	152,657	-
Leasehold Improvement	207,832	-
Total Capital Assets	360,489	-
Total Assets	716,014,864	3,580,458
Liabilities:		
Accounts Payable	23,617,271	-
Refundable Deposits	-	726,045
Payable for Collateral Received - Security Lending Program	2,170,290	-
Due to Other Funds	-	56,232
Due to Various Agents	-	2,798,181
Total Liabilities	25,787,561	\$ 3,580,458
Net Position Restricted for Pensions	\$ 690,227,303	

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, 2019

EXHIBIT F-2

	Pension Trust Funds
Additions:	
Contributions:	
City of Richmond	\$ 47,689,885
Richmond Behavioral Health Authority	1,028,522
Richmond Public Schools	71,240
Plan Members	11,793,665
Total Contributions	60,583,312
Investment Income:	
Net Depreciation in Fair Value of Investments	28,443,470
Interest	853,437
Dividends	2,794,041
Net Increase in the Fair Value of Investments	32,090,948
Net Income Earned on Securities Lending Transactions:	
Securities Lending Income	48,772
Securities Lending Expense	(42,391)
Total Net Income Earned on Securities Lending Transactions	6,381
Investment Income	32,097,329
Less: Investment Expense	(2,257,533)
Net Investment Loss	29,839,796
Total Additions, net	90,423,108
Deductions:	
Benefits	80,869,373
Refunds of Member Contributions	204,002
Administrative Expenses	1,423,316
Depreciation Expense	60,082
Other	(9,502)
Total Deductions	82,547,271
Net Increase	7,875,837
Net Position Held In Trust For Pension Benefits and Other Purposes - Beginning of Year	682,351,466
Net Position Held In Trust For Pension Benefits and Other Purposes - End of Year	\$ 690,227,303

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

CITY OF RICHMOND, VIRGINIA  
STATEMENT OF NET POSITION  
COMPONENT UNITS  
June 30, 2019

EXHIBIT G-1

	School Board	Richmond Economic Development Authority	Richmond Ambulance Authority	Richmond Behavioral Health Authority	Richmond Redevelopment and Housing Authority	Total
<b>Assets</b>						
Cash and Cash Equivalents	\$ 43,906,752	\$ 8,815,928	\$ 4,346,157	\$ 21,396,162	\$ 26,459,656	\$ 104,924,655
Due From Primary Government	-	-	-	-	-	-
Due From Other Governments	28,586,169	-	-	382,384	-	28,968,553
Accounts Receivable	990,114	41,426	3,354,851	3,400,340	3,757,593	11,544,324
Inventories of Materials and Supplies	353,177	-	265,903	-	-	619,080
Prepaid Expenses and Other Current Assets	25,400	26,764	476,346	1,306,271	6,254,007	8,088,788
Investments	1,521,609	432,547	1,256,554	5,769,377	70,929	9,051,016
Mortgage Loans Receivable and Other Non-Current Assets	-	-	-	-	26,137,026	26,137,026
Capital Assets:						
Land	-	-	-	861,203	8,108,857	8,970,060
Buildings and Structures	-	13,187,284	1,232,025	12,455,579	152,959,970	179,834,858
Other Non-Current Assets	-	20,787,385	-	-	-	20,787,385
Net Investment in Capital Lease Receivable less current position	-	-	-	-	-	-
Equipment	50,436,383	-	11,360,889	6,360,566	15,205,533	83,363,371
Less: Accumulated Depreciation	(32,808,472)	-	(9,031,948)	(7,479,184)	(103,542,550)	(152,862,154)
Construction in Progress	-	-	-	2,682,367	6,663,646	9,346,013
Total Capital Assets	17,627,911	33,974,669	3,560,966	14,880,531	79,395,456	149,439,533
Total Assets	93,011,132	43,291,334	13,260,777	47,135,065	142,074,667	338,772,975
<b>Deferred Outflows of Resources</b>						
Deferred OPEB contributions	4,458,868	-	-	-	-	4,458,868
Deferred pension Investment Experience	-	-	-	-	72,700	72,700
Deferred pension change of assumptions	2,869,000	-	-	-	-	2,869,000
Deferred pension proportionate Share	9,281,000	-	-	-	-	9,281,000
Deferred pension contributions	26,596,825	-	-	1,818,582	1,097,911	29,513,318
Total Deferred Outflows of Resources	43,205,693	-	-	1,818,582	1,170,611	46,194,886
<b>Liabilities</b>						
Accounts Payable	5,958,236	13,622	922,602	2,707,802	1,189,687	10,791,949
Accrued Liabilities	34,104,997	69,025	487,401	1,294,623	1,665,107	37,621,153
Due To Primary Government	-	-	-	-	-	-
Due To Other Governments	3,753,774	-	-	-	479,265	4,233,039
Unearned Revenues	9,014,164	-	-	10,446,443	304,047	19,764,654
Liabilities to be Paid From Restricted Assets:						
Customers' Deposits	-	112,000	-	-	662,702	774,702
Bonds, Notes Payable and Capital Leases	-	-	14,796	-	-	14,796
Other Current Liabilities	2,832,727	660,000	-	14,800,129	9,756	18,302,612
Compensated Absences	-	-	-	1,621,001	611,882	2,232,883
Non-Current Liabilities:						
Bonds, Notes Payable and Capital Leases	-	-	14,929	-	765,000	779,929
Other Noncurrent Liabilities	326,517,821	29,175,841	-	-	12,826,747	368,520,409
Net Other Postemployment Benefit Obligations	-	-	-	2,307,283	-	2,307,283
Net Pension Liability	-	-	-	6,726,712	5,958,342	12,685,054
Total Liabilities	382,181,719	30,030,488	1,439,728	39,903,993	24,472,535	478,028,463
<b>Deferred Inflow of Resources</b>						
Net Difference Between Projected and Actual Earnings on Pension Plan	-	-	-	-	1,920,660	1,920,660
Deferred OPEB	2,384,000	-	-	-	-	2,384,000
Deferred Economic Experience	21,571,795	-	-	-	-	21,571,795
Deferred pension investment experience	5,447,625	-	-	-	-	5,447,625
Deferred pension proportionate share	8,116,000	-	-	-	-	8,116,000
Deferred Inflow Change in Assumptions	17,896	-	-	53,127	-	71,023
Other Pension Deferrals	-	-	-	1,132,545	-	1,132,545
Membership fees received in advance	-	-	11,791	-	-	11,791
Total Deferred Inflows of Resources	37,537,316	-	11,791	1,185,672	1,920,660	40,655,439
<b>Net Position</b>						
Net Investment in Capital Assets	13,118,462	13,187,284	3,531,241	14,880,531	79,395,456	124,112,974
Restricted for:						
Capital Projects	9,092,890	3,739,850	-	-	14,284,194	27,116,934
Permanent Funds:						
Expendable	1,065,044	-	-	-	-	1,065,044
Nonexpendable	207,778	-	-	-	-	207,778
Unrestricted	(306,986,384)	(3,666,288)	8,278,017	(7,016,549)	23,172,433	(286,218,771)
Total Net Position	\$ (283,502,210)	\$ 13,260,846	\$ 11,809,258	\$ 7,863,982	\$ 116,852,083	\$ (133,716,041)

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, 2019

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	\$ 364,219,324	\$ 1,379,134	\$ 115,168,411	\$ 6,131,000	\$ (241,540,779)	\$ -	\$ -	\$ -	\$ -	\$ (241,540,779)
Richmond Economic Development Authority	1,965,779	1,081,548	1,255,587	-	-	371,356	-	-	-	371,356
Richmond Ambulance Authority	19,956,948	14,708,963	-	-	-	-	(5,247,985)	-	-	(5,247,985)
Richmond Behavioral Health Authority	51,279,818	19,229,629	-	-	-	-	-	(32,050,189)	-	(32,050,189)
Richmond Redevelopment and Housing Authority	64,797,906	10,645,201	49,780,970	4,691,928	-	-	-	-	320,193	320,193
Total Component Units	\$ 502,219,775	\$ 47,044,475	\$ 166,204,968	\$ 10,822,928	\$ (241,540,779)	\$ 371,356	\$ (5,247,985)	\$ (32,050,189)	\$ 320,193	\$ (278,147,404)
General Revenues:										
Payment From Primary Government					156,721,509	2,755,000	5,000,000	4,334,449	-	168,810,958
Intergovernmental Revenue Not Restricted to Specific Programs					81,911,829	(812,515)	-	27,911,087	-	109,010,401
Investment Earnings					-	279,000	-	-	42,718	321,718
Gain (Loss) on Disposal of Assets					229,280	1,404,181	430,026	351,021	7,109,672	351,021
Miscellaneous Other Income					73,418	(811,910)	-	1,084,194	-	10,257,353
Interest Expense					-	7,830	-	-	-	(811,910)
Interest Income					238,936,036	2,821,586	39,531	70,844	-	191,623
Total General Revenues					(2,604,743)	3,192,942	221,572	1,701,406	7,472,583	9,983,760
Changes in Net Position										
Net Position - Beginning of Year					(280,897,467)	10,067,904	11,587,686	6,162,576	109,379,500	(143,699,801)
Net Position - End of Year					(283,502,210)	13,260,846	11,809,258	7,863,982	116,852,083	(133,716,041)

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





**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

The City's financial statements are prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) 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 discrete. 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 year-end.

**Component Units**

**Blended Component Units:**

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

**The Richmond Retirement System (RRS)**

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

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

**Advantage Richmond Corporation (ARC)**

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

**Discretely Presented Component Units:**

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

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

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

#### **Proprietary Component Units**

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

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

Richmond Ambulance Authority (RAA)

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

Richmond Behavioral Health Authority (RBHA)

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

Richmond Redevelopment and Housing Authority (RRHA)

RRHA is responsible for operating a low-rent housing program, which provides housing for eligible families, for operating redevelopment and conservation programs in accordance with the City's Master Plan, and for the delivery of services to citizens of low-rent housing and urban renewal areas through the encouragement and development of social and economic opportunities. The City Council appoints the Commissioners of RRHA and is financially accountable for RRHA's operations. RRHA's September 30, 2018 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 joint venture agreement between the City and the County of Chesterfield, Virginia, provides mass transportation for passengers on a regional basis and associated para-transit service mandated by the Americans with Disabilities Act for the purposes of providing continuous service within and between the jurisdictions of the City, Chesterfield County and Henrico County. Greater Richmond Transit Company, a public service corporation incorporated on April 12, 1973, is governed by a six-member board of directors; three of which are appointed by the City and three by the County of Chesterfield. MV Contract Transportation Inc., is under contract with the Greater Richmond Transit Company to provide the executive management team that manages the operations of the 100 percent owned subsidiary, Old Dominion Transit Management Company, which does business as GRTC Transit System.

Fare revenues and route subsidies pay all costs associated with each locality utilizing the GRTC Transit System services only to the extent that each locality operates routes within their jurisdiction. The City expended \$15,172,248 for operating subsidies for bus routes and para-transit services within the City for the year ended June 30, 2019. The City also expended \$344,492 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, 2019.

*Central Virginia Waste Management Authority* (CVWMA) was created pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2 of the Code of Virginia (1950), as amended). CVWMA's purpose is to plan, acquire, construct, reconstruct, improve, extend, operate, contract for and maintain any garbage and refuse collection, transfer and disposal program or system, including waste reduction, waste material recovery, recycling as mandated by law or otherwise, resource recovery, waste incineration, landfill operation, ash management, sludge disposal from water and wastewater treatment facilities, household hazardous waste management and disposal, and similar programs within one or more political subdivisions which are members of the CVWMA. The City is a member of the CVWMA. The CVWMA is governed by a Board of Directors consisting of one or more representatives appointed by each of the thirteen member cities, town and counties. The City appointed three of the twenty-member board of directors. The City provided \$2,824,595 in funding to CVWMA for the fiscal year ended June 30, 2019.

The *Greater Richmond Partnership* (GRP) is comprised of members from the City and the counties of Chesterfield, Hanover, and Henrico. Together in partnership with the business leadership of the area, the GRP's purpose is to further economic development of the metropolitan Richmond area. The City has one member on the board that is an elected official and one alternate member. The City provided \$385,000 in funding to GRP for the year ended June 30, 2019.

The *Richmond Metropolitan Convention and Visitors Bureau* (RMCVB) – also "DBA" Richmond Region Tourism - serves the City and the Counties of Chesterfield, Hanover, Henrico and New Kent by promoting conventions, tourism and development in the Metropolitan Richmond area in order to increase revenues, provide increased employment and improve the economic health of all jurisdictions involved. The City has three representatives serving on the RMCVB Board of Directors. The City contributed \$1,744,092 to RMCVB for the year ended June 30, 2019.

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 \$143,451 for the year ended June 30, 2019.

The *Greater Richmond Convention Center Authority* (GRCCA), a political subdivision of the Commonwealth of Virginia, was created on January 9, 1998 pursuant to the Public Recreational Facilities Authority Act, Chapter 56 of Title 15.2, *Code of Virginia*. The GRCCA was created to acquire, finance, expand, renovate, construct, lease, operate, and maintain the facility and grounds of a visitors and convention center. The political subdivisions participating in the incorporation of the GRCCA are the City and the Counties of Chesterfield, Hanover and Henrico. The GRCCA is governed by a five-member commission comprised of the chief administrative officer of each of the four incorporating political subdivisions and the President/CEO of the Retail Merchants Association of Counties of Chesterfield, Hanover and Henrico. The City contributed \$9,001,579 in transient occupancy tax revenue for the year ending June 30, 2019.

**B. Basis of Presentation**

**Government-wide and Fund Financial Statements**

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

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

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

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

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

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

#### **Governmental Funds**

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

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

#### **Proprietary Funds**

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

- *Enterprise Funds* -Enterprise Funds are used to report activities for which a fee is charged to external users for goods and services. The City maintains seven Enterprise Funds consisting of the gas, water, wastewater operations and storm water operations (all of which are considered major funds), Cemeteries, Richmond Coliseum (Coliseum) and Parking Enterprise (which are combined into a single, aggregated presentation as non-major proprietary funds). A description of the major enterprise funds are as follows:
  - *Gas* – The Gas Utility provides natural gas service to the City and surrounding counties. Operation of the Gas Utility is designed to be self-supporting through user charges.
  - *Water* – The Water Utility provides retail water service to the City and surrounding counties. Operation of the Water Utility is designed to be self-supporting through user charges.
  - *Wastewater* – The Wastewater Utility provides wastewater service to the City and portions of the surrounding counties. Operation of the Wastewater Utility is designed to be self-supporting through user charges.
  - *Storm water 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, OPEB Trust and Deferred Compensation Plan.
- *Agency Funds* – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. The Agency Funds consist of the assets and liabilities of several organizations for which the City serves as fiscal agent, such as the Department of Parks, Recreation and Community Facilities, the Department of Public Works and the Law Department.

#### **Reconciliation of Government-wide and Fund Financial Statements**

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

#### **C. Basis of Accounting**

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

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

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

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

**D. Cash and Cash Equivalents**

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

**E. Investments**

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

**F. Allowances for Doubtful Accounts**

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

Allowances for doubtful accounts at June 30, 2019 were as follows:

General Fund and Governmental Activities	\$	15,498,803
Enterprise Funds:		
Utilities:		
Gas		1,356,352
Water		1,176,005
Wastewater		842,905
Storm water		<u>4,992,775</u>
Total Enterprise Funds		<u>8,368,037</u>
Total Allowances for Doubtful Accounts	\$	<u><u>23,866,840</u></u>

**G. Inventories**

Inventories on hand at June 30, 2019 have been reported on the government-wide Statement of Net Position. Inventories of consumable supplies are recorded at cost determined on a first in, first out basis. Inventories in the Proprietary Funds are accounted for under the lower of cost, determined by using weighted average cost or first-in, first-out methods, or market.

**H. Capital Assets**

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

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



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

<b>Governmental:</b>	
Infrastructure	20 to 50 years
Buildings and structures	20 to 50 years
Equipment and other assets	2 to 20 years
<b>Enterprise Funds:</b>	
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
Coliseum	2 to 20 years
Cemeteries	2 to 20 years
Buildings and structures	20 to 60 years
Equipment and other assets	2 to 20 years

**I. Construction Period Interest**

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

**J. Compensated Absences**

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

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

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

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

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

**K. Judgment and Claims**

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

**L. Deferred Outflows and Inflows of Resources**

In addition to assets, the Balance Sheet and Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources related to pensions and the unamortized losses on refunding of debt, resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

For the RRS Pension Plan, the City had deferred inflows of \$1.27 million comprised primarily of 1) difference between expected and actual experience \$1.2 million and 2) change in proportion and difference between employer contribution and proportion share of \$.068 million.

Deferred outflows of \$65.6 million was comprised primarily of 1) difference between expected and actual experience of \$9.6 million, 2) the difference between actual and expected investment earnings of \$7.5 million, 3) employer contributions subsequent to the measurement date of \$48.4 million and 4) change in proportion and difference between employer contribution and proportion share of \$.068 million.

For the Virginia Retirement System, deferred outflows consisted of total employer contributions made after the measurement date of \$4.7 million. Deferred Inflows for the VRS plan totaled \$2.7 million, which consisted of \$1.4 million for the difference between expected and actual experience, and change in assumptions of \$0.4 million and the difference between projected and actual earnings on plan investments of \$0.9 million.

For OPEB under the Richmond Plan deferred outflows of resources was \$ 3.4 million, which represented employer contributions subsequent to the measurement date.

The VRS OPEB deferred outflow of resources were \$0.234 million which also represents different actual, expected experience, and employer contributions subsequent to the measurement date.

The VRS Group Life OPEB Plan also had a deferred inflow of \$ .291 million, made primarily of changes in assumptions of \$.086 million, difference between projected and actual earnings of \$.037 million; changes in proportion of \$.101 million and difference between expected and actual experience of \$.067 million.

**M. Restricted Assets**

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

**N. Categories of Fund Balance**

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

**Non-spendable** – 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 10.0 percent to 13.67 percent of budgeted General Fund expenditures.

#### **O. Net Position**

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

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

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

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

#### **P. Internal and Intra-entity Activity**

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds have been eliminated or reclassified. Eliminations are made in the Statement of Net Position to minimize the *grossing-up* effect on assets and liabilities within the governmental and business-type activities columns of the Primary Government. Amounts reported in the funds as interfund receivables and payables are eliminated in the

governmental and business-type activities columns of the government-wide financial statements, except for net residual amounts due between governmental and business type activities, which are presented as internal balances. Also, eliminations are made in the Statement of Activities to remove the *doubling-up* effect of Internal Service Fund activity.

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

**Q. Advances to Other Funds**

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

**R. Rate Stabilization**

City Code section 106-37 authorizes the Utilities Enterprise Funds to establish rate stabilization accounts within each utility. The purpose of rate stabilization is to mitigate and smooth any rate increases that otherwise might be required from year to year by increasing the rate stabilization amounts in years when revenues exceed those needed to meet reasonable rates of return. For the year ended June 30, 2019, Wastewater Utility has approximately \$4.3 million for rate stabilization funds.

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

**S. Estimates and Assumptions**

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

**T. Identification of Major Revenue Sources Susceptible to Accrual**

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

**U. Permanent Funds**

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

**V. Unearned Revenues**

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

**W. Adoption of New Accounting Pronouncements**

During the year ended June 30, 2019, the City implemented the provisions of the following GASB statements:

In April 2018, *GASB Statement No. 88 Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements was issued*. The primary objective of this Statement is to improve the information that is disclosed in government financial statement notes related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

In November 2016, GASB issued *Statement No. 83 Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities

related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. This statement had no impact on the City.

**X. Future Accounting Pronouncements**

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

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

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

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The City is reviewing the impact of this statement and will implement it in 2020.

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

Issued in January 2017, *Statement No. 84 Fiduciary Activities* seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post employment benefit arrangements that are fiduciary activities. The City will review the impact of this statement and implement in 2020.

**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

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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.

The City bills and collects its own property taxes. Delinquent property taxes may be sent to collection services. Property taxes levied January 1, 2019, are intended to finance operations of the fiscal year ended June 30, 2019. The real estate taxes assessed and due on January 14, 2019, and June 14, 2019, are intended to finance operations of the fiscal year ended June 30, 2019.

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

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

At June 30, 2019, cash on hand, cash items and petty cash totaled approximately \$49,099 and the carrying value of the City's demand deposits, savings accounts, and time certificates of deposit with institutions totaled \$92,139,276 and is included in cash and cash equivalents. The City's deposits of \$92,139,276 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.

*Custodial credit risk for deposits:*

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. At June 30, 2019, the City did not have any deposits that were not covered by depository insurance or collateralized under the Virginia Security for Public Deposits Act.

**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, 2019, 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 investments:*

As of June 30, 2019, the City holds its investment securities primarily in external investment pools and thus is not subject to custodial credit risk disclosure.

*Concentration Risk:*

As of June 30, 2019, the City does not have concentration of credit risk, as no investments were with any one issuer representing more than 5 percent of total investments.



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A summary of deposits and investments held by Government-wide at June 30, 2019 is as follows:

	<u>Government Wide</u>	<u>Agency</u>
Deposits		
Cash on hand	\$ 49,099	\$ 3,580,458
Demand deposits	92,139,176	-
Investments		
LGIP	346,300,504	-
Trusts	8,986,205	-
Money markets	78,775,368	-
Total deposits and investments	<u>\$ 526,250,452</u>	<u>\$ 3,580,458</u>

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

	Government-wide		Fiduciary Funds Statement of Net Position			Total
	Statement of Net Position	Richmond Retirement System	Other Employee Benefits	Pooled OPEB Trust	Agency	
Cash and cash equivalents	\$ 405,835,085	\$ 11,529,423	\$ -	\$ -	\$ 3,580,458	\$ 420,944,966
Investments	-	577,865,230	114,521,100	-	-	692,386,330
Restricted assets	120,415,367	-	-	250,000	-	120,665,367
Total	<u>\$ 526,250,452</u>	<u>\$ 589,394,653</u>	<u>\$ 114,521,100</u>	<u>\$ 250,000</u>	<u>\$ 3,580,458</u>	<u>\$ 1,233,996,663</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 their fair value hierarchy established by Generally Accepted Accounting Principles (GAAP) outlined in GASB 72. The following table shows the Richmond Retirement System fair value measurements as of June 30, 2019.

**Investments Measured at Fair Value**

	Fair Value at June 30, 2019	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
<i>Equity Securities by Industry Class</i>				
Consumer Spending	\$ 3,216,573	\$ 3,216,573	\$ -	\$ -
Energy and Industrials	4,632,534	4,632,534	-	-
Information Technology	2,850,666	2,850,666	-	-
Financials	5,623,434	5,623,434	-	-
Healthcare	2,598,298	2,598,298	-	-
Other	2,667,028	2,667,028	-	-
<b>Total Equity Securities</b>	<u>21,588,533</u>	<u>21,588,533</u>	<u>-</u>	<u>-</u>
<i>Fixed Income Securities by Industry Class</i>				
Corporate Bonds	17,426,201	13,671,838	3,754,363	-
Mortgage Backed Securities	5,502,412	-	5,502,412	-
US Treasury Obligations	4,759,219	4,759,219	-	-
<b>Total Debt Securities</b>	<u>27,687,832</u>	<u>18,431,057</u>	<u>9,256,775</u>	<u>-</u>
<b>Total US Fixed Income</b>				
Global Fixed Income	7,947,829	4,007,227	3,940,602	-
Opportunistic Fixed Income Funds	25,485,292	-	-	25,485,292
Real Estate Investment Trusts and Funds	8,252,322	6,131,966	-	2,120,356
Hedge Fund of Funds	27,324,159	-	-	27,324,159
Private Debt	37,559,835	-	-	37,559,835
Private Equity	23,070,051	-	-	23,070,051
	<u>129,639,488</u>	<u>10,139,193</u>	<u>3,940,602</u>	<u>115,559,693</u>
<b>Total Investments Measured at Fair Value</b>	<u>\$ 178,915,853</u>	<u>\$ 50,158,783</u>	<u>\$ 13,197,377</u>	<u>\$ 115,559,693</u>

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	Fair Value	Unfunded Commitments	Redemption Frequency	Required Redemption Notice
Investments Measured at Net Asset Value (NAV)				
US Equity Funds	\$ 126,570,718	\$ -	Daily	3-5 days
International Equities	100,842,560	-	Daily	1-30 days
Global Fixed Income	95,803,548	-	Daily	1-10 days
Real Estate Investment Trusts and Funds	27,111,987	-	Quarterly	45 days
Hedge Funds	48,620,564	-	Daily, Quarterly	1-95 days
<b>Total Investments Measured at Net Asset Value (NAV)</b>	<u>\$ 398,949,377</u>			
<b>Total Investments at Fair Value</b>	<u>\$ 577,865,230</u>			

Level 1 investments are valued at active market quoted prices.

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

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

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

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

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

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

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

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

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



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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.

The City of Richmond also has investments measured at fair value in its ICMA-RC 457 Deferred Compensation Plan and they are categorized according to the fair value hierarchy established by GAAP outlined in GASB 72. The following table shows the fair value measurement as of June 30, 2019.

ICMA-RC  
Investments Measured at Fair Value  
June 30, 2019

<u>Investments Measured at Fair Value</u>	Fair Value	Quoted Price in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Stable Value Cash Management Funds	\$ 32,626,430	\$ 32,626,430	\$ -	\$ -
Bonds	4,085,222	4,085,222	-	-
Guaranteed Lifetime Income Funds	268,934	268,934	-	-
Balance Asset Allocation	25,128,893	25,128,893	-	-
US Stock	48,502,254	48,502,254	-	-
International Global Stock	3,909,367	3,909,367	-	-
Total Investments at Fair Value	<u>\$ 114,521,100</u>	<u>\$ 114,521,100</u>	<u>\$ -</u>	<u>\$ -</u>

**Participation in External Investment Pools**

The City of Richmond has invested bond proceeds subject to rebate of arbitrage earnings in the Virginia State Non-Arbitrage Program (“SNAP”). SNAP is designed to assist local governments in complying with the arbitrage rebate requirements of the Tax Reform Act of 1986. These programs provide comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of general obligation and revenue tax-exempt bond financing of Virginia cities, counties and towns. As of June 30, 2019, the City had \$67,577,435 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, 2019, the City had \$294,493,631 in the LGIP short-term investment. 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) 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, 2019 the City's investment in the fund was valued at \$51,806,873.

- a) The LGIP-EM is rated AA+ / 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.

**4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The City reports interfund balances among many of its funds, as follows:

		Due From						
		Capital Projects	Non-Major Governmental	Non-Major Proprietary	Storm water	Internal Service	Agency Funds	Total
<b>Due To</b>	General	\$ 55,930,807	\$ 4,567,940	\$ 1,987,316	\$ -	\$ 27,320,991	\$ 56,232	\$ 89,863,286
	Gas	-	-	-	706,242	181,824	-	888,066
	Water	-	-	-	706,242	146,133	-	852,375
	Wastewater	-	-	-	4,076,990	500	-	4,077,490
	Storm water	-	-	-	-	437	-	437
	Total	<u>\$ 55,930,807</u>	<u>\$ 4,567,940</u>	<u>\$ 1,987,316</u>	<u>\$ 5,489,474</u>	<u>\$ 27,649,885</u>	<u>\$ 56,232</u>	<u>\$ 95,681,654</u>

The balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments among funds are made. The City reports interfund transfers among many of its funds. Interfund transfers for the year ended June 30, 2019, 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 report interfund transfers among many of its funds. Interfund transfers for the year ended June 30, 2019, consisted of the following:

		Transfer From					
		General Fund	Major Proprietary Funds			Non- Major Governmental	Total
			Gas	Water	Wastewater		
<b>Transfer To</b>	General	\$ -	\$ 658,907	\$ 2,045,473	\$ 2,468,657	\$ -	\$ 5,173,037
	Debt Service	68,232,503	-	-	-	386,164	68,618,667
	Non-Major Enterprise	602,491	-	-	-	-	602,491
	Non-Major Governmental	18,322,785	-	-	-	-	18,322,785
	Total	<u>\$ 87,157,779</u>	<u>\$ 658,907</u>	<u>\$ 2,045,473</u>	<u>\$ 2,468,657</u>	<u>\$ 386,164</u>	<u>\$ 92,716,980</u>

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**5. DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at June 30, 2019 are as follows:

Primary Government	Federal	State	Other Localities	Total
General Fund	\$ -	\$ 28,872,438	\$ -	\$ 28,872,438
Capital Projects Fund	2,177,195	881,775	-	3,058,970
Non-major Governmental Funds	2,562,317	367,770	2,444,873	5,374,960
Gas Fund	5,466	-	-	5,466
Water Fund	7,874	37,776	4,389,576	4,435,226
Wastewater Fund	259	8,625,623	-	8,625,882
Storm water Fund	12,260	-	-	12,260
	<u>\$ 4,765,371</u>	<u>\$ 38,785,382</u>	<u>\$ 6,834,449</u>	<u>\$ 50,385,202</u>

**6. CAPITAL ASSETS**

**Primary Government – Governmental Activities**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 98,789,965	\$ 123,000	\$ 62,470	\$ 98,850,495
Construction in Progress	85,471,946	64,190,284	52,350,457	97,311,773
Works of Art/Historical Treasures	8,462,917	270,310	-	8,733,227
Total Capital Assets Not Being Depreciated	<u>192,724,828</u>	<u>64,583,594</u>	<u>52,412,927</u>	<u>204,895,495</u>
Capital Assets Being Depreciated:				
Infrastructure	938,257,061	17,432,858	-	955,689,919
Building and Structures	922,236,272	16,991,544	5,326,240	933,901,576
Equipment	136,489,711	10,195,080	4,642,065	142,042,726
Improvements Other Than Buildings	21,483,855	8,682,458	-	30,166,313
Total Other Capital Assets	<u>2,018,466,899</u>	<u>53,301,940</u>	<u>9,968,305</u>	<u>2,061,800,534</u>
Less Accumulated Depreciation For:				
Infrastructure	592,527,901	22,724,378	205,446	615,046,833
Building and Structures	375,668,760	23,330,664	4,528,452	394,470,972
Equipment	104,160,451	8,498,182	4,620,434	108,038,199
Improvements Other Than Buildings	11,899,650	1,052,447	-	12,952,097
Total Accumulated Depreciation	<u>1,084,256,762</u>	<u>55,605,671</u>	<u>9,354,332</u>	<u>1,130,508,101</u>
Total Capital Assets Being Depreciated, Net	<u>934,210,137</u>	<u>(2,303,731)</u>	<u>613,973</u>	<u>931,292,433</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,126,934,965</u>	<u>\$ 62,279,863</u>	<u>\$ 53,026,900</u>	<u>\$ 1,136,187,928</u>

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Depreciation expense was charged to functions as follows:

General Government	\$ 21,060,355
Public Safety and Judiciary	4,099,096
Highways, Streets, Sanitation and Refuse	23,366,012
Human Services	182,378
Culture and Recreation	2,983,679
Education	3,914,151
Subtotal	<u>55,605,671</u>
Allocation related to Internal Service Funds excludes	
Stores	7,983,634
Total	<u><u>\$ 47,622,037</u></u>

**Primary Government – Business-type Activities**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b><i>Gas Utility</i></b>				
Capital Assets Not Being Depreciated -				
Land	\$ 219,200	\$ -	\$ -	\$ 219,200
Construction in Progress	3,171,175	26,755,667	27,891,693	2,035,149
Capital Assets Being Depreciated -				
Plant-in-service	662,425,639	27,891,692	169,611	690,147,720
Total Capital Assets Being Depreciated	<u>662,425,639</u>	<u>27,891,692</u>	<u>169,611</u>	<u>690,147,720</u>
Less Accumulated Depreciation For -				
Plant-in-service	258,426,059	21,579,594	169,617	279,836,036
Total Accumulated Depreciation	<u>258,426,059</u>	<u>21,579,594</u>	<u>169,617</u>	<u>279,836,036</u>
Total Capital Assets Being Depreciated, Net	<u>403,999,580</u>	<u>6,312,098</u>	<u>(6)</u>	<u>410,311,684</u>
Gas Utility Capital Assets, Net	<u>\$ 407,389,955</u>	<u>\$ 33,067,765</u>	<u>\$ 27,891,687</u>	<u>\$ 412,566,033</u>
<b><i>Water Utility</i></b>				
Capital Assets Not Being Depreciated -				
Land	\$ 878,307	\$ -	\$ -	\$ 878,307
Construction in Progress	41,574,407	16,375,190	46,491,476	11,458,121
Capital Assets Being Depreciated -				
Plant-in-service	559,088,414	46,491,470	128,662	605,451,222
Total Capital Assets Being Depreciated	<u>559,088,414</u>	<u>46,491,470</u>	<u>128,662</u>	<u>605,451,222</u>
Less Accumulated Depreciation For -				
Plant-in-service	215,544,032	19,488,269	128,660	234,903,641
Total Accumulated Depreciation	<u>215,544,032</u>	<u>19,488,269</u>	<u>128,660</u>	<u>234,903,641</u>
Total Capital Assets Being Depreciated, Net	<u>343,544,382</u>	<u>27,003,201</u>	<u>2</u>	<u>370,547,581</u>
Water Utility Capital Assets, Net	<u>\$ 385,997,096</u>	<u>\$ 43,378,391</u>	<u>\$ 46,491,478</u>	<u>\$ 382,884,009</u>
<b><i>Wastewater Utility</i></b>				
Capital Assets Not Being Depreciated -				
Land	\$ 1,101,261	\$ -	\$ -	\$ 1,101,261
Construction in Progress	23,746,892	39,970,568	35,262,607	28,454,853
Capital Assets Being Depreciated -				
Plant-in-service	760,391,905	35,262,602	70,947	795,583,560
Total Capital Assets Being Depreciated	<u>760,391,905</u>	<u>35,262,602</u>	<u>70,947</u>	<u>795,583,560</u>
Less Accumulated Depreciation For -				
Plant-in-service	318,717,790	23,088,261	70,947	341,735,104
Total Accumulated Depreciation	<u>318,717,790</u>	<u>23,088,261</u>	<u>70,947</u>	<u>341,735,104</u>
Total Capital Assets Being Depreciated, Net	<u>441,674,115</u>	<u>12,174,341</u>	<u>-</u>	<u>453,848,456</u>
Wastewater Utility Capital Assets, Net	<u>\$ 466,522,268</u>	<u>\$ 52,144,909</u>	<u>\$ 35,262,607</u>	<u>\$ 483,404,570</u>

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	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b><i>Storm water Utility</i></b>				
Capital Assets Not Being Depreciated -				
Construction in Progress	\$ 957,267	\$ 9,747,645	\$ 9,859,699	\$ 845,213
Capital Assets Being Depreciated -				
Plant-in-service	37,388,968	9,859,699	-	47,248,667
Total Capital Assets Being Depreciated	<u>37,388,968</u>	<u>9,859,699</u>	<u>-</u>	<u>47,248,667</u>
Less Accumulated Depreciation For -				
Plant-in-service	4,517,248	1,824,210	-	6,341,458
Total Accumulated Depreciation	<u>4,517,248</u>	<u>1,824,210</u>	<u>-</u>	<u>6,341,458</u>
Total Capital Assets Being Depreciated, Net	<u>32,871,720</u>	<u>8,035,489</u>	<u>-</u>	<u>40,907,209</u>
Storm water Utility Capital Assets, Net	<u>33,828,987</u>	<u>17,783,134</u>	<u>9,859,699</u>	<u>\$ 41,752,422</u>
<b><i>Other Business-type Activity:</i></b>				
Capital Assets Not Being Depreciated -				
Land and Land Improvements	\$ 27,039,115	\$ -	\$ -	\$ 27,039,115
Capital Assets Being Depreciated -				
Buildings and Structures	70,163,316	1,091,888	-	71,255,204
Equipment and Other Capital Assets	9,736,913	13,093	153,355	9,596,651
Total Capital Assets Being Depreciated	<u>79,900,229</u>	<u>1,104,981</u>	<u>153,355</u>	<u>80,851,855</u>
Less-Accumulated Depreciation For				
Buildings and Structures	42,215,885	1,489,334	-	43,705,219
Equipment and Other Assets	7,630,533	299,748	69,043	7,861,238
Total Accumulated Depreciation	<u>49,846,418</u>	<u>1,789,082</u>	<u>69,043</u>	<u>51,566,457</u>
Total Capital Assets Being Depreciated, Net	<u>30,053,811</u>	<u>(684,101)</u>	<u>84,312</u>	<u>29,285,398</u>
Other Business-type Activity Capital Assets, Net	<u>\$ 57,092,926</u>	<u>\$ (684,101)</u>	<u>\$ 84,312</u>	<u>\$ 56,324,513</u>
Enterprise Funds Capital Assets, Net	<u>\$ 1,350,831,232</u>	<u>\$ 145,690,098</u>	<u>\$ 119,589,783</u>	<u>\$ 1,376,931,547</u>
Internal Service Fund - Stores Utility, Net	<u>\$ 2,634,070</u>	<u>\$ -</u>	<u>\$ 112,272</u>	<u>\$ 2,521,798</u>
	<u>\$ 1,353,465,302</u>	<u>\$ 145,690,098</u>	<u>\$ 119,702,055</u>	<u>\$ 1,379,453,345</u>

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**7. OBLIGATIONS**

Changes in obligations during the fiscal year ended June 30, 2019 are summarized below:

**Primary Government – Governmental Activities**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Not Due Within One Year	Due Within One Year
General Obligation Bonds	\$ 631,881,280	\$ 55,200,000	\$ 40,224,554	\$ 646,856,726	\$ 604,782,958	\$ 42,073,768
General Obligation Bond - Direct Borrowing	21,041,241	-	8,569,200	12,472,041	12,401,191	70,850
Total General Obligation Bonds	652,922,521	55,200,000	48,793,754	659,328,767	617,184,149	42,144,618
General Obligation Serial Notes	625,000	-	625,000	-	-	-
Qualified Zone Academy Bonds	1,062,453	-	622,472	439,981	361,646	78,335
HUD Section 108 Notes	9,080,000	2,607,000	530,000	11,157,000	10,487,000	670,000
Premium on Debt Issued	75,031,454	3,663,231	9,423,318	69,271,367	59,851,798	9,419,569
Total General Obligation Bonds and Notes	738,721,428	61,470,231	59,994,544	740,197,115	687,884,593	52,312,522
Line of Credit - Bond Anticipation Note - Series 2018A	-	6,200,000	-	6,200,000	6,200,000	-
Line of Credit - Bond Anticipation Note - Series 2018B	-	36,000,000	-	36,000,000	36,000,000	-
Total Obligations	<u>\$ 738,721,428</u>	<u>\$ 103,670,231</u>	<u>\$ 59,994,544</u>	<u>\$ 782,397,115</u>	<u>\$ 730,084,593</u>	<u>\$ 52,312,522</u>
Advantage Richmond Lease Revenue Bond	\$ 3,235,406	\$ -	\$ 1,022,357	\$ 2,213,049	\$ 1,135,571	\$ 1,077,478
Compensated Absences	\$ 18,846,585	\$ 17,939,783	\$ 17,841,315	\$ 18,945,053	\$ 17,097,925	\$ 1,847,128
Net Other Postemployment Benefit Liability	\$ 68,941,090	\$ 5,119,701	\$ -	\$ 74,060,791	\$ 74,060,791	\$ -
Net Pension Liability	\$ 273,368,688	\$ -	\$ 6,049,722	\$ 267,318,966	\$ 267,318,966	\$ -

As of June 30, 2019, the City's Primary Government has outstanding general obligation bonds and notes of \$782,397,115. Directly borrowed debt 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 FY 2019, the City put in place two Line of Credit Bond Anticipation Note Facilities (See details later in this Footnote). Both of these facilities 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 through the City's biennial budget process.

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

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

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**Primary Government – Business Type Activities**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Not Due Within One Year	Due Within One Year
<i>General Obligation Bonds</i>						
Gas Utility - Bonds	\$ 17,390,297	\$ -	\$ 2,362,784	\$ 15,027,513	\$ 12,580,561	\$ 2,446,952
Gas Utility - Direct Borrowing	6,665,400	-	3,183,200	3,482,200	223,100	3,259,100
Total General Obligation Debt	24,055,697	-	5,545,984	18,509,713	12,803,661	5,706,052
Water Utility - Bonds	11,527,633	-	1,426,343	10,101,290	8,624,138	1,477,152
Water Utility - Direct Borrowing	6,230,700	-	2,975,600	3,255,100	208,550	3,046,550
Total General Obligation Bonds	17,758,333	-	4,401,943	13,356,390	8,832,688	4,523,702
Wastewater Utility - Bonds	-	-	-	-	-	-
Wastewater Utility - Direct Borrowing	2,125,000	-	692,000	1,433,000	724,500	708,500
Total General Obligation Bonds	2,125,000	-	692,000	1,433,000	724,500	708,500
Stormwater Utility - Direct Borrowing	1,181,400	20,013	70,616	1,130,797	1,066,328	64,469
Premium on Debt, Net	301,146	-	166,379	134,767	134,767	-
Total Utilities - General Obligation Bonds	45,421,576	20,013	10,876,922	34,564,667	23,561,944	11,002,723
Non-Major Enterprise Funds Bonds	61,897,189	--	5,986,319	55,910,870	49,718,743	6,192,127
Non-Major Enterprise Funds - Direct Borrowing	266,259	-	-	266,259	266,259	-
Total - Non-Major Enterprise Funds	62,163,448	--	5,986,319	56,177,129	49,985,002	6,192,127
Premium on Debt, Net	1,764,798	-	227,419	1,537,379	1,537,379	-
Total Non Major - General Obligation Bonds	63,928,246	-	6,213,738	57,714,508	51,522,381	6,192,127
Total General Obligation Bond Debt	109,349,822	20,013	17,090,660	92,279,175	75,084,325	17,194,850
<i>Revenue Bonds:</i>						
Gas Utility - Bonds	256,656,784	-	6,991,682	249,665,102	242,946,532	6,718,570
Gas Utility - Direct Borrowing	-	-	-	-	-	-
Total Revenue Bonds - Gas	256,656,784	-	6,991,682	249,665,102	242,946,532	6,718,570
Water Utility - Bonds	200,506,728	-	5,957,977	194,548,751	189,010,520	5,538,231
Water Utility - Direct Borrowing	141,570	-	6,292	135,278	128,986	6,292
Total Revenue Bonds - Water	200,648,298	-	5,964,269	194,684,029	189,139,506	5,544,523
Wastewater Utility - Bonds	228,811,486	-	6,590,341	222,221,145	216,022,946	6,198,199
Wastewater Utility - Direct Borrowing	52,661,179	-	4,413,130	48,248,049	44,423,579	3,824,470
Total Revenue Bonds - Wastewater	281,472,665	-	11,003,471	270,469,194	260,446,525	10,022,669
Premium on Revenue Bond Debt, Net	86,285,036	-	6,667,280	79,617,756	79,617,756	-
Total Revenue Bonded Debt	825,062,783	-	30,626,702	794,436,081	772,150,319	22,285,762
Total Bonded Debt	\$ 934,412,605	\$ 20,013	\$ 47,717,362	\$ 886,715,256	\$ 847,234,644	\$ 39,480,612
<i>Compensated Absences:</i>						
Gas	\$ 862,994	\$ 854,653	\$ 797,612	\$ 920,035	\$ 709,695	\$ 210,340
Water	710,700	659,304	660,264	709,740	547,478	162,262
Wastewater	609,171	586,048	564,339	630,880	486,647	144,233
Stormwater	228,439	219,768	211,626	236,581	182,493	54,088
Stores Operating Fund	25,383	24,418	23,514	26,287	20,277	6,010
Cemeteries	81,483	50,390	77,628	54,245	52,136	2,109
Parking Garages	38,882	42,111	35,661	45,332	43,404	1,928
Total Compensated Absences	\$ 2,557,052	\$ 2,436,692	\$ 2,370,644	\$ 2,623,100	\$ 2,042,130	\$ 580,970
Other Postemployment Benefit Liability	\$ 11,475,836	\$ 502,535	\$ -	\$ 11,978,371	\$ 11,978,371	\$ -
Net Pension Liability	\$ 39,809,050	\$ -	\$ 769,580	\$ 39,039,470	\$ 39,039,470	\$ -

As of June 30, 2019, the outstanding debt of the City's Business-Type Activities (Enterprise Funds) totaled debt of \$886,715,256, including \$824,145,231 of publicly issued bonds and premiums and \$48,383,327 of direct borrowings from the Commonwealth of Virginia's Virginia Resources Authority (VRA).



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**Details of Bonds and Notes Outstanding**

	Interest Rates	Issue Date	Maturity Date	Original Issue	Balance at June 30, 2019	
					Governmental Activities	Enterprise Funds
<i>General Obligation Bonds</i>						
Public Improvement Bonds 2009A	2.00% - 5.00%	12/22/2009	7/15/2029	78,580,000	3,765,000	-
Public Improvement Refunding Bonds 2009B	2.00% - 5.00%	12/22/2009	7/15/2022	34,340,000	18,565,000	-
Public Improvement Bonds 2010B (QSCB)	5.27%	11/16/2010	11/1/2029	14,980,000	14,980,000	-
Public Improvement Refunding Bonds 2010C	1.50% - 5.00%	11/16/2010	7/15/2023	85,180,000	8,658,625	1,926,375
Public Improvement Bonds 2011A (VRA)	0.00%	6/1/2011	1/15/2032	225,000	-	146,250
Public Improvement Bonds 2012A	2.00% - 5.00%	6/28/2012	3/1/2032	98,835,000	22,240,000	-
Public Improvement Refunding Bonds 2012B	2.00% - 5.00%	6/28/2012	7/15/2024	46,870,000	25,785,000	-
Public Improvement Refunding Bonds 2012C	.35% - 2.85%	6/28/2012	7/15/2023	100,030,000	20,103,102	22,986,898
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	18,015,000	-
Public Improvement Bonds 2013B	3.00% - 4.80%	9/26/2013	3/1/2033	11,295,000	9,355,000	-
Public Improvement Bonds 2014A	3.00% - 5.00%	12/23/2014	3/1/2035	99,295,000	55,035,000	-
Public Improvement Refunding Bonds 2014B	5.00%	12/23/2014	7/15/2026	25,605,000	25,605,000	-
Public Improvement Refunding Bonds 2015A	2.34%	7/15/2015	7/15/2023	56,715,000	12,472,041	14,452,959
Public Improvement Bonds 2015B	3.00% - 5.00%	12/8/2015	3/1/2038	62,795,000	53,090,000	-
Public Improvement Bonds 2015C	3.00% - 4.00%	12/8/2015	6/1/2041	23,000,000	21,170,000	-
Public Improvement Bonds 2017A (VRA)	0.00%	3/30/2017	7/15/2037	1,310,278	-	984,545
Public Improvement Refunding Bonds 2017B	3.00% - 5.00%	7/14/2017	7/15/2037	185,070,000	172,320,000	8,820,000
Public Improvement Refunding Bonds 2017C	1.15% - 3.13%	7/14/2017	7/15/2031	43,965,000	-	41,290,000
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	45,540,000	-
Public Improvement Refunding Bonds 2018B	3.45% - 3.75%	8/15/2018	3/1/2033	8,310,000	7,940,000	-
Qualified Zone Academy Bonds - 2004B	0.00%	12/30/2004	12/30/2020	1,536,671	439,979	-
<i>General Obligation Notes</i>						
Line of Credit BAN - Series 2018A	Variable	11/29/2018	11/1/2022	150,000,000	6,200,000	-
Line of Credit BAN - Series 2018B	Variable	12/14/2018	11/1/2020	60,000,000	36,000,000	-
<i>HUD Section 108 Notes</i>						
HUD Section 108 Note Series 2015A	0.83% - 3.60%	5/28/2015	8/1/2032	10,125,000	8,550,000	-
HUD Section 108 Note Series 2019A	2.54% - 3.64%	3/28/2019	8/1/2038	2,607,000	2,607,000	-
<i>Revenue Bonds</i>						
Public Utility Revenue Bonds 2006 - VRA	2.20%	6/29/2006	1/15/2028	11,000,000	-	5,795,986
Public Utility Revenue Bonds 2008A- VRA	2.52%	6/27/2008	1/15/2029	6,900,000	-	3,852,383
Public Utility Revenue Bonds 2009B-VRA	0.00%	6/24/2009	7/15/2030	32,000,000	-	18,400,000
Public Utility Revenue Bonds 2010A-VRA	0.00%	2/3/2010	7/15/2040	188,218	-	135,278
Public Utility Revenue Bonds 2012A-VRA	0.00%	4/17/2012	1/15/2035	23,289,955	-	18,631,964
Public Utility Revenue Bonds 2013A	2.00% - 5.00%	5/2/2013	1/15/2043	214,220,000	-	190,205,000
Public Utility Revenue Bonds 2015A - VRA	0.00%	3/5/2015	1/15/2036	2,600,000	-	1,567,716
Public Utility Revenue Bonds 2016A	4.00% - 5.00%	12/7/2016	1/15/2046	502,260,000	-	476,230,000
Premiums/(Discounts) on Debt Issued					69,271,368	81,289,902
<b>Total Bonds and Notes</b>					<b>\$ 782,397,115</b>	<b>\$ 886,715,256</b>
Lease Revenue Bond - Advantage Richmond	6.38%	10/26/2005	10/1/2020	12,100,000	\$ 2,213,049	\$ -

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



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

Governmental Activities:

Fiscal Year	(In Thousands)					
	General Obligation Bonds		General Obligation Bonds (Direct Borrowing)		General Obligation BAN Notes (Direct Borrowing)	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 42,074	\$ 27,847	\$ 71	\$ 291	\$ -	\$ 900
2021	45,166	26,009	72	289	36,000	440
2022	41,845	24,089	5,944	219	-	140
2023	48,303	21,837	-	149	6,200	93
2024	39,669	19,950	6,385	75	-	-
2025-2029	188,265	71,560	-	-	-	-
2030-2034	169,025	28,731	-	-	-	-
2035-2039	63,855	6,853	-	-	-	-
2040-2041	8,655	467	-	-	-	-
Subtotal	646,857	227,343	12,472	1,023	42,200	1,573
Premium	69,271	-	-	-	-	-
Total	\$ 716,128	\$ 227,343	\$ 12,472	\$ 1,023	\$ 42,200	\$ 1,573

Fiscal Year	(In Thousands)					
	HUD Section 108 Notes (Direct borrowing)		Qualified Zone Academy Bonds (Direct Borrowing)		Lease Revenue Bonds (Direct Borrowing)	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 670	\$ 313	\$ 78	\$ -	\$ 1,077	\$ 107
2021	676	311	362	-	1,136	36
2022	685	296	-	-	-	-
2023	700	279	-	-	-	-
2024	711	261	-	-	-	-
2025-2029	3,747	982	-	-	-	-
2030-2035	3,316	361	-	-	-	-
2323-2039	652	58	-	-	-	-
Total	\$ 11,157	\$ 2,861	\$ 440	\$ -	\$ 2,213	\$ 143

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

Business-type Activities:

(In Thousands)

Fiscal Year	General Obligation Bonds (Bonds)		General Obligation Bonds (Direct Borrowing)	
	Principal	Interest	Principal	Interest
2020	\$ 10,116	\$ 2,074	\$ 7,079	\$ 256
2021	8,114	1,859	7,237	90
2022	8,015	1,652	191	5
2023	7,867	1,422	65	3
2024	7,726	1,177	204	2
2025-2029	19,730	3,787	322	-
2030-2034	13,455	656	300	-
2035-2039	-	-	186	-
Subtotal	75,023	12,627	15,584	356
Premium	1,672	-	-	-
Total	<u>\$ 76,695</u>	<u>\$ 12,627</u>	<u>\$ 15,584</u>	<u>\$ 356</u>

(In Thousands)

Fiscal Year	Utility Revenue Bonds (Bonds)		Utility Revenue Bonds (Direct Borrowing)	
	Principal	Interest	Principal	Interest
2020	\$ 18,455	\$ 32,067	\$ 3,831	\$ 225
2021	18,350	31,144	3,853	203
2022	23,095	30,226	3,876	180
2023	23,235	29,072	3,899	156
2024	23,690	27,910	3,923	133
2025-2029	158,600	118,581	19,274	287
2030-2034	182,910	74,527	8,522	-
2035-2039	117,070	37,392	1,196	-
2040-2044	84,360	13,070	9	-
2045-2046	16,670	1,007	-	-
Subtotal	666,435	394,996	48,383	1,184
Premium	79,618	-	-	-
Total	<u>\$ 746,053</u>	<u>\$ 394,996</u>	<u>\$ 48,383</u>	<u>\$ 1,184</u>

Debt issued during the fiscal year ended June 30, 2019

On August 15, 2018, the City issued \$46,890,000 of tax-exempt General Obligation Public Improvement Bonds, Series 2018A, and \$8,300,000 of taxable General Obligation Public Improvement Refunding Bonds, Series 2018B. At the time of these debt offerings, Moody's, Standard & Poor's, and Fitch Ratings affirmed the City's long-term General Obligation bond ratings of Aa2, AA+ and AA+, respectively. Moody's rating also indicated a Positive outlook for the City.

The \$46,890,000 par amount of the Series 2018A General Obligation bond proceeds, along with a \$3,578,133 premium received, were used to reimburse the city for ongoing capital spending which occurred during the prior eleven months. The Series 2018A bonds have coupon interest rates ranging from 2.00% to 5.00%, with interest payable on March 1st and September 1st of each year. Serial annual principal amounts of between \$1,300,000 and \$3,020,000 are payable on March 1st of each year, with a final maturity due on March 1, 2041.

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The \$8,310,000 Series 2018B taxable General Obligation Refunding bond proceeds, along with \$85,098 of premiums received, were used to refinance the City's maturing Series 2013C Variable rate, interest only, General Obligation Bond. At closing of the Series 2018B bonds on August 15, 2018, the City used the total proceeds received, along with \$200,000 of available cash, to completely payoff the Series 2013C Variable Rate General Obligation bonds, and to pay for the costs of issuance.

Prior to the refinancing, the 2013C Variable Rate bond was borrowed from a commercial bank for a five year period and required the City to pay interest only each month at a variable rate of LIBOR + 50bp. As a result of the refunding, the City will now pay fixed amounts of principal between \$370,000 and \$710,000, which are payable on March 1st of each year, with a final principal maturity on March 1, 2033. Because the transaction involved the refunding of interest only, variable rate debt by fixed rate principal and interest rate debt, there was no economic gain.

On November 29, 2018, the City established with a commercial bank a \$150.0 Million Line of Credit Bond Anticipation Note, Series 2018A to provide interim financing for the construction of new public schools being built in the City. Interest on the bank Line of Credit is priced at 79% of One Month LIBOR plus 32.5 basis points (2.25% on 6/30/2019) with the interest rate reset monthly and the payment of interest due on the first day of each month. The Line of Credit has a final maturity date of November 1, 2022, at which time or before, the outstanding balance will be rolled into a long term General Obligation bond issue. Effective July 1, 2018, the City increased its Prepared Food (meals) tax rate and earmarked this new tax revenue toward the repayment of this School construction debt. As of June 30, 2019, the City had drawn \$6.2 million on the 201A Line of Credit.

On December 14, 2018, the City established with a commercial bank a \$60.0 Million Line of Credit Bond Anticipation Note, Series 2018B to provide interim financing for the construction of general City Capital Improvement Projects (CIP). Interest on the bank Line of Credit is priced at 79% of One Month LIBOR plus 32.5 basis points (2.25% on 6/30/2019) with the interest rate reset monthly and the payment of interest due on the first day of each month. The Line of Credit has a final maturity date of November 1, 2020, at which time or before, the outstanding balance will be rolled into a long term General Obligation bond issue. As of June 30, 2019, the City had drawn \$36.0 million on the 2018B Line of Credit.

On March 28, 2019, the City issued \$2,607,000 of General Obligation HUD Section 108 Notes, Series 2019A. The proceeds of this financing were used to finance a portion of the City's contribution to an economic development housing project. The Series 2019A HUD Notes are repayable over 20 years and have coupon interest rates ranging from 2.54% to 3.64%, with interest being payable on August 1st and February 1st of each year beginning on August 1, 2019. Series principal payments of \$130,000 to \$131,000 are due annually beginning August 1, 2019, with the final maturity due August 1, 2038.

***Defeasance of Debt***

On December 23, 2014, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds Series 2014B to advance refund \$23,125,000 of the outstanding General Obligation Bonds, Series 2009A. 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 Series 2009A bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The call date for the Series 2009A Bonds was July 15, 2019 at which time the 2009A General Obligation bonds were called by the Trustee and paid off.

On July 14, 2017, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds, Series 2017B and 2017C to advance refund principal maturities of the Series 2009A, 2010D and 2012A General Obligation Bonds. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments due on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2019, the remaining principal amount of defeased bonds is \$124,910,000. The call date for the Series 2009A is July 15, 2019, 2010D is July 15, 2020, and for the 2012A is March 1, 2022.

On December 21, 2017 the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds, Series 2017D to advance refund principal maturities of the Series 2013A, and 2014A General Obligation Bonds. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for 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, 2019, 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.

***Legal Debt Limit***

Article VII, Section 10 of the Constitution of Virginia provides that the legal debt limit for cities for issuing General Obligation debt is ten (10) percent of the last preceding assessment for real estate taxes. At June 30, 2019, the City had a legal debt limit of \$2,472,304,200

**CITY OF RICHMOND, VIRGINIA**  
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(10% of the taxable real estate value) and the statutory capacity to issue approximately \$1,668,571,423 of additional General Obligation debt (remaining debt margin).

**Authority to Issue Debt**

As of June 30, 2019, the City had a total of \$407,604,900 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, \$315,067,049 is earmarked for self-supporting Public Utility revenue bond funded projects, \$6,189,722 of General Obligation bond funded projects of the Storm water Utility, \$71,299,462 for various General Fund supported capital projects and \$15,048,667 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		Public Utility Revenue Bonds	
Moody's	<b>Aa2</b>	Moody's	<b>Aa2</b>
Standard & Poor's	<b>AA+</b>	Standard & Poor's	<b>AA</b>
Fitch Ratings	<b>AA+</b>	Fitch Ratings	<b>AA</b>

**8. FUND BALANCES**

Fund balances have been classified to reflect the limitations and restrictions placed on the respective funds. Fund balances at June 30, 2019, are composed of the following:

	General Fund	Debt Service	Capital Projects Fund	Other Non-Major Governmental Funds
<b>Nonspendable:</b>				
Prepaid	\$ 9,442	\$ -	\$ -	\$ -
Total Nonspendable	9,442	-	-	-
<b>Restricted To:</b>				
Capital Projects	-	8,986,205	16,452,295	-
NM Governmental Funds	-	-	-	31,422,088
Total Restricted	-	8,986,205	16,452,295	31,422,088
<b>Committed To:</b>				
Revenue Stabilization and Contingency Policy	14,000,000	-	-	-
School Board Operations	68,892	-	-	-
Total Committed	14,068,892	-	-	-
<b>Assigned To:</b>				
Encumbrance Roll Forward	3,460,105	-	-	-
Capital Reserve	6,280,146	-	-	-
City Attorney Special Funds	117,041	-	-	-
Percent for the Arts	306,396	-	-	-
School Facilities	8,901,474	-	-	-
Retirement System	6,963,640	-	-	-
OPEB Trust	250,000	-	-	-
Total Assigned	26,278,802	-	-	-
<b>Unassigned:</b>				
Total Unassigned	111,580,122	2,773,214	(72,052,019)	-
Total Fund Balances	\$ 151,937,258	\$ 11,759,419	\$ (55,599,724)	\$ 31,422,088

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**9. RISK MANAGEMENT**

The City's non-health care related risk management activities are conducted through the Risk Management Unit within an Internal Service Fund General Fund and have been accounted for in accordance with GAAP.

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

For workers' compensation, the City assumes the first \$1,250,000 of any accident and pays claims filed directly from appropriations to various agencies. Excess workers' compensation coverage provides protection for accidents exceeding \$1,250,000. Claims for indemnity benefits may be paid over a maximum period of 500 weeks with the exception of certain legally defined cases, which may be paid for the lifetime of the claimant.

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

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

The City also carries commercial insurance in a number of smaller, more defined risk areas such as employees' faithful performance, money and securities, and medical professional liability.

During the fiscal year ended June 30, 2019, 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. There have been no claims in excess of coverage for the past three years.

The City's aggregate actuarial determined liability for uninsured workers' compensation, general liability, and automobile liability at June 30, 2019, was \$44,752,328 (undiscounted) and \$35,808,321 (discounted at 3.5 percent). Changes in the aggregate for these liabilities for FY 2018 and FY 2019 were:

Fiscal Year	Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims and Premium Payments	Balance at Fiscal Year End
2018	\$ 31,502,478	\$ 3,255,876	\$ (1,637,823)	\$ 33,120,531
2019	\$ 33,120,531	\$ 10,969,924	\$ (8,282,134)	\$ 35,808,321

Workers' compensation, general liability, and automobile liability future payment projections for fiscal year 2019 are as follows:

Probability Level	Discounted	Undiscounted
90%	\$ 9,369,529	\$ 9,532,085
75%	\$ 8,204,994	\$ 8,347,347
Central Estimate	\$ 7,249,159	\$ 7,374,928

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**10. HEALTH CARE PLAN**

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

**Retiree Eligibility**

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

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

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

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:

Years of Active Service	Subsidy
25 +	100%
15 to 25	75%
10 to 15	50%
Less than 10	none

**Benefits**

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

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

	<b>HEALTH INSURANCE</b>	
	<b>PRIMARY GOVERNMENT</b>	
	Fiscal Year 2019	Fiscal Year 2018
Unpaid Claims Beginning of Fiscal Year	\$ 3,917,000	\$ 3,850,000
Incurred Claims (including IBNR)	43,385,424	43,859,563
Claim Payments	(43,658,424)	(43,792,563)
Unpaid Claims End of Fiscal Year	\$ 3,644,000	\$ 3,917,000

## 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% per year for Fire and Police and level contributions for General Employees.

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

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

- Actuarial cost method – Entry Age Normal
- Amortization method – Level percent of pay over a closed period not to exceed 30 years for Police and Fire Employees; level dollar amount over a closed period, not to exceed 30 years for General Members.
- Remaining amortization period – 20 years for remaining unfunded accrued liability as of July 1, 2006; 20 years for subsequent changes.
- Asset valuation method – 5 year spread of the difference between actual investment earnings and assumed investment earnings a 7.50% with the restriction that the resulting value must be within 90.00% to 110.00% of market value.
- Inflation rate - 3.00%.
- Salary increases General Employees – 3.00% to 4.00%.
- Salary Increases – Police and Fire Employees from 3.00% to 4.50%.
- Investment rate of return – 7.50%.
- Interest rate - The expected long term rate of return of 7.50% was used to determine the Entry Age Actuarial Liability and Normal Cost for purposes of determining contribution rates. For financial reporting, under GASB67, the same 7.50% rate was used because it was projected that under the funding policy there will be no future date at which time system assets will be depleted. If that were the case, a blended rate using 7.50% long term rate of return assumption would have been used for years until assets are projected to be depleted and a high quality 20 year municipal bond yield would have been used thereafter.



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- Annual Money Weighted Rate of Return, Net of Investment Fess - 7.20%. Annual money-weighted rate of return is calculated net of all investment management expenses and additional plan investment related expenses that are reported by the plan's custodian and/or were provided to NEPC by the client. The methodology used to determine the money weighted rate of return is different from the calculation of the fiscal year rate of return, which was 7.20% net of fees. Cash flows have a larger impact on the money-weighted rate of return than the fiscal year rate of return, which uses a time-weighted calculation.
- For purposes of determining contribution rates, the difference between actual investment earnings and expected investment earnings is recognized over a five-year period, with the restriction that the actuarial asset value cannot be less than 90.00% or more than 110.00% 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 the June 30, 2019, membership in the RRS was comprised as follows:*

Active vested Plan members	1,522
Active Non-vested Plan members	259
Terminated Vested Plan members	1,603
Retirees and beneficiaries receiving benefits	4,318
	7,702

**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, 2019, for the RRS was as follows.

Total pension liability (TPL)	\$ 852,862,120
Plan fiduciary net position	554,849,748
City's net pension liability (NPL)	298,012,372
Plan fiduciary net position as a percentage of the total pension liability	65.06%
Covered payroll	\$ 105,442,140
City's net pension liability as a percentage of covered payroll	282.63%

The plans net pension liability is calculated based on a measurement date of June 30, 2018. The liability is based on valuation dated July 1, 2017.

**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.



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Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized below:

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

**F. Sensitivity of the Net Pension Liability**

Changes in the discount rate affect the measurement of pension liabilities; therefore, a small change in the discount rate could result in a significant change in the NPL. As an illustration, the following table present the NPL for the RRS, calculated using the discount rate of 7.5 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 (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

	Sensitivity of the NPL to Changes in the Discount Rate		
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Plan Net Pension Liability	\$ 376,990,590	\$ 298,012,372	\$ 231,543,835

**G. Summary of Deferred Outflows and Inflows of Resources**

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

Summary of Deferred Outflows and Inflows of Resources-RRS		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,624,004	\$ 1,199,795
Difference between expected and actual investment earnings	7,499,309	-
Change in proportion and difference between employer contribution and proportion share of contribution	68,757	68,757
Employer contributions subsequent to the measurement date	48,432,034	-
Total	\$ 65,624,104	\$ 1,268,552

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Deferred outflows associated with contributions subsequent to the measurement date will be recognized as a reduction to net pension liability in FY 2019. 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:

Net Amortization Schedule of Deferred Outflows and Inflows of Resources		
Year Ended June 30,		
2020	\$	10,885,541
2021		7,301,310
2022		(2,608,980)
2023		345,647
Total	\$	<u>15,923,518</u>

**H. Components of Pension Expense**

PENSION EXPENSE - RRS		
Service Cost	\$	10,079,515
Interest Cost		60,860,936
Experience Loss/(Gain)		1,964,264
Contribution Employee		(1,919,758)
Net Investment Income		
Expected Return on Investments		(39,717,207)
Investment Gain or Loss Expensed		345,776
Administrative Expense		1,181,564
Amortization		<u>(4,852,413)</u>
Pension Expense	\$	<u>27,942,677</u>

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

**Defined Contribution Plan**

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

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

- Less than 5 years of service – 5%
- 5 - 10 years of service - 6%
- 10 – 15 years of service – 8%
- 15 or more years of service – 10%

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

RRS Financial can be accessed at: [www.RVA.gov/retirement-system/annual-reports](http://www.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% 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% vested in all matching employer contributions upon reaching 4 years of creditable service.

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

Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service.

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They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

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

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

**B. Contribution Policy**

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia* (1950), as amended, but may be impacted as a result of funding options provided by the Virginia General Assembly. Employees are required to contribute 5.0 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 5.0 percent member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.0 percent member contribution. This could be phased in over a period of up to 5 years. The employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The City's contractually required contribution rate for the year ended June 30, 2019, was 11.72 percent of covered payroll. This rate was based on an actuarial determined rate from an actuarial valuation of June 30, 2018. 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, 2019 and June 30, 2018, were \$4,702,343 and \$4,807,272 respectively.

**C. Plan Membership**

At June 30, 2018, the valuation date, City membership in the VRS was comprised as follows:

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

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**D. 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, 2019 was as follows:

Total Pension Liability	\$ 128,711,957
VRS Fiduciary Net Position	(120,365,893)
Net Pension Liability	<u>\$ 8,346,064</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.5%
Covered Payroll	\$ 26,179,060
City's Net Pension Liability as a Percentage of Covered Payroll	31.9%

**E. Actuarial Methods and Assumptions**

The City's net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2017, using updated actuarial assumptions, applied to every period included in the measurement and rolled forward to the measurement date of June 30, 2019.

**Actuarial Assumptions for General Employees**

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

- Inflation 2.50%
- Salary Increase 3.50%-5.35%
- Investment Rate of Return net of pension plan investment expense 7.00%
- Mortality rates: Assumed to be service related deaths 20.00%
- RP-2014 Mortality rate tables were used

**Actuarial Assumptions – Public Safety Employees**

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

- Inflation 2.50%
- Salary Increase 3.50%-4.75%
- Investment Rate of Return net of pension plan investment expense 7.00%
- Mortality rates: Assumed to be service related deaths 70.00%

**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:

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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	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
	<u>100.00%</u>		<u>4.80%</u>
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

\* The above allocation provides a one year return of 7.30%. However, one year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. 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, 2018, the City was provided with an opportunity to use an alternate employer contribution rate used in fiscal year 2012 or 90.00% of the actuarial determined employer contributions rate from the June 30, 2015, actuarial valuation, whichever is greater. From July 1, 2018, on participating VRS employers are assumed to contribute 100% of the actuarial determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the Long -term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**F. Summary of Deferred Outflows and Inflows of Resources VRS**

The schedules presented below reflect information required under GAAP and were prepared using an actuarial valuation performed as of June 30, 2017. 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:

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Summary of Deferred Outflows and Inflows of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,378,458
Changes in assumptions	-	404,045
Net difference between projected and actual earnings on plan investments	-	955,085
Employer contribution subsequent to the measurement date	4,702,343	-
Total	<u>\$ 4,702,343</u>	<u>\$ 2,737,588</u>

The deferred inflows of the VRS are amortized over a period of 4 years and are presented below to show the amount to be recognized in pension expense in future years. The deferred outflows made subsequent to the measurement date will be recognized as a reduction to NPL in 2020 and are not amortized. \$4,702,343 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, 2020. 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		
2020	\$	(1,026,607)
2021		(442,504)
2022		(1,172,362)
2023		(96,115)
Total	<u>\$</u>	<u>(2,737,588)</u>

Changes in the discount rate affect the measurement of pension liabilities; therefore, a small change in the discount rate could result in a significant change in the NPL. To show the impact of a 1 percent change in the discount rate the following table is presented with a rate of 6.0 percent and 8.0 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% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Plan Net Pension Liability	\$ 24,295,709	\$ 8,346,064	\$ (4,933,400)

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For the year ended June 30, 2019, the City recognized pension expense of \$56,308. The components of this pension expense include the following:

PENSION EXPENSE - VRS	
Service Costs	\$ 3,421,014
Interest on the total pension liability	8,446,921
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(128,147)
Expensed portion of current period changes in assumptions	-
Member contributions	(1,346,018)
Projected earning on plan investments	(7,922,576)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(96,116)
Administrative expenses	72,921
Other	7,471
Recognition of beginning deferred outflows of resources as pension expense	1,580,345
Recognition of beginning deferred inflows of resources as pension expense	(3,979,507)
<b>Pension Expense</b>	<b>\$ 56,308</b>

**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.

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. They pay the same rate as the retiree, but without the City's contribution.



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

Years of Active Service	Subsidy
25+	100%
15 to 25	75%
10 to 15	50%
Less than 10	none

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

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

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

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

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

The number of employee participants as of July 1, 2018, 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	1,878
Retired Employees	344
Total	2,222

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:

Health Plan Tier	OAPA Premier Plan	OAPB Classic Plan	High Deductible Plan
Employee	\$990.02	\$1,049.03	\$815.29
Employee Plus Spouse	\$1,980.05	\$2,098.07	\$1,630.58

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
10 to 15	\$573.91	\$615.65	\$472.62
15 to 25	\$654.80	\$696.53	\$539.23
25+	\$735.69	\$777.45	\$605.85

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 2019, the basis of \$250,000 was contributed to this pooled investment trust and the assets of the trust have been segregated or restricted to provide for other post-retirement benefits in the future.

**b. Actuarial Methods and Assumptions**

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined, regarding the funded status of the plan and the annual required contributions of the employer, are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

***The assumptions used in the basis of the July 2018 valuation include:***

*Salary Increases* – Not applicable

*Discount Rate* – For GASB Statement No. 74 and No. 75 the discount rate is 3.11% per annum based on the S&P Municipal Bond 20 Year High Grade Index as of June 30, 2018

*Valuation Date* - July 1, 2018

*Expected Long* – Term Rate of Return on Plan Assets – Not applicable

*Plan Participation* – 65% of employees will elect coverage at retirement.

*Dependent Coverage* – 30% of retirees who elect coverage at retirement will also cover their spouse at retirement

*The Healthcare cost trend rate*- for Medical is 8.0% to grade uniformly to 5.0% over a 6 year period.

*Administrative Expenses*- are assumed to be included in the 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

***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 GASB Statements No. 74 and No.75 contribution calculations: 20 Years (closed). Experience gains and losses are amortized over the average working lifetime of all participants which for the current year is 11 year

*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.

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**c. Annual Per Capita Healthcare Cost**

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

Benefits are not provided to retirees eligible for Medicare. The annual projected medical claims costs were spread across the active and early retiree population using generally accepted actuarial judgment. It has been assumed that individuals will continue with coverage under their current plan design upon retirement. Furthermore, children and their associated costs have been excluded for purposes of the calculation because generally, retirees do not provide continued coverage to children.

July 1, 2018 annual per capita claim

	<u>Medical/RX*</u>
Retiree Age 65 Pre-Medicare	\$14,050
Spouse Age 65 Pre-Medicare	\$14,050

\*Medical/Rx Claims were adjusted downward from attained ages 65 to 55 at 3% each year for aging.

**d. Net OPEB Liability**

The following table shows the components of City's annual OPEB liability at June 30, 2019, using measurement and valuation date as of June 30, 2018.

NET OPEB LIABILITY		2019
Total OPEB Liability	\$	83,978,162
Plan Fiduciary Net Position		-
Net OPEB Liability - June 30	\$	83,978,162
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		0%
Covered Payroll		100,320,588
Net OPEB Liability as a Percent of Covered Payroll		83.71%

**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 3.11%, 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.

	1% Decrease	Current Rate	1% Increase
	2.11%	3.11%	4.11%
Net OPEB Liability	\$ 92,141,952	\$ 83,978,162	\$ 76,651,767

**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.

	1% Decrease 7% decreasing to 4% over 6 years	Current 8% decreasing to 5% over 6 years	1% Increase 9% decreasing to 6% over 6 years
<b>Net OPEB Liability</b>	\$ 74,044,349	\$ 83,978,162	\$ 95,798,266

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Post Measurement Contributions	\$ 3,397,610	\$ -
<b>Total</b>	<b>\$ 3,397,610</b>	<b>\$ -</b>

The City does not issue a separate OPEB financial statement for its OPEB plan. The deferred inflows of the VRS are amortized over a period of 4 years and are presented below to show the amount to be recognized in pension expense in future years. The deferred outflows made subsequent to the measurement date will be recognized as a reduction to NPL in 2020 and are not amortized 2020.

**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% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

**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. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,279.

**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% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% and the employer component was 0.52%. Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer’s contractually required employer contribution rate for the year ended June 30, 2019 was 0.52% of covered employee compensation. This rate was based on an actuarial determined rate from an actuarial valuation as of June 30, 2015. 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 \$133,065 and \$132,787 for the years ended June 30, 2019, and June 30, 2018, respectively.

**c. Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Inflation	2.50 percent
Salary increases, including inflation –	
General state employees	3.50 percent – 5.35 percent
VaLORS employees	3.50 percent – 4.75 percent
Locality – General employees	3.5 percent – 5.35 percent
Locality – Hazardous Duty employees	3.50 percent – 4.75 percent
Investment rate of return	7.00 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% 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 7.00%. However, since the difference was minimal, and a more conservative 7.00% investment return assumption provided a projected plan net position that

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exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.00% 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 June 30, 2019, NOL amounts for the Group Life Insurance Program is as follows:

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 4,225,000
Plan Fiduciary Net Position	<u>2,164,000</u>
Employers' Net GLI OPEB Liability (Asset)	<u>\$2,061,000</u>
Plan Fiduciary Net Position as a Percentage	
Total GLI OPEB Liability	51.22%

At June 30, 2019, the City of Richmond reported a liability of \$ 2,061,000 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2018 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net GLI OPEB Liability was based on the City's actuarial determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2018 relative to the total of the actuarial determined employer contributions for all participating employers. At June 30, 2018, the City of Richmond proportion was .13573% as compared to .13844% at June 30, 2017.

For the year ended June 30, 2019, the City recognized GLI OPEB expense of \$7,000. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

**d. Deferred Inflows and Outflows**

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 101,000	\$ 67,000
Net Difference between projected and actual earnings on GLI OPEB program investments	-	37,000
Change in assumptions	-	86,000
Change in proportion	-	101,000
Employer Contributions subsequent to the measurement date	133,065	-
<b>Total</b>	<b>\$ 234,065</b>	<b>\$ 291,000</b>

\$133,065 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, 2020. 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:

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Year ended June 30,	Amortization of Deferred Inflows & Deferred Outflows
2020	(51,000)
2021	(51,000)
2022	(51,000)
2023	(32,000)
2024	(7,000)
Thereafter	2,000

**Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 7.00%.

**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.

	1% Decrease	Current Rate	1% Increase
	6%	7%	8%
VRS Net Group Life OPEB Liability	2,694,000	2,061,000	1,547,000

**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	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		<u>4.80%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.30%</u>

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\*The above allocation provides a one-year return of 7.30%. 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 6.83%, including expected inflation of 2.50%.

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

**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 \$18,500 for calendar year 2019 whichever is less. The compensation deferred is not available to employees until termination, retirement, death, an unforeseeable emergency, or a small balance account withdrawal. Employees are eligible to initiate a one-time disbursement of an account if the balance is greater than \$1,000 but less than \$5,000 and neither the employee nor the employer has contributed to the account for at least two years. If the balance is under \$1,000, the participant is automatically notified by ICMA-RC and provided a form to request the distribution. In accordance with the amended provisions of IRC Section 457, all assets and income of the plan were transferred to a trust and are held for the exclusive benefit of participants and their beneficiaries. The City is the Trustee for the plan and has contracted with a nongovernmental third party administrator to administer the plan. This plan is reported in accordance with GAAP as an Other Employee Benefits Trust Fund.

As of June 30, 2019, the contributions for the year ended and the fair value of the plan investments were \$9,857,795 and \$114,521,100 respectively.

**14. LEASES**

All lease transactions have been determined to be operating leases. As of June 30, 2019, the future operating lease commitments are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2020	\$ 2,124,215
2021	1,857,301
2022	1,714,224
2023	1,005,955
Total minimum lease payments	<u>\$ 6,701,695</u>
Lease expenses for the year ended June 30, 2019	<u>\$ 2,305,388</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 will continue into the future.

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



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**JUNE 30, 2019**

and most recently updated that control plan in 2007. The Board adopted the technical components of the CSO Plan, and continues to regulate and monitor the City's program through the current Virginia Pollutant Discharge Elimination System (VPDES) permit and CSO Special Order issued by the Virginia Department of Environmental Quality (DEQ) with oversight from the Environmental Protection Agency (EPA).

The City CSO control plan was estimated at \$295 million in 1995 dollars and is now estimated at \$765 million in 2019 dollars (\$309 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 1.69% of MHI as of July 2019.

**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 \$349 million at June 30, 2019.

**16. RESTATEMENTS**

- A. In FY 2018 expenditures for Parking Fund assets were recorded in the Governmental Type Activities section and not transferred to the Enterprise Parking Fund. Consequently the Expenditures were recorded in the Governmental Type Activities section and the assets were created and recorded in the Parking Fund. This restatement is adjusting the corresponding Fund Balances and Net Position Balances accordingly.

<b>Fiscal Year 2019 Net Position Balance</b>			
<b>Net Adjustments are as follows:</b>			
	<b>Governmental</b>	<b>Business-Type</b>	<b>Enterprise Fund</b>
	<b>Activities</b>	<b>Activities</b>	<b>Parking</b>
Balance as previously reported	\$ 146,693,245	\$ 751,158,500	\$ (8,116,348)
Effect of:			
Transfer of FY 2018 Expenditures to correct Fund Allocation method for Pension accounts	2,326,650	(2,326,650)	(2,326,650)
Deferred Outflow of Resources	-	-	-
Pension Liability	-	-	-
Deferred Outflow of Resources	-	-	-
Balance as Restated	\$ 149,019,895	\$ 748,831,850	\$ (10,442,998)



*REQUIRED SUPPLEMENTARY*



*INFORMATION*



CITY OF RICHMOND, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2019

EXHIBIT H-1

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
<b>City Taxes</b>				
Real Estate	\$ 263,695,329	\$ 265,635,276	\$ 273,627,368	\$ 7,992,092
Sales Tax	35,150,480	35,150,480	36,953,797	1,803,317
Personal Property	59,298,485	59,603,485	63,646,292	4,042,807
Machinery and Tools	13,253,366	13,253,366	14,917,609	1,664,243
Utility Sales Tax Gas	5,032,525	5,032,525	5,039,881	7,356
Utility Sales Tax Electric	13,444,352	13,444,352	13,630,830	186,478
Utility Sales Tax Telephone	179,733	179,733	222,609	42,876
State Communication Taxes	15,440,463	15,440,463	14,413,205	(1,027,258)
Bank Stock	8,381,729	8,381,729	8,812,736	431,007
Prepared Food	45,566,380	45,566,380	45,740,073	173,693
Lodging Tax	8,528,415	8,528,415	9,009,423	481,008
Admission	3,360,273	3,360,273	2,848,979	(511,294)
Real Estate Taxes - Delinquent	10,340,235	10,340,235	12,889,862	2,549,627
Personal Property Taxes - Delinquent	10,724,454	10,729,454	6,513,005	(4,216,449)
Private Utility Poles and Conduits	221,756	221,756	157,378	(64,378)
Penalties and Interest	7,022,903	7,022,903	6,474,439	(548,464)
Titling Tax-Mobile Home	9,522	9,522	9,267	(255)
State Recordation	1,078,407	1,078,407	1,058,973	(19,434)
Property Rental 1%	122,418	122,418	171,168	48,750
Vehicle Rental Tax	983,878	983,878	1,204,155	220,277
Telephone Commissions	205,000	405,000	210,793	(194,207)
Total City Taxes	<u>502,040,103</u>	<u>504,490,050</u>	<u>517,551,842</u>	<u>13,061,792</u>
<b>Licenses, Permits, and Privilege Fees</b>				
Business and Professional	34,232,005	34,232,005	35,710,131	1,478,126
Vehicle	7,024,245	7,024,245	6,302,484	(721,761)
Transfers, Penalties, Interest & Delinquent Collections	9,496	9,496	14,099	4,603
Utilities Right of Way Fees	888,578	888,578	894,202	5,624
Other Licenses, Permits and Fees	1,211,894	1,211,894	1,377,883	165,989
Total Licenses, Permits and Privilege Fees	<u>43,366,218</u>	<u>43,366,218</u>	<u>44,298,799</u>	<u>932,581</u>
<b>Intergovernmental</b>				
State Shared Expense	19,744,764	20,794,764	20,580,162	(214,602)
Total State Block Grant	4,138,955	4,138,955	3,586,966	(551,989)
Department of Social Services	43,654,673	43,654,673	38,796,933	(4,857,740)
Federal Revenues	1,200	1,200	41,300	40,100
State Aid to Localities	14,871,997	14,871,997	15,103,780	231,783
Service Charges on Tax Exempt Property (State PILOT)	3,808,790	3,808,790	3,448,673	(360,117)
All Other Intergovernmental Revenues	667,971	667,971	996,335	328,364
Total Intergovernmental	<u>\$ 86,888,350</u>	<u>\$ 87,938,350</u>	<u>\$ 82,554,149</u>	<u>\$ (5,384,201)</u>

CITY OF RICHMOND, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2019

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Service Charges</b>				
Commerical Dumping Fees	\$ 11,000	\$ 11,000	\$ -	\$ (11,000)
Refuse Collection Fees	15,896,868	15,896,868	15,178,936	(717,932)
Safety Related Charges	235,000	235,000	300,135	65,135
Rental of Property	239,300	239,300	432,743	193,443
Building Service Charges	327,790	327,790	1,339,146	1,011,356
Inspection Fees	6,527,682	6,527,682	7,699,530	1,171,848
Recycling Proceeds	2,175,944	2,175,944	1,883,183	(292,761)
Health Related Charges	125,000	125,000	136,888	11,888
Other Sales - Income	661,975	661,975	57,381	(604,594)
Printing and Telecom Charges	16,500	16,500	16,825	325
Other Service Charges	1,624,712	1,624,712	595,792	(1,028,920)
Total Service Charges	<u>27,841,771</u>	<u>27,841,771</u>	<u>27,640,559</u>	<u>(201,212)</u>
<b>Fines and Forfeitures</b>				
Richmond Public Library	67,500	67,500	65,863	(1,637)
Circuit Court	39,315	39,315	93,482	54,167
General District Court	15,734	15,734	-	(15,734)
Juvenile and Domestic Relations District Court	6,414,636	6,414,636	6,681,490	266,854
Total Fines and Forfeitures	<u>6,537,185</u>	<u>6,537,185</u>	<u>6,840,835</u>	<u>303,650</u>
<b>Utility Payments</b>				
Utility Pilot Payment	22,759,977	22,759,977	22,759,977	-
Utility Payment - City Services	8,658,580	8,658,580	3,267,425	(5,391,155)
Utilities Payment for Collection Service	282,385	282,385	217,737	(64,648)
Total Utility Payments	<u>31,700,942</u>	<u>31,700,942</u>	<u>26,245,139</u>	<u>(5,455,803)</u>
<b>Miscellaneous Revenues</b>				
Reimbursement of Interest on Long-term Debt	1,446,510	1,446,510	2,554,805	1,108,295
Internal Service Fund Payments	248,845	248,845	-	(248,845)
Miscellaneous Revenues	2,319,195	2,123,695	2,568,950	445,255
Other Payments to General Fund	42,300	42,300	213,899	171,599
Total Miscellaneous Revenues	<u>4,056,850</u>	<u>3,861,350</u>	<u>5,337,654</u>	<u>1,476,304</u>
Total General Fund Revenues	<u>\$ 702,431,419</u>	<u>\$ 705,735,866</u>	<u>\$ 710,468,977</u>	<u>\$ 4,733,111</u>

CITY OF RICHMOND, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2019

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures</b>				
<b>Current</b>				
<b>General Government</b>				
City Council	\$ 1,419,558	\$ 1,380,212	\$ 1,347,042	\$ 33,170
City Clerk	917,351	917,650	756,506	161,144
Planning and Development Review	11,207,295	11,147,455	10,503,623	643,832
Assessor of Real Estate	3,627,087	3,379,772	3,407,578	(27,806)
City Auditor	1,731,296	1,682,732	1,555,275	127,457
Department of Law	3,043,116	2,824,113	2,759,907	64,206
General Registrar	1,780,952	1,786,584	1,581,743	204,841
Inspector General	464,503	242,318	215,557	26,761
Chief Administrative Officer	924,843	964,980	944,621	20,359
Citizen Service and Response	1,297,165	1,013,574	921,692	91,882
Budget and Strategic Planning	1,345,718	1,282,409	1,162,804	119,605
Department of Human Resources	3,262,867	3,210,342	3,052,237	158,105
Department of Finance	10,765,422	11,184,112	10,548,547	635,565
Procurement Services	1,135,025	1,257,195	1,260,261	(3,066)
Office of Press Secretary to Mayor	487,626	488,936	484,124	4,812
City Treasurer	166,242	185,824	186,342	(518)
Economic/Community Development	3,736,290	5,764,619	4,898,331	866,288
Housing and Community Development	1,596,121	1,626,121	881,367	744,754
Council Chief of Staff	1,152,224	1,142,121	1,089,921	52,200
Minority Business Development	817,716	792,437	746,777	45,660
Office of Community Wealth Building	1,968,115	1,883,235	1,783,470	99,765
City Mayors Office	1,157,478	1,162,897	1,166,742	(3,845)
Total General Government	<u>54,004,010</u>	<u>55,319,638</u>	<u>51,254,467</u>	<u>4,065,171</u>
<b>Public Safety and Judiciary</b>				
Judiciary	11,214,120	11,167,478	11,001,336	166,142
Juvenile and Domestic Relations District Court	454,921	463,134	448,833	14,301
City Sheriff	37,573,663	41,577,568	40,629,310	948,258
Department of Police	95,348,222	95,292,004	95,403,312	(111,308)
Department of Emergency Communications	5,215,443	5,972,687	4,716,326	1,256,361
Department of Fire and Emergency Services	51,475,418	51,707,457	52,241,705	(534,248)
Animal Control	1,614,585	1,985,128	2,052,641	(67,513)
Total Public Safety and Judiciary	<u>202,896,372</u>	<u>208,165,456</u>	<u>206,493,463</u>	<u>1,671,993</u>
<b>Highways, Streets, Sanitation and Refuse</b>				
Department of Public Works	31,226,330	33,099,260	32,552,819	546,441
<b>Human Services</b>				
Office of DCAO for Human Services	1,378,522	1,229,539	1,210,416	19,123
Department of Social Services	47,634,080	47,749,015	43,856,993	3,892,022
Justice Services	9,037,726	9,166,935	9,103,460	63,475
Department of Public Health	4,030,490	4,030,490	4,030,490	-
Total Human Services	<u>62,080,818</u>	<u>62,175,979</u>	<u>58,201,359</u>	<u>3,974,620</u>
<b>Culture and Recreation</b>				
Richmond Public Library	5,785,353	5,909,257	6,037,437	(128,180)
Department of Parks, Recreation and Community Faci	16,385,768	16,907,252	17,031,037	(123,785)
Total Culture and Recreation	<u>22,171,121</u>	<u>22,816,509</u>	<u>23,068,474</u>	<u>(251,965)</u>
<b>Education</b>				
Richmond Public Schools	\$ 169,146,483	\$ 169,192,064	\$ 147,471,290	\$ 21,720,774
Richmond Public Schools-Capital Spending	9,113,276	9,249,975	9,249,975	-
Total Education	<u>178,259,759</u>	<u>178,442,039</u>	<u>156,721,265</u>	<u>21,720,774</u>

CITY OF RICHMOND, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2019

EXHIBIT H-1, Concluded

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Non-Departmental</b>				
Payments to Other Government Agencies	\$ 19,659,716	\$ 19,749,779	\$ 20,153,906	\$ (404,127)
Tax Relief	2,700,000	3,100,000	2,651,250	448,750
GRTC	15,461,740	15,461,740	15,461,739	1
RRS Contributions/Retiree's Health Care Program	3,600,000	3,000,000	2,977,609	22,391
Contributions	13,576,367	12,399,855	43,177,148	(30,777,293)
Total Non-Departmental	<u>54,997,823</u>	<u>53,711,374</u>	<u>84,171,652</u>	<u>(30,710,278)</u>
Total General Fund Expenditures	<u>605,636,233</u>	<u>613,730,255</u>	<u>612,463,499</u>	<u>1,266,756</u>
Excess of Revenues Over Expenditures	<u>96,795,186</u>	<u>92,005,611</u>	<u>98,005,478</u>	<u>5,999,867</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In - Other Funds	17,470,800	24,700,667	5,173,037	(19,527,630)
Transfers Out - Other Funds	(114,265,986)	(122,138,677)	(87,157,779)	34,980,898
Total Other Financing Uses, Net	<u>(96,795,186)</u>	<u>(97,438,010)</u>	<u>(81,984,742)</u>	<u>15,453,268</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>(5,432,399)</u>	<u>15,770,736</u>	<u>21,203,135</u>
Fund Balance - Beginning of Year	136,166,522	136,166,522	136,166,522	-
Fund Balance - End of Year	<u>\$ 136,166,522</u>	<u>\$ 130,734,123</u>	<u>\$ 151,937,258</u>	<u>\$ 21,203,135</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, 2019

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, 2019:
 

Assessor's Office	(27,806)
Procurement Services	(3,066)
City Treasurer	(518)
City Mayor's Office	(3,845)
Department of Police	(111,308)
Department of Fire and Emergency Services	(534,248)
Animal Control	(67,513)
Richmond Public Library	(128,180)
Department of Parks, Recreation and Community Facilities	(123,785)

**Richmond Retirement System**

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

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.

\*\*Beginning balance changed from prior year due to a change in proportion.

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

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

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

**Notes to the Required Supplementary Pension Information**

**Richmond Retirement System Pension Plan**

For the Year Ended June 30, 2019

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

The following changes were made to assumptions:

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

Inflation - 2.50%

Salary Increases - General Employees - 2.50% to 4.00%

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

Investment Rate of Return - 7.00%

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

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

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

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

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

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

\* 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**

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

**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>
<b>Total OPEB Liability</b>		
Service cost	\$ 4,021,865	\$ 4,222,958
Interest	2,425,532	2,532,946
Benefit Payments/Refunds	<u>(2,958,026)</u>	<u>(3,194,668)</u>
<b>Net Change in Total OPEB Liability</b>	3,489,371	3,561,236
<b>Total OPEB Liability - beginning</b>	<u>76,927,555</u>	<u>80,416,926</u>
<b>Total OPEB Liability -ending (a)</b>	<u>\$ 80,416,926</u>	<u>\$ 83,978,162</u>
 <b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 2,958,026	\$ 3,194,668
Benefit Payments/Refunds	<u>(2,958,026)</u>	<u>(3,194,668)</u>
<b>Net Changes in Plan Fiduciary Net Position</b>	\$ -	\$ -
 <b>Plan Fiduciary Net Position - beginning</b>	-	-
<b>Plan Fiduciary Net Position - ending (b)</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Net OPEB Liability - ending (a) - (b)</b>	<u>\$ 80,416,926</u>	<u>\$ 83,978,162</u>
 <b>Plan Fiduciary Net Postion as a % of the Total OPEB Liability</b>		
Liability	0.00%	0.00%
Covered payroll	\$ 96,487,710	\$ 100,320,588
City's new OPEB liability as a percentage of covered payroll	83.34%	83.71%

\*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 two 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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	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 benefit terms** - There have been no material actuarial changes to the VRS benefit provisions since the prior actuarial valuation

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**VRS Group Life OPEB Plan**

**SCHEDULE OF CITY OF RICHMOND SHARE OF NET OPEB LIABILITY**

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

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

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

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency/(Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
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, 2019**

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

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





*SUPPLEMENTARY INFORMATION SCHEDULES*



*&*

*COMBINING FINANCIAL STATEMENTS*



## ***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.*

### **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, 2019

EXHIBIT I-1

	Special Revenue		Permanent Funds			Total
	Grants Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	
<b>Assets</b>						
Cash and Investments	\$ 29,539,564	\$ 73,513	\$ -	\$ -	\$ -	\$ 29,613,077
Accounts Receivable, Net	3,401,970	11,970,592	-	-	-	15,372,562
Due From Other Governments	3,482,089	1,892,871	-	-	-	5,374,960
Restricted Assets	-	-	6,537	33,068	33,680	73,285
Total Assets	<u>\$ 36,423,623</u>	<u>\$ 13,936,976</u>	<u>\$ 6,537</u>	<u>\$ 33,068</u>	<u>\$ 33,680</u>	<u>\$ 50,433,884</u>
<b>Liabilities, Deferred Inflows, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 992,830	\$ 1,395,482	\$ -	\$ -	\$ -	\$ 2,388,312
Accrued Wages	538,696	26,059	-	-	-	564,755
Accrued Liabilities	2,113,864	826,925	-	-	-	2,940,789
Due To Other Funds	1,442,065	3,120,880	58	4,937	-	4,567,940
Total Liabilities	<u>5,087,455</u>	<u>5,369,346</u>	<u>58</u>	<u>4,937</u>	<u>-</u>	<u>10,461,796</u>
<b>Deferred Inflows of Resources:</b>						
Unavailable Revenue-Grant Proceeds	-	8,550,000	-	-	-	8,550,000
Total Deferred Inflows of Resources	<u>-</u>	<u>8,550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,550,000</u>
<b>Fund Balances:</b>						
Restricted	31,336,168	17,630	6,479	28,131	33,680	31,422,088
Total Fund Balances	<u>31,336,168</u>	<u>17,630</u>	<u>6,479</u>	<u>28,131</u>	<u>33,680</u>	<u>31,422,088</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 36,423,623</u>	<u>\$ 13,936,976</u>	<u>\$ 6,537</u>	<u>\$ 33,068</u>	<u>\$ 33,680</u>	<u>\$ 50,433,884</u>

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, 2019

EXHIBIT I-2

	Special Revenue		Permanent Funds			
	Grant Revenue Funds	Consolidated HUD Funds*	Memorial	Recreation	Richmond Public Library	Total
<b>Revenues</b>						
Penalties and Interest	\$ -	\$ -	\$ -	\$ 27	\$ -	\$ 27
Intergovernmental	50,063,201	5,965,714	-	-	-	56,028,915
Service Charges	2,342,434	-	-	-	-	2,342,434
Fines and Forfeitures	16,866	-	-	-	-	16,866
Investment Income	8,689	-	-	-	3	8,692
Miscellaneous	15,010,069	585,227	-	-	9	15,595,305
<b>Total Revenues</b>	<b>67,441,259</b>	<b>6,550,941</b>	<b>-</b>	<b>27</b>	<b>12</b>	<b>73,992,239</b>
<b>Expenditures</b>						
Current:						
General Government	14,592,043	7,997,506	-	-	-	22,589,549
Public Safety and Judiciary	8,547,812	-	-	-	-	8,547,812
Highways, Streets, Sanitation and Refuse	32,594,867	-	-	-	-	32,594,867
Human Services	18,012,829	88,973	-	-	-	18,101,802
Culture and Recreation	1,521,311	-	-	-	15	1,521,326
<b>Total Expenditures</b>	<b>75,268,862</b>	<b>8,086,479</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>83,355,356</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,827,603)	(1,535,538)	-	27	(3)	(9,363,117)
<b>Other Financing Sources (Uses)</b>						
Transfers In-Other Funds	18,272,785	50,000	-	-	-	18,322,785
Transfers Out-Other Funds	-	(386,164)	-	-	-	(386,164)
<b>Total Other Financing Sources (Uses), Net</b>	<b>18,272,785</b>	<b>(336,164)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,936,621</b>
Net Change in Fund Balances	10,445,182	(1,871,702)	-	27	(3)	8,573,504
Fund Balance - Beginning of Year	20,890,986	1,889,332	6,479	28,104	33,683	22,848,584
Fund Balance - End of Year	\$ 31,336,168	\$ 17,630	\$ 6,479	\$ 28,131	\$ 33,680	\$ 31,422,088

CITY OF RICHMOND, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE  
 CAPITAL PROJECTS FUND  
 For the Fiscal Year Ended June 30, 2019

EXHIBIT I-3

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental Revenues and Service Charges	\$ 9,065,031	\$ 20,215,438	\$ 14,310,759	\$ (5,904,679)
Total Intergovernmental Revenues	9,065,031	20,215,438	14,310,759	(5,904,679)
<b>Investment Earnings and Contributions</b>				
Interest Earned on Restricted Funds	-	-	251,113	251,113
Local Matches and Contributions	-	-	-	-
Total Investment Earnings	-	-	251,113	251,113
<b>Miscellaneous Revenues</b>				
Insurance Proceeds	-	-	-	-
Special Revenue Funds	-	-	-	-
Miscellaneous	5,475,507	6,335,958	141,229	(6,194,729)
Total Miscellaneous Revenues	5,475,507	6,335,958	141,229	(6,194,729)
Total Revenues	14,540,538	26,551,396	14,703,101	(11,848,295)
<b>Expenditures</b>				
<b>Capital Outlay:</b>				
City Facility Maintenance & Improvements	1,456,356	2,316,807	3,849,211	(1,532,404)
Culture & Recreation	5,213,988	5,213,988	5,259,666	(45,678)
Economic & Community Development	1,434,000	7,851,712	6,546,509	1,305,203
Education	151,862,000	151,862,000	15,446,547	136,415,453
Public Safety	7,329,401	7,329,401	7,647,328	(317,927)
Transportation	19,973,146	24,705,841	20,144,974	4,560,867
City Equipment & Other Infrastructure Investment	3,457,600	3,457,600	4,081,637	(624,037)
Debt Issuance Cost	-	-	317,088	(317,088)
Total Expenditures	190,726,491	202,737,349	63,292,960	139,444,389
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,185,953)	(176,185,953)	(48,589,859)	(151,292,684)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Issuance of General Obligation Bonds	176,185,953	176,185,953	92,468,342	(83,717,611)
Transfers In-Other Funds	-	-	-	-
Transfers Out-Other Funds	-	-	-	-
Total Other Financing Sources, Net	176,185,953	176,185,953	92,468,342	(83,717,611)
Net Change in Fund Balance	-	-	43,878,483	
Fund Balance - Beginning of Year	(99,478,207)	(99,478,207)	(99,478,207)	
Fund Balance - End of Year	\$ (99,478,207)	\$ (99,478,207)	\$ (55,599,724)	

CITY OF RICHMOND, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 For the Fiscal Year Ended June 30, 2019

EXHIBIT I-4

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Transfer in from General Fund	\$ 69,874,320	\$ 68,232,503	\$ 68,232,503	\$ -
Reimbursement from Federal Government	990,626	1,030,252	1,030,252	-
Payments from EDA (Stone Brewing Project)	1,438,762	1,434,201	1,434,201	-
Transfer from EDA/CDBG to pay HUD Notes	785,853	785,853	785,853	-
Other Revenue	343,177	569,919	569,918	1
Total	<u>\$ 73,432,738</u>	<u>\$ 72,052,728</u>	<u>\$ 72,052,727</u>	<u>\$ 1</u>
<b>Expenditures</b>				
<b>Principal Payments</b>				
General Government Projects	\$ 18,949,230	\$ 20,068,885	\$ 20,068,885	\$ -
Justice Center Project	2,307,123	2,307,123	2,307,123	-
Carpenter Center Project	1,145,329	1,145,329	1,145,329	-
Transportation Projects	5,003,816	5,239,391	5,239,391	-
School Capital Improvement Projects	9,376,198	9,740,968	9,740,968	-
730 Theater Row Building Project	1,026,100	1,026,100	1,026,100	-
Stone Brewing Project	635,000	635,000	635,000	-
HUD Section 108 Notes	725,000	530,000	530,000	-
Leigh Street Project	420,186	200,000	200,000	-
Coliseum & Cemeteries	492,226	-	-	-
Total Principal Payments	<u>40,080,208</u>	<u>40,892,796</u>	<u>40,892,796</u>	<u>-</u>
<b>Interest Payments</b>				
General Government Projects	10,476,110	11,213,317	11,213,317	-
Justice Center Project	4,139,267	4,139,267	4,139,267	-
Carpenter Center Project	772,540	772,540	772,540	-
Transportation Projects	3,511,179	3,690,508	3,690,508	-
Schools Capital Improvement Projects	7,791,786	8,069,464	8,069,464	-
730 Theater Row Bldg Project	80,447	80,447	80,447	-
Stone Brewing Project	803,763	803,763	803,763	-
New General Obligation Bond	2,400,000	-	-	-
HUD Section 108 Notes	404,030	255,853	255,853	-
Coliseum & Cemeteries	110,265	-	-	-
Total Interest Payments on Bonds	<u>30,489,387</u>	<u>29,025,159</u>	<u>29,025,159</u>	<u>-</u>
<b>Interest - Short Term Debt</b>				
GO Bond Anticipation Notes	1,375,000	618,440	334,350	284,090
Leigh Street Project	344,722	26,282	26,282	-
Total Interest Payments on Short Term Debt	<u>1,719,722</u>	<u>644,722</u>	<u>360,632</u>	<u>284,090</u>
Total Interest Payments	<u>32,209,109</u>	<u>29,669,881</u>	<u>29,385,791</u>	<u>284,090</u>
<b>Cost of Issuance</b>				
Total Expenditures	<u>\$ 72,289,317</u>	<u>\$ 71,299,612</u>	<u>\$ 71,015,522</u>	<u>\$ 284,090</u>
Excess of Revenues Over Expenditures	1,143,421	753,116	1,037,205	284,089
Proceeds of Bonds and Notes	-	11,116,792	11,116,792	-
Premium received on Bonds	-	85,098	85,098	-
Refund Series 2013C GO Bonds	-	(8,300,000)	(8,300,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,901,890</u>	<u>2,901,890</u>	<u>-</u>
Net Change in Fund Balance	1,143,421	3,655,006	3,939,095	284,089
Beginning Fund Balance	7,820,323	7,820,323	7,820,323	-
Ending Fund Balance	<u>\$ 8,963,744</u>	<u>\$ 11,475,329</u>	<u>\$ 11,759,418</u>	<u>\$ 284,089</u>

NOTE: Revenues on Exhibit D will not match line by line revenues on Exhibit I-4 as they are presented based on budgetary category on Exhibit I-4 and not source of funds as they are Exhibit D.



## ***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.*

### ***Richmond Coliseum***

*Promotes and operates the Coliseum facility.*

### ***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, 2019

EXHIBIT J-1

	Coliseum	Cemeteries	Parking Enterprise	Total
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 10,727,744	\$ 10,727,744
Accounts Receivable, Net	159,235	69,948	1,784,021	2,013,204
Total Current Assets	<u>159,235</u>	<u>69,948</u>	<u>12,511,765</u>	<u>12,740,948</u>
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Land	4,582,160	8,188,700	14,268,255	27,039,115
Buildings and Structures	35,133,817	601,429	35,519,958	71,255,204
Equipment	5,637,177	157,317	3,802,157	9,596,651
Less Accumulated Depreciation	(39,233,210)	(632,389)	(11,700,858)	(51,566,457)
Total Noncurrent Assets	<u>6,119,944</u>	<u>8,315,057</u>	<u>41,889,512</u>	<u>56,324,513</u>
Total Assets	<u>6,279,179</u>	<u>8,385,005</u>	<u>54,401,277</u>	<u>69,065,461</u>
<b>Deferred Outflow of Resources</b>				
<b>Employer Contributions to Pension</b>				
Outflows-Pension and OPEB Related	-	332,928	74,908	407,836
Total Deferred Outflows of Resources	<u>-</u>	<u>332,928</u>	<u>74,908</u>	<u>407,836</u>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 64,248	\$ 76,904	\$ 819,493	\$ 960,645
Accrued Wages	-	23,028	18,402	41,430
Due To Other Funds	425,000	1,562,316	-	1,987,316
Accrued Interest on Bonds	44,190	3,258	737,919	785,367
General Obligation Bonds	469,878	31,057	5,691,192	6,192,127
Compensated Absences	-	2,109	1,928	4,037
Total Current Liabilities	<u>1,003,316</u>	<u>1,698,672</u>	<u>7,268,934</u>	<u>9,970,922</u>
<b>Noncurrent Liabilities:</b>				
General Obligation Bonds	1,928,730	124,960	49,468,691	51,522,381
Compensated Absences	-	52,136	43,404	95,540
Net Pension and OPEB Liability	-	1,625,443	335,680	1,961,123
Total Noncurrent Liabilities	<u>1,928,730</u>	<u>1,802,539</u>	<u>49,847,775</u>	<u>53,579,044</u>
Total Liabilities	<u>2,932,046</u>	<u>3,501,211</u>	<u>57,116,709</u>	<u>63,549,966</u>
<b>Deferred Inflow of Resources</b>				
<b>Inflows-Pension and OPEB Related</b>				
Total Deferred Inflows of Resources	<u>-</u>	<u>12,498</u>	<u>(16,137)</u>	<u>(3,639)</u>
<b>Net Position</b>				
<b>Net Investment in Capital Assets</b>				
Unrestricted	3,347,133	(2,954,817)	10,645,984	11,038,300
Total Net Position	<u>\$ 3,347,133</u>	<u>\$ 5,204,224</u>	<u>\$ (2,624,387)</u>	<u>\$ 5,926,970</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, 2019

EXHIBIT J-2

	Coliseum	Cemeteries	Parking Enterprise	Total
<b>Operating Revenues</b>				
Charges for Goods and Services	\$ 611,442	\$ 1,415,570	\$ 19,809,983	\$ 21,836,995
<b>Operating Expenses</b>				
Salaries and Wages and Benefits	-	969,174	681,027	1,650,201
Materials and Supplies	150,750	30,382	17,244	198,376
Rents and Utilities	332,025	29,068	459,217	820,310
Maintenance and Repairs	68,733	91,788	3,412,345	3,572,866
Depreciation and Amortization	93,788	11,521	1,683,771	1,789,080
Miscellaneous Operating Expenses	643,307	590,052	4,266,839	5,500,198
Total Operating Expenses	1,288,603	1,721,985	10,520,443	13,531,031
Operating Income (Loss)	(677,161)	(306,415)	9,289,540	8,305,964
<b>Non-Operating Revenues (Expenses)</b>				
Interest and Fiscal Charges	343,740	(7,146)	(1,386,617)	(1,050,023)
Gain/(Loss) on Disposal of Capital Assets	-	-	(84,312)	(84,312)
Total Non-Operating Revenues (Expenses), Net	343,740	(7,146)	(1,470,929)	(1,134,335)
<b>Other Financing Sources (Uses)</b>				
Transfers In-Other Funds	563,873	38,618	-	602,491
Total Other Financing Uses, Net	563,873	38,618	-	602,491
Change In Net Position	230,452	(274,943)	7,818,611	7,774,120
Net Position - Beginning of Year, as restated	3,116,681	5,479,167	(10,442,998)	(1,847,150)
Net Position - End of Year	\$ 3,347,133	\$ 5,204,224	\$ (2,624,387)	\$ 5,926,970

CITY OF RICHMOND, VIRGINIA  
 COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUNDS  
 For the Fiscal Year Ended June 30, 2019

EXHIBIT J-3

	Coliseum	Cemeteries	Parking Enterprise	Total
<b>Cash Flows From Operating Activities</b>				
Receipts from Customers	\$ 1,282,254	\$ 1,389,867	\$ 19,433,666	\$ 22,105,787
Receipts from Other Funds	-	-	-	-
Payments to Suppliers	(1,722,518)	(1,075,141)	(8,751,515)	(11,549,174)
Payments to Employees	-	(716,353)	(702,491)	(1,418,844)
Net Cash Provided by (Used In)				
Operating Activities	<u>(440,264)</u>	<u>(401,627)</u>	<u>9,979,660</u>	<u>9,137,769</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Government Subsidies and Contributions	1,004,551	38,618	-	1,043,169
Due from Other Funds	-	-	-	-
Due to Other Funds	-	414,716	-	414,716
Net Cash Provided By				
Noncapital Financing Activities	<u>1,004,551</u>	<u>453,334</u>	<u>-</u>	<u>1,457,885</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
(Acquisition)/Transfer in of Capital Assets	(414)	(13,088)	(3,502,438)	(3,515,940)
Repayments of GO Bonds	(461,178)	(31,049)	(5,721,512)	(6,213,739)
Debt Issuance Costs	-	-	-	-
Payments to Escrow	-	-	-	-
Interest Paid on Long-Term Debt	(102,694)	(7,570)	(1,430,975)	(1,541,239)
Net Cash Used In				
Capital and Related Financing Activities	<u>(564,286)</u>	<u>(51,707)</u>	<u>(10,654,925)</u>	<u>(11,270,918)</u>
Net Increase in Cash and Cash Equivalents	-	-	(675,265)	(675,265)
Cash and Cash Equivalents at July 1, 2018	-	-	11,403,009	11,403,009
Cash and Cash Equivalents at June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,727,744</u>	<u>\$ 10,727,744</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>				
Operating Income (Loss)	<u>\$ (677,161)</u>	<u>\$ (306,415)</u>	<u>\$ 9,289,540</u>	<u>\$ 8,305,964</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:				
Depreciation	93,788	11,521	1,683,771	1,789,080
Gain/(Loss) on Disposal of Capital Assets	-	-	84,312	84,312
Pension Expense	-	(56,792)	(36,280)	(93,072)
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:				
Accounts Receivable	1,010,228	(25,704)	(460,632)	523,892
Prepaid Expenses	52,195	-	-	52,195
Accounts Payable	(579,898)	1,907	(595,870)	(1,173,861)
Accrued Payables	-	1,094	8,369	9,463
Advance Sales	(339,416)	-	-	(339,416)
Compensated Absences	-	(27,238)	6,450	(20,788)
Total Adjustments	<u>236,897</u>	<u>(95,212)</u>	<u>690,120</u>	<u>831,805</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ (440,264)</u>	<u>\$ (401,627)</u>	<u>\$ 9,979,660</u>	<u>\$ 9,137,769</u>

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

## ***Internal Service Funds***

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

### ***Fleet Management***

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

### ***Radio Maintenance***

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

### ***Health Self-Insurance***

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

### ***Advantage Richmond Corporation***

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

### ***Information Technology***

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

### ***Risk Management***

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

### ***Electric Utility***

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

### ***Stores and Transportation Division***

*Provides supplies and vehicle related services exclusively to utility departments.*

CITY OF RICHMOND, VIRGINIA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 June 30, 2019

EXHIBIT K-1

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
<b>Assets</b>									
<b>Current Assets:</b>									
Cash and Cash Equivalents	\$ -	\$ -	\$ 16,649,558	\$ 4,397,098	\$ 8,283,036	\$ 2,287,907	\$ 13,564,280	\$ -	\$ 45,181,879
Accounts Receivables, Net	-	-	2,468,553	-	-	623,784	3,193,120	-	6,285,457
Inventory	-	287,769	-	-	-	-	-	4,631,600	4,919,369
Prepaid Expenses	-	-	-	-	-	-	28,894	102,750	131,644
<b>Total Current Assets</b>	<b>-</b>	<b>287,769</b>	<b>19,118,111</b>	<b>4,397,098</b>	<b>8,283,036</b>	<b>2,911,691</b>	<b>16,786,294</b>	<b>4,734,350</b>	<b>56,518,349</b>
<b>Noncurrent Assets:</b>									
<b>Capital Assets:</b>									
Land	98,000	-	-	3,000,000	-	-	265,389	1,686,532	5,049,921
Buildings and Structures	1,211,217	13,218	-	9,000,000	-	-	46,571,903	3,478,431	60,274,769
Equipment	79,966,980	394,450	-	-	2,789,574	-	13,982,327	31,623,915	128,757,246
Construction in Progress	-	-	-	-	-	-	1,353,514	-	1,353,514
Less Accumulated Depreciation	(68,623,176)	(382,325)	-	(3,107,426)	(1,915,024)	-	(44,749,183)	(34,267,080)	(153,044,214)
<b>Total Capital Assets</b>	<b>12,653,021</b>	<b>25,343</b>	<b>-</b>	<b>8,892,574</b>	<b>874,550</b>	<b>-</b>	<b>17,423,950</b>	<b>2,521,798</b>	<b>42,391,236</b>
<b>Total Noncurrent Assets</b>	<b>12,653,021</b>	<b>25,343</b>	<b>-</b>	<b>8,892,574</b>	<b>874,550</b>	<b>-</b>	<b>17,423,950</b>	<b>2,521,798</b>	<b>42,391,236</b>
<b>Total Assets</b>	<b>12,653,021</b>	<b>313,112</b>	<b>19,118,111</b>	<b>13,289,672</b>	<b>9,157,586</b>	<b>2,911,691</b>	<b>34,210,244</b>	<b>7,256,148</b>	<b>98,909,585</b>
<b>Deferred Outflows of Resources</b>									
Losses on Refunding of Debt	-	-	-	-	-	-	3,012	-	3,012
Outflows-Pension and OPEB Related	613,525	29,829	-	-	(364,263)	(6,920)	479,687	105,433	857,291
<b>Total Deferred Outflows of Resources</b>	<b>613,525</b>	<b>29,829</b>	<b>-</b>	<b>-</b>	<b>(364,263)</b>	<b>(6,920)</b>	<b>482,699</b>	<b>105,433</b>	<b>860,303</b>
<b>Liabilities</b>									
<b>Current Liabilities:</b>									
Combined RPS City Withholding	-	-	1,799,410	-	-	-	-	-	1,799,410
Accounts Payable	645,494	17,462	-	94,079	1,079,790	247,272	1,999,095	490,829	4,574,021
Accrued Liabilities	-	-	3,644,000	750	-	-	-	-	3,644,750
Accrued Wages	71,585	9,454	-	-	173,021	7,901	48,278	7,110	317,349
Due To Other Funds	21,658,891	5,662,099	-	-	-	-	-	328,895	27,649,885
Accrued Interest on Bonds and Notes Payable	-	-	-	29,046	-	-	6,832	-	35,878
General Obligation Bonds	-	-	-	-	-	-	139,753	-	139,753
Revenue Bond Payable	-	-	-	1,077,478	-	-	-	-	1,077,478
Compensated Absences	17,539	1,630	-	-	-	-	24,038	6,010	49,217
<b>Total Current Liabilities</b>	<b>22,393,509</b>	<b>5,690,645</b>	<b>5,443,410</b>	<b>1,201,353</b>	<b>1,252,811</b>	<b>255,173</b>	<b>2,217,996</b>	<b>832,844</b>	<b>39,287,741</b>
<b>Noncurrent Liabilities</b>									
General Obligation Bonds Payable	-	-	-	-	-	-	293,552	-	293,552
Revenue Bond Payable	-	-	-	1,135,571	-	-	-	-	1,135,571
Compensated Absences	114,145	28,614	-	-	362,653	9,441	81,108	20,277	616,238
Net Pension and OPEB Liability	2,854,450	134,719	-	-	385,824	5,108	2,230,006	458,322	6,068,429
Other Liabilities	-	-	-	-	-	35,808,321	-	-	35,808,321
<b>Total Noncurrent Liabilities</b>	<b>2,968,595</b>	<b>163,333</b>	<b>-</b>	<b>1,135,571</b>	<b>748,477</b>	<b>35,822,870</b>	<b>2,604,666</b>	<b>478,599</b>	<b>43,922,111</b>
<b>Total Liabilities</b>	<b>25,362,104</b>	<b>5,853,978</b>	<b>5,443,410</b>	<b>2,336,924</b>	<b>2,001,288</b>	<b>36,078,043</b>	<b>4,822,662</b>	<b>1,311,443</b>	<b>83,209,852</b>
<b>Deferred Inflows of Resources</b>									
Inflows-Pension and OPEB Related	17,950	1,486	-	-	(480,341)	(9,819)	(1,322)	15,234	(456,812)
<b>Total Deferred Inflows of Resources</b>	<b>17,950</b>	<b>1,486</b>	<b>-</b>	<b>-</b>	<b>(480,341)</b>	<b>(9,819)</b>	<b>(1,322)</b>	<b>15,234</b>	<b>(456,812)</b>
<b>Net Position</b>									
Net Investment in Capital Assets	12,653,022	25,342	-	6,679,525	874,550	-	16,993,656	2,521,798	39,747,893
Unrestricted	(24,766,530)	(5,537,865)	13,674,701	4,273,223	6,397,826	(33,163,453)	12,877,947	3,513,106	(22,731,045)
<b>Total Net Position</b>	<b>\$ (12,113,508)</b>	<b>\$ (5,512,523)</b>	<b>\$ 13,674,701</b>	<b>\$ 10,952,748</b>	<b>\$ 7,272,376</b>	<b>\$ (33,163,453)</b>	<b>\$ 29,871,603</b>	<b>\$ 6,034,904</b>	<b>\$ 17,016,848</b>

Internal Service Funds' negative Net Position will be alleviated by increases in user fees.  
 Pension Related-DOR and NPL amounts for Information Technology and Risk Management are due to being newly created Funds.

CITY OF RICHMOND, VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 INTERNAL SERVICE FUNDS  
 For the Fiscal Year Ended June 30, 2019

EXHIBIT K-2

	Fleet Management	Radio Maintenance	Health Self- Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
<b>Operating Revenues</b>									
Charges for Goods and Services	\$ 17,369,217	\$ 1,116,358	\$ 52,481,932	\$ 2,400,000	\$ 26,724,168	\$ 15,589,265	\$ 7,128,191	\$ 691,271	\$ 123,500,402
<b>Operating Expenses</b>									
Cost of Goods and Services Sold	10,347,568	551,280	-	-	-	-	-	-	10,898,848
Salaries and Wages and Benefits	712,243	445,040	-	-	7,052,123	314,789	1,915,719	328,552	10,768,466
Data Processing	1,046	540	-	-	7,981,202	130	-	-	7,982,918
Materials and Supplies	72,948	3,182	-	-	1,057,333	6,013	686,464	19,079	1,845,019
Rents and Utilities	48,243	132,591	-	149,947	-	-	2,938,601	19,527	3,288,909
Maintenance and Repairs	71,900	10,800	-	504,845	263,976	1,032	1,342,348	-	2,194,901
Depreciation and Amortization	5,449,619	9,246	-	225,000	278,318	-	2,021,452	112,269	8,095,904
Claims and Settlements	-	-	43,385,424	-	72,353	14,931,082	-	-	58,388,859
Uncollectible Expense	-	-	-	-	-	-	(942)	-	(942)
Miscellaneous Operating Expenses	1,399,183	111,237	2,626,027	373,789	3,807,580	336,219	2,394	149,467	8,805,896
Total Operating Expenses	18,102,750	1,263,916	46,011,451	1,253,581	20,512,885	15,589,265	8,906,036	628,894	112,268,778
Operating Income (Loss)	(733,533)	(147,558)	6,470,481	1,146,419	6,211,283	-	(1,777,845)	62,377	11,231,624
<b>Non-Operating Revenues (Expenses)</b>									
Government Subsidies and Contributions	-	-	-	-	-	-	96,923	-	96,923
Interest and Fiscal Charges	92,910	-	-	(160,387)	-	-	(14,950)	-	(82,427)
Interest Income	-	-	3,277	-	-	-	-	-	3,277
Miscellaneous Revenue (Expenses)	-	-	-	-	-	-	(186,928)	19,408	(167,520)
Gain/(Loss) on Disposal of Capital Assets	(259,493)	-	-	-	-	-	-	-	(259,493)
Total Non-Operating Revenues (Expenses), Net	(166,583)	-	3,277	(160,387)	-	-	(104,955)	19,408	(409,240)
Change In Net Position	(900,116)	(147,558)	6,473,758	986,032	6,211,283	-	(1,882,800)	81,785	10,822,384
Net Position - Beginning of Year	(11,213,392)	(5,364,965)	7,200,943	9,966,716	1,061,093	(33,163,453)	31,754,403	5,953,119	6,194,464
Net Position - End of Year	\$ (12,113,508)	\$ (5,512,523)	\$ 13,674,701	\$ 10,952,748	\$ 7,272,376	\$ (33,163,453)	\$ 29,871,603	\$ 6,034,904	\$ 17,016,848

CITY OF RICHMOND, VIRGINIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2019

EXHIBIT K-3

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
<b>Cash Flows From Operating Activities</b>									
Receipts from Customers	\$ 17,683,830	\$ 1,120,478	\$ 54,323,534	\$ 2,800,000	\$ 26,724,169	\$ 15,585,477	\$ 8,274,200	\$ 691,271	\$ 127,202,959
Payments to Suppliers	(12,411,921)	(939,451)	(44,485,041)	(1,091,174)	(13,289,133)	(15,056,014)	(5,136,414)	(294,247)	(92,703,395)
Payments to Employees	(819,577)	(450,344)	-	-	(7,291,131)	(315,211)	(1,967,969)	(342,566)	(11,186,798)
Receipts From Other Funds	-	-	-	-	-	(672,312)	(61,153)	(194,439)	(927,904)
Other Receipts or (Payments)	-	-	-	-	-	-	(186,928)	19,408	(167,520)
Net Cash Provided by (Used In) Operating Activities	4,452,332	(269,317)	9,838,493	1,708,826	6,143,905	(458,060)	921,736	(120,573)	22,217,342
<b>Cash Flows From Non-Capital Financing Activities</b>									
Government Subsidies and Contributions	-	-	-	-	-	-	96,922	-	96,922
Due From Other Funds	-	-	-	-	-	-	-	-	-
Due to Other Funds	1,115,284	269,317	-	-	-	2,687,790	-	120,573	4,192,964
Net Cash Provided By (Used In) Noncapital Financing Activities	1,115,284	269,317	-	-	-	2,687,790	96,922	120,573	4,289,886
<b>Cash Flows From Capital and Related Financing Activities</b>									
Acquisition/Acquisition of Capital Assets	(4,296,025)	-	-	-	(55,438)	-	(1,210,366)	-	(5,561,829)
Repayments of Revenue and GO Bonds	(728,570)	-	-	(1,022,357)	-	-	(137,531)	-	(1,888,458)
Repayments of Notes Payable	(625,000)	-	-	-	-	-	-	-	(625,000)
Interest Paid on Long-Term Debt	81,979	-	3,277	(173,807)	-	-	(17,185)	-	(105,736)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(5,567,616)	-	3,277	(1,196,164)	(55,438)	-	(1,365,082)	-	(8,181,023)
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	9,841,770	512,662	6,088,467	2,229,730	(346,424)	-	18,326,205
Cash and Cash Equivalents at July 1, 2018	-	-	6,807,788	3,884,436	2,194,569	58,177	13,910,704	-	26,855,674
Cash and Cash Equivalents at June 30, 2019	-	-	\$ 16,649,558	\$ 4,397,098	\$ 8,283,036	\$ 2,287,907	\$ 13,564,280	-	\$ 45,181,879
<b>Reconciliation of Operating Income (Loss)</b>									
To Net Cash Provided by (Used In) Operating Activities	\$ (733,533)	\$ (147,558)	\$ 6,470,481	\$ 1,146,419	\$ 6,211,283	\$ -	\$ (1,777,845)	\$ 62,377	\$ 11,231,624
Operating Income (Loss)	5,449,619	9,246	-	225,000	278,318	-	2,021,452	112,269	8,095,904
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:	259,493	-	-	-	-	-	-	-	259,493
Depreciation	(124,721)	(6,281)	-	-	(256,142)	(4,995)	(100,493)	(14,918)	(507,550)
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	(186,928)	19,408	(167,520)
Pension Expense	-	-	-	-	-	-	-	-	-
Miscellaneous Income/(Expense)	-	-	-	-	-	-	-	-	-
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:	55,120	4,120	1,841,602	400,000	-	(3,784)	1,145,067	-	3,442,125
Accounts Receivable	-	-	-	-	-	(672,312)	-	-	(672,312)
Due From General Fund	-	-	-	-	-	-	-	-	-
Due From Component Unit	-	-	-	-	-	-	-	-	-
Inventories of Material and Supplies	-	-	-	-	-	-	-	-	-
Prepaid Expenses	(467,770)	(129,821)	1,799,410	(62,593)	(106,689)	218,459	3,367	(501,609)	(7,695)
Accounts Payable	11,341	(1,083)	(273,000)	-	29,176	2,087	(186,502)	212,057	1,276,551
Accrued Liabilities	2,783	2,060	-	-	(12,041)	2,485	3,618	905	(231,479)
Compensated Absences	-	-	-	-	-	-	-	-	(190)
Total Adjustments	5,185,865	(121,759)	3,368,012	562,407	(67,378)	(458,060)	2,699,581	(182,950)	10,985,718
Net Cash Provided by (Used In) Operating Activities	\$ 4,452,332	\$ (269,317)	\$ 9,838,493	\$ 1,708,826	\$ 6,143,905	\$ (458,060)	\$ 921,736	\$ (120,573)	\$ 22,217,342

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



## *Fiduciary Funds*

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

### *Trust Funds.*

#### ***The Richmond Retirement System***

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

#### ***Other Employee Benefits***

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

#### ***Pooled OPEB Trust***

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

### *Agency Funds*

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

CITY OF RICHMOND, VIRGINIA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 June 30, 2019

EXHIBIT L-1

	Richmond Retirement System	Other Employee Benefits	Pooled OPEB Trust	Total
Assets:				
Cash and Short-term Investments	\$ 11,529,423	\$ -	\$ -	\$ 11,529,423
Pooled Funds			250,000	250,000
Receivables:				
Due from Brokers on Sale of Securities	5,259,719	-	-	5,259,719
Interest and Dividends	225,206	-	-	225,206
Contributions from Participating Employees	1,011,405	-	-	1,011,405
Other Accounts Receivable	5,292	2,821,098	-	2,826,390
Investments, at Fair Value:				
Common Stock	148,159,251	-	-	148,159,251
International Stocks	100,842,560	-	-	100,842,560
International Bonds	103,751,377	-	-	103,751,377
Real Estate Investment Trusts	35,364,309	-	-	35,364,309
US Fixed Income	27,687,832	-	-	27,687,832
Hedge Funds	75,944,723	-	-	75,944,723
Private Debt	37,559,835	114,521,100	-	152,080,935
Private Equity	23,070,051	-	-	23,070,051
Opportunistic Fixed Income	25,485,292	-	-	25,485,292
Total Investments, at Fair Value	577,865,230	114,521,100	-	692,386,330
Cash Collateral Received - Security Lending Program	2,165,902	-	-	2,165,902
Assets	<u>598,062,177</u>	<u>117,342,198</u>	<u>250,000</u>	<u>715,654,375</u>
Fixed Assets:				
Furniture Fixtures and Equipment	152,657	-	-	152,657
Leasehold Improvements	207,832	-	-	207,832
Total Fixed Assets	<u>360,489</u>	<u>-</u>	<u>-</u>	<u>360,489</u>
Total Assets	<u>598,422,666</u>	<u>117,342,198</u>	<u>250,000</u>	<u>716,014,864</u>
Liabilities:				
Accounts Payable	23,617,271	-	-	23,617,271
Payable for Collateral Received - Security Lending Program	2,170,290	-	-	2,170,290
Total Liabilities	<u>25,787,561</u>	<u>-</u>	<u>-</u>	<u>25,787,561</u>
Net Position Held in Trust for Pension Benefits and Other Purposes				
	<u>\$ 572,635,105</u>	<u>\$ 117,342,198</u>	<u>\$ 250,000</u>	<u>\$ 690,227,303</u>

CITY OF RICHMOND, VIRGINIA  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 FIDUCIARY FUNDS  
 For the Fiscal year Ended June 30, 2019

EXHIBIT L-2

	Richmond Retirement System	Other Employee Benefits	Pooled OPEB Trust	Total
Additions:				
Contributions:				
City of Richmond	\$ 47,439,885	\$ -	250,000	\$ 47,689,885
Richmond Behavioral Health Authority	1,028,522	-	-	1,028,522
Other	71,240	-	-	71,240
Plan Members	1,935,870	9,857,795	-	11,793,665
Total Contributions	<u>50,475,517</u>	<u>9,857,795</u>	<u>250,000</u>	<u>60,583,312</u>
Investment Income:				
Net Appreciation in Fair Value of Investments	23,703,925	4,739,545	-	28,443,470
Interest	853,437	-	-	853,437
Dividends	2,794,041	-	-	2,794,041
Net Income Earned On Securities Lending Transactions:				
Securities Lending Income	48,772	-	-	48,772
Securities Lending Expense	(42,391)	-	-	(42,391)
Total Net Income Earned on Securities Lending Transactions	<u>6,381</u>	<u>-</u>	<u>-</u>	<u>6,381</u>
Investment Income	<u>27,357,784</u>	<u>4,739,545</u>	<u>-</u>	<u>32,097,329</u>
Less Investment Expense	<u>(2,257,533)</u>	<u>-</u>	<u>-</u>	<u>(2,257,533)</u>
Net Investment Loss	<u>25,100,251</u>	<u>4,739,545</u>	<u>-</u>	<u>29,839,796</u>
Total Additions, Net	<u>75,575,768</u>	<u>14,597,340</u>	<u>250,000</u>	<u>90,423,108</u>
Deductions:				
Benefits	70,544,766	10,324,607	-	80,869,373
Refunds of Member Contributions	204,002	-	-	204,002
Administrative Expenses	1,217,123	206,193	-	1,423,316
Depreciation Expense	60,082	-	-	60,082
Other	-	(9,502)	-	(9,502)
Total Deductions	<u>72,025,973</u>	<u>10,521,298</u>	<u>-</u>	<u>82,547,271</u>
Net Increase	3,549,795	4,076,042	250,000	7,875,837
Net Position Held in Trust For Pension Benefits and Other Purposes - Beginning of Year	<u>569,085,310</u>	<u>113,266,156</u>	<u>-</u>	<u>682,351,466</u>
Net Position Held in Trust For Pension Benefits and Other Purposes - End of Year	<u>\$ 572,635,105</u>	<u>\$ 117,342,198</u>	<u>\$ 250,000</u>	<u>\$ 690,227,303</u>

CITY OF RICHMOND, VIRGINIA  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 For the Fiscal Year Ended June 30, 2019

EXHIBIT L-3

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Assets</b>				
Cash and Cash Equivalents	\$ 3,325,826	\$ 1,169,674	\$ 915,042	\$ 3,580,458
Accounts Receivable	340	-	340	-
Total Assets	<u>\$ 3,326,166</u>	<u>\$ 1,169,674</u>	<u>\$ 915,382</u>	<u>\$ 3,580,458</u>
<b>Liabilities</b>				
Refundable Deposits	\$ 860,113	\$ 31,975	\$ 166,043	\$ 726,045
Due to Other Funds	-	56,232	-	56,232
Due to Various Agents	2,466,053	2,194,862	1,862,734	2,798,181
Total Liabilities	<u>\$ 3,326,166</u>	<u>\$ 2,283,069</u>	<u>\$ 2,028,777</u>	<u>\$ 3,580,458</u>





*STATISTICAL*



*SECTION*





## Statistical Section

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

### Contents

#### Financial Trends

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

#### Revenue Capacity

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

#### Debt Capacity

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

#### Demographic and Economic Information

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

#### Operating Information

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

**CITY OF RICHMOND, VIRGINIA  
MISCELLANEOUS STATISTICAL DATA  
June 30, 2019**

**DATE OF INCORPORATION**

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

**AREA OF CITY**

The area of the City consists of 62.46 square miles.

**POPULATION**

United States Census 2004 (1)	.....	197,401
United States Census 2005 (1)	.....	197,861
United States Census 2006 (1)	.....	198,624
United States Census 2007 (1)	.....	200,123
United States Census 2008 (1)	.....	202,002
United States Census 2009 (1)	.....	204,451
United States Census 2010 (1)	.....	204,214
United States Census 2011 (1)	.....	205,533
United States Census 2012 (1)	.....	210,309
United States Census 2013 (1)	.....	214,114
United States Census 2014 (1)	.....	217,853
United States Census 2015 (1)	.....	220,289
United States Census 2016 (1)	.....	223,170
United States Census 2017 (1)	.....	227,032
United States Census 2018 (1)	.....	228,783
United States Census 2019 (1)	.....	N/A

<sup>(1)</sup>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. They serve at the pleasure of the Mayor, carries out the City's administrative and policy-related duties, directs business procedures and has the power of appointment and removal of the heads of all administrative departments as well as certain other officers and employees of the administration.

**SEGREGATION OF TAXABLE SUBJECTS FOR LOCAL TAXATION ONLY**

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

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

## ASSESSMENTS

The City Assessor of Real Estate assesses real estate annually at "fair market value". The assessment to sales ratio is estimated to be 95.0%. The real estate assessments for the semi-annual real estate billing were based on an effective valuation date of January 1, 2018. The due dates for the semi billing were January 14 and June 14 in the 2019 tax year. The 2019 Land Book will be updated with fair market values as of July 1, 2019. New construction and renovations will be added to the land book through December 31, 2019.

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

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

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

## TAX RATES

Real Estate:

- \$1.20 per \$100 of Assessed Value: 2008-2019
- \$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: 1992-2019

Machinery and Tools Used for Manufacturing and Mining:

- \$2.30 per \$100 of Assessed Value: 1992-2019

Other taxes and fees imposed include:

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

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

#### Utility Consumers' Tax:

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

#### Business, Professional, and Occupational Licenses:

##### For Business with Gross Receipts Exceeding Threshold:

- Wholesale Merchants - \$.22 per \$100 of gross purchases
- Retail Merchants - \$.20 per \$100 of gross receipts
- Professional Occupations - \$.58 per \$100 of gross receipts
- Contractors - \$.19 per \$100 gross contracts and/or 1.50% of fees from contracts on a fee basis
- Personal Service Contracts - \$.36 per \$100 gross receipts
- Threshold
  - Receipts less than \$5,000 - no tax, no \$30 fee
  - Receipts greater than \$5,000 - less than \$100,000, \$30 fee only
  - Receipts greater than \$100,000 - rate per merchant classification multiplied by amount of receipts

##### Motor Vehicle License:

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

##### Admission Tax:

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

##### Bank Franchise Tax:

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

##### Sales and Use Tax:

- 4.3% State and 1% Local: 2004-2019

##### 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.

## TAXES DUE

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

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

## DELINQUENT TAXES

As of January 1, 2019, real estate taxes are billed semi-annually with due dates of January 14 and June 14. Taxes will be reported as delinquent on January 15 and June 15, respectively of the tax year for which assessed. Personal property taxes are reported as delinquent on June 6<sup>th</sup> 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 2019, the interest rate for unpaid taxes was 10%. Business personal property taxes incur an additional 10% late payment penalty if not paid within 60 days of the due date.

## OVERLAPPING AREAS AND DEBT

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

## CITY INDEBTEDNESS

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

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

There are neither special assessments nor special revenue bonds issued or outstanding. Bonds of the City are legal investments for savings banks and trust funds.

## 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 (ice. 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 (ice. Utilities and Parking). It will be the policy of the City that Tax Supported debt, including bonds and notes authorized but unissued, will be limited by any one of the following:

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

## FUND BALANCE POLICIES

The City Council adopted a Fund Balance Policy on March 14, 1988, which established major policy goals. On October 26, 1992, the City Council amended the Fund Balance Policy, raising the required level of the unassigned fund balance from 3% to 5% and again November 26, 2001, from 5% to 7% of budgeted General Fund expenditures over a period of years. During 2012, City Council adopted a 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, 2019, the Unassigned Fund Balance was \$111.6 million, which is 15% of annual adopted FY 2020 budgeted expenditures and transfers out.

### **Budget and Revenue Stabilization Contingency Reserve**

- It is the goal of the City that the Budget and Revenue Stabilization Contingency Reserve be equal to at least 3.00% of budgeted General Fund operating expenses for the latest fiscal year in which City Council has adopted a General Fund Budget.
- To the extent that the Budget and revenue Stabilization Contingency Reserve is ever drawn upon , the mayor shall submit to city Council, within 90 days after the date on which such funds were expended, a plan to restore the amount expended within three years. As of June 30, 2019, the Budget and Revenue Stabilization Contingency Reserve balance was \$14 million, which is 1.6% of annual adopted budgeted FY 2020 expenditures and transfers out.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 280,800,936	\$ 198,531,273	\$ 269,060,408	\$ 226,429,295	\$ 306,400,000	\$ 314,046,028	\$ 335,442,017	\$ 338,407,031	\$ 410,990,285	\$ 377,074,230
Restricted	5,772,722	12,590,642	16,458,462	31,900,000	21,269,101	4,292,533	19,843,817	29,302,519	32,520,120	97,217,724
Unrestricted	67,421,848	71,414,987	103,428,935	46,700,000	(219,000,000)	(272,324,391)	(270,779,486)	(205,662,515)	(296,817,160)	(253,111,485)
Total Governmental Activities' Net Position	\$ 353,995,506	\$ 282,536,902	\$ 388,947,805	\$ 305,029,295	\$ 108,669,101	\$ 46,014,170	\$ 84,506,348	\$ 162,047,035	\$ 146,693,245	\$ 221,180,469
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 369,683,330	\$ 381,909,942	\$ 419,526,304	\$ 488,600,000	\$ 497,111,667	\$ 495,162,064	\$ 487,293,137	\$ 523,105,159	\$ 530,202,221	\$ 568,905,631
Restricted	-	-	-	-	-	-	-	25,602,020	28,962,996	27,326,143
Unrestricted	58,319,963	64,745,678	51,318,531	125,800,000	98,609,642	143,122,363	182,038,024	161,296,665	191,993,283	222,325,753
Total Business-type Activities' Net Position	\$ 428,003,293	\$ 446,655,620	\$ 470,844,835	\$ 614,400,000	\$ 595,721,309	\$ 638,284,427	\$ 669,331,161	\$ 710,003,844	\$ 751,158,500	\$ 818,557,527
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 650,484,266	\$ 580,441,215	\$ 688,586,712	\$ 715,029,295	\$ 803,511,667	\$ 809,208,092	\$ 822,735,154	\$ 861,512,190	\$ 941,192,506	\$ 945,979,861
Restricted	5,772,722	12,590,642	16,458,462	31,900,000	21,269,101	4,292,533	19,843,817	54,904,539	61,483,116	124,543,867
Unrestricted	125,741,811	136,160,665	154,747,466	172,500,000	(120,390,358)	(129,202,028)	(88,741,462)	(44,365,850)	(104,823,877)	(30,785,732)
Total Primary Government Activities' Net Position	\$ 781,998,799	\$ 729,192,522	\$ 859,792,640	\$ 919,429,295	\$ 704,390,410	\$ 684,298,597	\$ 753,837,509	\$ 872,050,879	\$ 897,851,745	\$ 1,039,737,996



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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 137,836,800	\$ 135,582,802	\$ 126,274,797	\$ 145,700,000	\$ 109,455,944	\$ 150,935,993	\$ 134,946,876	\$ 125,878,780	\$ 137,501,073	\$ 146,968,353
Public Safety and Judiciary	175,820,069	178,142,702	182,724,471	187,800,000	184,192,095	233,336,534	190,970,196	186,133,476	199,718,107	216,008,150
Highways, Streets, Sanitation and Refuse	61,502,223	104,103,996	86,067,163	88,900,000	86,301,761	94,672,443	87,187,508	80,927,188	83,664,060	88,264,777
Human Services	93,697,780	95,333,003	84,629,401	79,000,000	78,249,654	96,529,866	81,057,222	81,572,645	80,387,107	76,067,291
Culture and Recreation	26,009,978	26,002,174	24,348,709	25,000,001	26,090,075	33,004,437	24,601,851	24,328,301	27,405,175	27,405,258
Education	163,586,697	173,214,073	155,173,806	158,800,000	158,065,296	166,128,726	175,157,363	180,714,967	160,582,780	154,040,146
Transportation	11,600,000	11,600,000	12,143,357	11,600,000	12,621,480	13,244,050	13,045,156	13,045,157	14,694,681	15,461,739
Interest and Fiscal Changes	20,204,271	21,418,947	18,648,049	19,800,000	26,100,820	22,885,035	26,591,694	27,522,522	28,919,030	22,979,915
Total Governmental Activities Expenses	690,257,818	747,897,697	690,009,753	716,600,001	681,077,125	810,737,083	733,557,866	720,063,036	730,403,013	747,195,629
Business-type Activities:										
Gas	163,063,730	154,527,763	120,738,025	133,137,550	153,143,869	144,436,371	119,137,386	127,316,121	136,490,923	143,171,010
Water	49,934,491	52,819,429	53,201,110	49,803,247	52,161,156	53,276,025	51,634,764	53,402,794	62,606,233	65,703,398
Wastewater	50,679,153	54,073,862	54,615,656	58,438,940	61,153,657	67,382,447	64,768,064	65,175,833	64,961,045	69,299,012
Stormwater	7,613,092	7,541,005	7,487,569	7,474,194	6,229,426	7,610,350	7,208,967	8,002,822	9,296,824	10,699,516
Coliseum	5,171,178	4,682,080	4,066,315	3,218,416	2,513,548	2,571,848	2,260,443	2,661,938	1,769,739	1,385,541
Cemeteries	1,399,493	1,419,756	1,410,964	1,343,807	1,459,300	1,913,533	1,588,932	1,751,891	1,785,430	1,729,131
Parking						12,178,193	11,329,861	10,734,673	14,435,223	11,907,060
Total Business-type Activities Expenses	277,861,137	275,063,895	241,519,639	250,686,154	276,660,956	289,368,767	257,928,417	269,046,072	291,345,417	303,894,668
Total Primary Government Expenses	\$ 968,118,955	\$ 1,022,961,592	\$ 931,529,392	\$ 967,286,155	\$ 957,738,081	\$ 1,100,105,850	\$ 991,486,283	\$ 989,109,108	\$ 1,021,748,430	\$ 1,051,090,297
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 52,084,531	\$ 58,638,216	\$ 126,215,625	\$ 65,019,167	\$ 56,368,769	\$ 49,393,546	\$ 55,269,092	\$ 66,432,831	\$ 56,529,913	\$ 82,999,462
Culture and Recreation	727,597	406,036	377,643	428,613	216,679	248,813	1,024,289	365,656	1,712,264	981,298
Other Activities	30,779,315	26,567,540	26,053,492	27,544,471	25,115,281	22,248,389	24,626,836	121,526,052	125,957,970	108,651,189
Operating Grants and Contributions	151,878,522	154,172,480	149,546,405	141,500,000	144,367,918	136,101,577	137,190,859	32,906,237	38,494,867	33,541,166
Capital Grants and Contributions	5,545,450	7,312,467	8,364,411	26,780,248	35,250,158	44,185,991	41,047,136	34,862,903	11,315,940	15,341,009
Total Governmental Activities Program Revenues	\$ 240,995,415	\$ 247,096,739	\$ 310,557,576	\$ 261,272,499	\$ 261,318,805	\$ 252,178,316	\$ 259,158,272	\$ 256,093,692	\$ 234,010,954	\$ 241,574,124
Business-type Activities:										
Charges for Services:										
Gas	\$ 172,587,241	\$ 164,890,242	\$ 130,742,982	\$ 148,282,997	\$ 176,794,050	\$ 162,902,984	\$ 128,478,137	\$ 135,691,059	\$ 155,118,968	\$ 159,843,381
Water	57,386,552	59,596,957	61,814,881	67,827,452	67,512,427	63,912,519	65,836,889	68,181,546	70,249,166	74,872,622
Wastewater	60,220,635	61,356,769	65,709,241	68,533,168	73,393,727	82,343,230	79,101,386	83,251,997	86,934,435	85,644,746
Stormwater	9,537,834	9,778,441	9,505,006	9,845,346	11,330,268	11,137,971	10,997,422	11,208,337	11,559,933	11,744,339
Coliseum	1,463,233	1,255,551	1,423,979	1,686,346	1,384,868	1,585,548	1,379,423	2,034,341	2,744,389	611,442
Cemeteries	1,320,251	1,222,954	1,198,476	1,329,673	1,477,507	1,592,307	1,559,770	1,261,806	1,618,075	1,454,188
Parking						14,803,836	15,273,141	18,091,685	19,067,327	19,725,671
Operating Grants and Contributions	14,624,603	15,013,658	15,143,172	19,608,232	20,001,217	20,401,711	17,401,151	20,591,436	18,825,861	34,231,028
Total Business-type Activities Program Revenues	317,140,349	313,114,572	285,537,737	317,113,214	351,894,064	358,680,106	320,027,319	340,312,507	366,118,754	388,127,418
Total Primary Government Program Revenues	\$ 558,135,764	\$ 560,211,311	\$ 596,095,313	\$ 578,385,713	\$ 613,212,869	\$ 610,858,422	\$ 579,185,531	\$ 596,406,199	\$ 600,129,708	\$ 629,641,542
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (449,262,403)	\$ (500,800,958)	\$ (379,452,177)	\$ (455,327,502)	\$ (419,758,320)	\$ (558,558,767)	\$ (474,399,654)	\$ (463,969,344)	\$ (496,392,059)	\$ (505,681,505)
Business-type Activities	39,279,211	38,050,675	44,018,098	66,427,060	75,233,109	69,311,339	62,098,902	71,266,435	74,773,337	84,232,750
Total Primary Government Net Expense	\$ (409,983,192)	\$ (462,750,283)	\$ (335,434,079)	\$ (388,900,442)	\$ (344,525,211)	\$ (489,247,428)	\$ (412,300,752)	\$ (392,702,909)	\$ (421,618,722)	\$ (421,448,755)

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Real Estate	\$ 219,121,286	\$ 217,159,681	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447
Sales Tax	26,093,786	26,315,613	30,595,853	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797
Personal Property	24,943,835	25,914,852	26,406,848	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	62,393,129	65,657,356
Machinery and Tools	50,186,338	38,461,849	44,579,120	48,005,747	46,100,586	49,740,946	48,222,257	59,223,115	14,095,200	15,459,814
General Utility Sales	17,119,371	16,914,447	15,421,045	14,792,937	13,746,350	12,752,759	14,454,966	12,758,274	19,351,132	18,269,540
State Communication Taxes	34,483,451	17,098,077	16,378,212	17,066,009	16,680,313	17,646,514	17,657,169	18,465,308	14,138,781	14,413,205
Bank Stock	8,247,534	13,933,727	12,480,183	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,901	8,812,735
Prepared Food	23,756,424	26,429,441	25,051,579	29,986,231	30,065,438	32,290,063	33,206,090	36,002,917	37,009,033	47,860,645
Lodging Tax	4,789,681	4,789,957	5,200,817	6,392,330	6,326,387	5,433,289	7,504,354	8,025,516	8,888,653	9,141,366
Admissions	2,181,971	2,335,970	2,399,527	2,448,962	2,923,183	2,866,718	3,036,088	2,747,268	2,775,821	2,900,367
Real Estate Taxes - Delinquent	9,711,901	10,746,487	7,006,446	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862
Personal Property Taxes - Delinquent	5,023,503	4,117,223	3,959,980	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,459	6,513,004
Delinquent Tax Payments-All Classes										
Private Utility Poles and Conduits	156,478	158,268	154,881	158,568	169,729	160,950	68,699	260,117	163,837	157,378
Penalties and Interest	5,423,493	4,948,641	3,660,357	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,569	4,509,826
Tilling Tax-Mobile Home	10,858	4,704	8,051	5,817	6,132	9,083	8,266	9,474	14,583	9,267
State Recordation	759,637	681,049	656,449	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973
Property Rental 1%	101,748	109,871	131,021	139,796	133,774	82,388	79,202	154,115	122,066	171,168
Vehicle Rental Tax	424,599	579,654	1,149,088	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155
Rolling Stock Tax										
Telephone Commissions	450,000	390,739	338,499	337,349	522,578	538,474	628,014	196,579	198,990	210,793
Intergovernmental Revenue Not Restricted to Specific Programs	156,211									
Investment Earnings	105,672	165,111	125,526	80,854	36,020	38,344	53,281	114,158	221,163	829,719
Miscellaneous	225,661	1,143,368	1,963,714	2,823,922	1,607,458	15,739,412	19,083,117	20,034,985	18,452,974	27,257,144
Transfers	22,340,631	21,459,319	23,147,547	23,612,453	27,377,577	28,080,617	32,669,758	33,908,419	30,764,389	26,928,463
Special Item				485,000		1,500,000		2,215,826	2,720,280	2,220,055
Extraordinary Item	15,352		(1,320,829)							
Total Governmental Activities	455,829,421	451,297,670	450,788,961	465,575,039	455,690,181	495,768,705	512,891,832	541,510,031	522,607,629	577,842,079
Business-type Activities:										
Investment Earnings	\$ 1,060,118	\$ 897,530	\$ 1,738,623	\$ 685,839	\$ 811,070	\$ 675,983	\$ 695,117	\$ 1,937,972	\$ 4,297,491	\$ 7,214,006
Miscellaneous	1,694,580	1,163,441	1,580,041	1,271,707	(4,802,222)	643,748	922,473	1,019,326	102,671	5,207,384
Transfers	(22,340,631)	(21,459,319)	(23,147,547)	(23,612,453)	(27,377,577)	(28,080,617)	(32,669,758)	(33,551,050)	(30,764,389)	(26,928,463)
Total Business-type Activities	(19,585,933)	(19,398,348)	(19,828,883)	(21,654,907)	(31,368,729)	(26,760,886)	(31,052,168)	(30,593,752)	(26,364,227)	(14,507,073)
Total Primary Government	\$ 436,243,488	\$ 431,899,322	\$ 430,960,078	\$ 443,920,132	\$ 424,321,452	\$ 469,007,819	\$ 481,839,664	\$ 510,916,279	\$ 496,243,402	\$ 563,335,006
<b>Change in Net Position</b>										
Governmental Activities	\$ (49,503,288)	\$ 71,336,784	\$ 71,845,493	\$ (4,538,541)	\$ (275,657,761)	\$ (62,790,062)	\$ 38,492,178	\$ 77,540,687	\$ 26,215,570	\$ 72,160,574
Business-type Activities	19,693,278	18,652,327	24,189,215	46,598,177	(644,771,577)	42,550,453	31,046,734	40,672,683	48,409,110	69,725,677
Total Primary Government	\$ (29,810,010)	\$ 89,989,111	\$ 96,034,708	\$ 42,059,636	\$ (920,429,338)	\$ (20,239,609)	\$ 69,538,912	\$ 118,213,370	\$ 74,624,680	\$ 141,886,251
<b>Special Item:</b>										
Fiscal Year 2013 - Gain on Sale of Land										
Fiscal Year 2015 - Bargain Purchase of Property-Diamond										

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>City Taxes</b>										
Real Estate	\$ 219,121,286	\$ 217,159,681	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447
Sales-1% Local	26,093,786	26,315,613	30,595,853	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797
Sales Tax for Education	24,943,835	25,914,852	26,406,848	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-
Personal Property	50,186,338	38,461,849	44,579,120	48,005,747	46,100,586	49,740,946	48,222,257	59,223,115	62,393,129	65,657,356
Machinery and Tools	17,119,371	16,914,447	15,421,045	14,792,937	13,746,350	12,752,759	14,454,966	12,758,274	14,095,200	15,459,814
General Utility Sales	34,483,451	17,098,077	16,378,212	17,066,009	16,680,313	17,646,514	17,659,169	18,455,308	19,351,132	18,269,540
State Communication Taxes	-	17,439,622	17,085,208	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205
Bank Stock	8,247,534	13,933,727	12,480,183	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,901	8,812,735
Prepared Food	23,756,424	26,429,441	25,051,579	29,986,231	30,065,438	32,290,063	33,206,090	36,002,917	37,009,033	47,860,645
Transient Lodging	4,789,681	4,789,957	5,200,817	6,392,330	6,326,387	5,433,289	7,504,354	8,025,516	8,888,653	9,141,366
Admissions	2,181,971	2,335,970	2,399,527	2,448,962	2,923,183	2,866,718	3,036,088	2,747,268	2,775,821	2,900,367
Real Estate Taxes - Delinquent	9,711,901	10,746,487	7,006,446	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862
Personal Property Taxes -Delinquent	5,023,503	4,117,223	3,959,980	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,459	6,513,004
Delinquent Tax Payments-All Classes	-	-	-	-	-	-	-	-	-	-
Private Utility Poles and Conduits	156,478	158,268	154,881	158,568	169,729	160,950	68,699	260,117	163,837	157,378
Penalties and Interest	5,423,493	4,948,641	3,660,357	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,569	4,509,826
Titling Tax-Mobile Home	10,858	4,704	8,051	5,817	6,132	9,083	8,266	9,474	14,583	9,267
State Recordation	759,637	681,049	656,449	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973
Property Rental 1%	101,748	109,871	131,021	139,796	133,774	82,388	79,202	154,115	122,066	171,168
Vehicle Rental Tax	424,599	579,654	1,149,088	371,425	855,582	937,779	1,067,535	845,652	905,346	1,204,155
Rolling Stock Tax	-	-	-	-	-	-	-	-	-	-
Telephone Commissions	450,000	390,739	338,499	337,349	522,578	538,474	628,014	196,579	198,990	210,793
<b>Total Primary Government</b>	<b>\$ 432,985,894</b>	<b>\$ 428,529,872</b>	<b>\$ 426,873,003</b>	<b>\$ 438,572,810</b>	<b>\$ 426,669,126</b>	<b>\$ 450,410,332</b>	<b>\$ 461,085,676</b>	<b>\$ 485,236,643</b>	<b>\$ 470,448,823</b>	<b>\$ 520,606,698</b>

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:										
Nonspendable	\$ -	\$ 1,029,600	\$ 1,029,600	\$ -	\$ -	\$ 382,200	\$ 383,338	\$ 399,742	\$ 9,953	\$ 9,442
Restricted	-	1,391,917	-	-	-	-	-	-	-	-
Committed	-	14,672,765	53,073,041	39,427,954	10,793,000	13,000,000	10,000,000	12,019,176	14,047,172	14,068,892
Assigned	-	15,460,647	35,002,000	11,573,916	35,163,526	7,788,553	5,850,728	15,219,451	13,597,476	26,278,802
Unassigned	-	64,062,309	72,908,854	75,000,000	80,393,997	84,995,561	98,210,321	107,729,940	108,511,921	111,580,122
Reserved	16,598,886	-	-	-	-	-	-	-	-	-
Unreserved	59,423,096	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 76,021,982	\$ 96,617,238	\$ 162,013,495	\$ 127,031,470	\$ 126,350,523	\$ 106,166,314	\$ 114,444,387	\$ 135,368,309	\$ 136,166,522	\$ 151,937,258
All Other Governmental Funds:										
Nonspendable	\$ -	\$ 212,141	\$ 193,729	\$ 74,327	\$ 74,372	\$ 38,930	\$ -	\$ -	\$ 38,925	\$ -
Restricted	-	16,262,282	16,264,733	15,294,132	19,024,423	4,253,603	19,857,793	29,302,519	32,471,242	56,860,588
Committed	-	9,426,306	9,756,967	5,587,993	745,000	-	745,000	-	-	-
Assigned	-	295,105	(138,320)	866,410	3,468,218	14,800,003	3,312,542	-	-	-
Unassigned	-	(37,000,000)	(3,508,434)	(168,475,248)	(49,720,104)	(101,563,859)	(83,439,150)	(57,853,866)	(103,646,117)	(69,278,805)
Reserved	6,822,405	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	10,861,875	-	-	-	-	-	-	-	-	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 17,684,280	\$ (10,804,166)	\$ 22,568,675	\$ (146,652,386)	\$ (26,408,091)	\$ (82,471,323)	\$ (59,523,815)	\$ (28,551,347)	\$ (71,135,950)	\$ (12,418,217)

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

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

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues:</b>										
Taxes	\$ 425,707,122	\$ 433,782,081	\$ 431,705,312	\$ 433,518,092	\$ 430,868,542	\$ 450,712,602	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869
Licenses, Permits and Privilege Fees	35,374,043	34,326,099	39,403,213	42,404,133	38,093,334	39,403,545	39,852,169	37,131,444	43,521,211	44,298,799
Intergovernmental	151,219,441	152,816,149	152,837,949	133,166,823	150,232,431	144,718,110	215,446,474	179,177,023	156,446,068	153,924,075
Service Charges	24,407,838	25,559,661	26,390,218	28,093,614	23,205,623	23,437,359	24,702,348	33,085,235	28,041,105	29,982,993
Fines and Forfeitures	9,760,055	9,583,749	9,744,457	10,200,629	10,221,786	5,822,882	7,543,881	6,586,811	5,972,902	6,857,701
Payment in Lieu of Taxes	19,780,983	-	-	-	-	-	-	-	-	-
Utility Payments	-	22,577,356	24,141,572	25,266,237	27,175,174	28,848,885	32,000,694	31,162,094	30,470,118	26,245,139
Investment Income	105,672	165,111	125,526	80,854	36,019	38,344	53,281	114,158	221,141	829,723
Miscellaneous	22,718,453	20,903,222	79,323,182	18,100,667	10,564,344	15,345,228	19,302,223	18,080,483	14,097,621	21,074,188
<b>Total Revenues</b>	<b>689,073,607</b>	<b>699,713,428</b>	<b>763,671,429</b>	<b>690,831,049</b>	<b>690,397,253</b>	<b>708,326,955</b>	<b>811,934,510</b>	<b>786,625,669</b>	<b>757,513,934</b>	<b>800,764,487</b>
<b>Expenditures:</b>										
General Government	92,896,369	86,018,066	90,060,892	99,140,475	77,804,633	91,170,260	88,378,032	84,393,859	65,355,730	73,844,016
Public Safety and Judiciary	169,704,353	168,930,921	177,042,195	179,438,014	178,712,513	190,291,231	191,072,187	192,552,805	209,315,536	215,041,275
Highways, Streets, Sanitation and Refuse	46,687,139	58,398,783	61,164,440	60,345,016	67,017,239	61,720,615	61,691,779	61,226,383	65,685,371	65,147,686
Human Services	89,445,759	89,251,029	80,913,299	74,156,376	76,378,833	81,890,683	81,456,560	83,890,504	83,549,468	76,303,161
Culture and Recreation	21,791,546	23,274,978	22,988,592	22,746,588	24,326,572	26,212,041	23,153,407	23,606,485	24,410,469	24,589,800
Education	151,332,379	150,585,819	150,651,924	153,205,535	154,267,395	162,170,840	170,833,592	176,983,321	155,175,684	156,721,265
Non-Departmental	46,454,002	43,629,933	46,835,962	72,870,264	44,145,152	52,352,720	54,638,951	46,901,510	75,498,843	84,421,652
Capital Outlay	55,093,465	125,099,224	96,796,091	179,946,671	153,252,930	106,538,511	115,975,232	97,879,286	64,920,024	62,975,872
Debt Service:										
Principal Retirement	31,748,820	29,839,337	30,683,823	36,604,656	37,129,045	31,040,730	64,113,008	35,149,119	37,079,297	40,892,796
Interest Payments	19,193,765	19,710,167	22,026,533	19,517,107	24,157,031	24,077,465	27,633,704	28,505,952	25,138,282	29,385,791
Issuance Costs	806,838	647,705	-	-	738,870	1,324,747	827,439	556,713	2,583,813	1,054,023
<b>Total Expenditures</b>	<b>725,154,435</b>	<b>795,385,962</b>	<b>779,163,751</b>	<b>897,970,702</b>	<b>837,930,213</b>	<b>828,789,843</b>	<b>879,773,891</b>	<b>831,645,937</b>	<b>808,712,517</b>	<b>830,377,337</b>
<b>Other Financing Sources (Uses):</b>										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	67,559,251	66,240,273	66,995,617	67,750,346	73,001,130	69,642,441	109,294,954	79,998,362	86,243,332	92,114,489
Proceeds from Refunding Bonds	(64,147,702)	(63,243,383)	(63,886,685)	(65,335,266)	(69,123,692)	(66,809,741)	(104,614,669)	(75,297,532)	(82,551,009)	(87,543,943)
Payment to Escrow Agent	-	-	-	-	193,218,870	-	21,865,202	-	294,315,000	-
Proceeds from Section 108	-	-	-	-	(150,000,000)	-	-	-	(251,080,703)	(8,300,000)
Proceeds from EDA	-	-	-	-	-	-	-	786,418	786,818	-
Payments for Refunding Bonds	-	-	-	-	-	-	-	1,429,408	1,933,462	1,833,891
Proceeds from Issuance of Bonds	100,917,875	80,341,209	113,379,713	36,487	-	(141,723,901)	(21,721,208)	90,000,000	(95,000,000)	-
Premium on Issuance of Bonds	6,565,000	4,441,245	-	-	-	183,106,648	94,240,683	-	54,765,293	103,585,134
<b>Total Other Financing Sources, Net</b>	<b>110,894,424</b>	<b>87,779,344</b>	<b>116,488,645</b>	<b>2,451,567</b>	<b>171,240,338</b>	<b>44,215,447</b>	<b>99,064,962</b>	<b>96,916,656</b>	<b>9,412,193</b>	<b>101,774,669</b>
<b>Special Items:</b>										
Gain on Sale of Land	-	-	-	485,000	-	-	-	-	-	-
<b>Total Special Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>485,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Extraordinary Item:</b>										
Disaster Costs	15,352	-	1,320,829	-	-	-	-	-	-	-
<b>Total Extraordinary Item</b>	<b>15,352</b>	<b>-</b>	<b>1,320,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 74,828,948</b>	<b>\$ (7,893,190)</b>	<b>\$ 99,675,494</b>	<b>\$ (204,203,086)</b>	<b>\$ 23,707,378</b>	<b>\$ (17,407,792)</b>	<b>\$ 31,225,581</b>	<b>\$ 51,896,388</b>	<b>\$ (41,786,390)</b>	<b>\$ 72,161,819</b>
	7.6%	7.4%	7.7%	7.8%	9.0%	7.6%	12.0%	8.7%	8.4%	9.2%

Debt Service as a Percentage of Non-Capital Expenditures<sup>1</sup>

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

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

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Real Estate	\$ 218,027,758	\$ 221,948,834	\$ 216,991,101	\$ 213,234,953	\$ 216,006,348	\$ 223,491,278	\$ 234,445,036	\$ 234,294,879	\$ 247,700,125	\$ 273,627,368
Sales-1% Local	26,093,786	26,315,613	30,595,853	30,549,022	30,944,459	32,567,648	33,773,371	34,176,816	30,282,657	36,953,797
Sales Tax for Education	24,943,835	25,914,852	26,406,848	23,673,198	23,612,726	25,102,851	24,997,524	25,661,559	-	-
Personal Property	44,081,997	44,343,976	43,780,792	47,234,956	44,753,528	49,260,306	48,531,320	57,603,912	60,801,789	63,646,292
Machinery and Tools	17,038,468	16,857,051	15,519,223	15,001,324	13,607,934	12,838,347	14,060,308	13,828,602	13,996,708	14,917,609
Utility Sales Tax Gas	-	4,617,822	4,256,292	4,761,197	4,833,897	4,872,622	4,467,916	4,711,342	4,600,765	5,039,881
Utility Sales Tax Electric	-	12,480,255	12,121,920	12,303,832	11,463,513	12,479,100	12,707,360	13,494,359	14,517,989	13,630,830
Utility Sales Tax Tele	-	-	-	-	382,903	294,792	483,893	249,607	232,377	222,609
General Utility Sales	34,483,451	-	-	-	-	-	-	-	-	-
State Communication Taxes	-	17,439,622	17,085,208	17,130,526	16,839,049	16,691,917	16,527,290	15,760,395	14,138,781	14,413,205
Bank Stock	8,247,534	13,933,727	12,480,183	9,221,721	9,328,141	8,816,474	9,936,805	8,364,990	8,842,900	8,812,736
Prepared Food	23,756,424	21,726,664	26,991,476	28,320,613	30,444,280	31,686,926	35,455,141	35,605,363	36,948,484	45,740,073
Lodging Tax	4,789,681	4,623,900	5,685,427	6,018,453	5,974,584	5,456,014	8,079,083	8,042,016	8,823,693	9,009,423
Admission	2,181,971	1,843,129	2,726,217	2,372,848	2,964,390	2,357,256	2,885,747	3,287,979	3,074,924	2,848,979
Real Estate Taxes - Delinquent	9,711,901	10,746,487	7,006,446	8,953,219	7,895,327	9,155,708	9,703,138	8,937,806	14,295,349	12,889,862
Personal Property Taxes - Delinquent	5,023,503	4,117,223	3,959,980	8,524,442	5,614,439	8,867,316	6,378,267	9,836,983	9,542,460	6,513,005
Delinquent Tax Payments-All Classes	-	-	-	-	-	-	-	-	-	-
Private Utility Poles and Conduits	156,478	158,268	154,881	158,568	169,729	160,950	68,699	260,117	163,837	157,378
Penalties and Interest	5,423,493	4,948,641	3,660,357	4,471,897	3,642,822	4,384,082	7,892,982	5,023,749	8,538,280	6,474,466
Titling Tax-Mobile Home	10,858	4,704	8,051	5,817	6,132	9,083	8,266	9,474	14,583	9,267
State Recordation	759,637	681,049	656,449	731,956	872,407	661,291	1,156,543	942,127	1,001,665	1,058,973
Property Rental 1%	101,748	109,871	131,021	139,796	133,774	82,388	79,202	154,115	122,066	171,168
Vehicle Rental Tax	424,599	579,654	1,149,088	371,425	855,582	931,779	1,067,535	845,652	905,346	1,204,155
Telephone Commissions	450,000	390,739	338,499	337,349	522,578	538,474	628,014	196,579	198,990	210,793
Total General Governmental Tax Revenues	\$ 425,707,122	\$ 433,782,081	\$ 431,705,312	\$ 433,517,112	\$ 430,868,542	\$ 450,712,602	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869

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

**CITY OF RICHMOND, VIRGINIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

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	Estimated Actual Taxable Value		
2010	\$ 12,657,788,000	\$ 14,263,768,672	\$ 1,420,344,916	\$ 765,598,939	\$ 5,827,518,000	\$ 23,279,982,527	\$ 1.20	\$ 3.70	\$ 2.30	\$ 23,279,982,527	100.00%	
2011	\$ 12,019,466,000	\$ 13,786,267,222	\$ 1,484,823,134	\$ 762,284,948	\$ 5,918,281,100	\$ 22,134,560,204	\$ 1.20	\$ 3.70	\$ 2.30	\$ 22,134,560,204	100.00%	
2012	\$ 11,908,691,000	\$ 13,751,070,000	\$ 1,475,484,028	\$ 682,677,850	\$ 5,943,230,000	\$ 21,874,692,878	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,874,692,878	100.00%	
2013	\$ 11,527,422,000	\$ 13,981,508,000	\$ 1,458,546,482	\$ 636,293,988	\$ 6,024,864,000	\$ 21,578,906,470	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,578,906,470	100.00%	
2014	\$ 13,873,758,000	\$ 11,897,960,000	\$ 1,385,403,241	\$ 594,339,539	\$ 6,183,459,000	\$ 21,568,001,780	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,568,001,780	100.00%	
2015	\$ 14,322,697,000	\$ 11,976,725,000	\$ 1,629,774,285	\$ 588,032,927	\$ 6,268,127,000	\$ 22,249,102,212	\$ 1.20	\$ 3.70	\$ 2.30	\$ 22,249,102,212	100.00%	
2016	\$ 14,986,306,000	\$ 12,803,864,000	\$ 1,955,517,305	\$ 577,169,740	\$ 6,908,330,000	\$ 23,414,527,045	\$ 1.20	\$ 3.70	\$ 2.30	\$ 23,414,527,045	100.00%	
2017	\$ 15,650,193,000	\$ 13,250,426,000	\$ 2,391,005,104	\$ 599,972,231	\$ 7,304,849,000	\$ 24,586,747,335	\$ 1.20	\$ 3.70	\$ 2.30	\$ 24,586,747,335	100.00%	
2018	\$ 16,632,993,000	\$ 13,536,643,000	\$ 1,628,651,058	\$ 613,217,909	\$ 7,458,753,000	\$ 24,952,751,967	\$ 1.20	\$ 3.70	\$ 2.30	\$ 24,952,751,967	100.00%	
2019	\$ 18,219,437,000	\$ 14,252,708,000	\$ 1,663,501,784	\$ 730,399,166	\$ 7,749,103,000	\$ 27,116,942,950	\$ 1.20	\$ 3.70	\$ 2.30	\$ 27,116,942,950	100.00%	

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, 2019**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Total Taxable Assessed Value	Taxable Assessed Value	Rank	Total Taxable Assessed Value
Philip Morris Inc.	\$ 660,080,000	1	2.67%	\$ 710,722,000	1	3.37%
Dominion Resources Inc	267,540,000	2	1.08%	247,500,000	2	1.17%
Richmond Riverfront Plaza LP	163,634,000	3	0.66%	187,998,000	3	0.89%
JC Richmond LLC	142,853,000	4	0.58%	144,411,000	4	0.68%
SIR Properties Trust	120,547,000	5	0.49%	105,605,000	5	0.50%
Chippenham Hospital Inc	110,534,000	6	0.45%	103,928,000	6	0.49%
Federal Reserve Bank of Richmond	109,169,999	7	0.44%	89,060,000	7	0.42%
LEX Richmond Tenant LP	98,052,000	8	0.40%	83,574,000	8	0.40%
Kireland South 10th Street, LLC	76,267,000	9	0.31%	78,151,000	9	0.37%
TM Stony Point Park LP	70,328,000	10	0.28%	74,921,000	10	0.36%
HRIP Miller & Rhoads	69,241,000	11	0.28%	70,000,000	11	0.33%
LS Biotech Eight, LLC	68,576,000	12	0.28%	69,571,000	12	0.33%
AREP Riverside I LLC	66,779,000	13	0.27%	63,519,000	13	0.30%
PARMA Richmond, LLC	64,481,000	14	0.26%	54,132,000	14	0.26%
Crestar Bank (SunTrust)	62,405,000	15	0.25%	48,212,000	15	0.23%
Daniel US Properties LP	59,403,000	16	0.24%	46,067,000	16	0.22%
Robins AH Co, Inc	49,113,000	17	0.20%	42,010,000	17	0.20%
Southwood Apartments LLC	47,725,000	18	0.19%	39,575,000	18	0.19%
Malvern Manor Apartments, LLC	45,891,000	19	0.19%	38,029,000	19	0.18%
Student Housing SPE - VCU, LLC	44,783,000	20	0.18%	36,004,000	20	0.17%
RVA 1111 East Main Tower LP	44,298,000	21	0.18%	35,000,000	21	0.17%
John Marshall Building LLC	43,950,000	22	0.18%	34,448,000	22	0.16%
Eck Enterprises Inc	43,497,000	23	0.18%	32,581,000	23	0.15%
Reynolds South Tower, LLC	43,162,000	24	0.17%	32,284,000	24	0.15%
Apple Seven SPE Richmond Inc	40,953,000	25	0.17%	31,805,000	25	0.15%
Total of 25 Taxpayers	2,613,261,999		10.57%	2,499,107,000		11.85%
All Other Properties	22,109,780,001		89.43%	18,594,931,672		88.15%
Total	\$ 24,723,042,000		100.00%	\$ 21,094,038,672		100.00%

Source: City's Real Estate Assessor



**CITY OF RICHMOND, VIRGINIA AND METROPOLITAN STATISTICAL AREA  
PRINCIPAL EMPLOYERS**

Current Year and Ten Years Ago

Employer	2019			2010		
	Approximate Number of Employees	Rank	Percentage of Principal Employment	Approximate Number of Employees	Rank	Percentage of Principal Employment
Capital One Financial Corp.	11,262	1	11.55%	7,399	1	7.61%
VCU Health System	9,313	2	9.55%	6,703	2	6.89%
HCA Virginia Health System	7,628	3	7.82%	6,624	3	6.81%
Bon Secours Richmond Health System	7,136	4	7.32%	5,761	4	5.93%
Dominion Virginia Power	5,433	5	5.57%	5,480	5	5.64%
SunTrust Banks Inc.	3,810	6	3.91%	5,460	6	5.62%
Altria Group Inc.	3,800	7	3.90%	3,709	7	3.82%
Amazon.com	3,800	8	3.90%	3,363	8	3.46%
Wells Fargo	2,902	9	2.97%	3,149	9	3.24%
Anthem Blue Cross and Blue Shield	2,655	10	2.72%	3,100	10	3.19%
United Parcel Service	2,490	11	2.55%	3,734	11	3.84%
DuPont	1,921	12	1.97%	2,680	12	2.76%
Bank of America	1,886	13	1.93%	2,880	13	2.96%
Market Corporation	1,882	14	1.93%	3,122	14	3.21%
Federal Reserve Bank of Richmond	1,882	15	1.93%	2,355	15	2.42%
Verizon Communications	1,700	16	1.74%	1,744	16	1.79%
University of Richmond	1,578	17	1.62%	1,590	17	1.64%
General Dynamics Corp.	1,450	18	1.49%	1,382	18	1.42%
Total of Principal Employers	72,528		74.35%	70,235		72.24%
Other Principal Employers <sup>1</sup>	25,020		25.65%	26,983		27.76%
Totals	97,548		100.00%	97,218		100.00%

**Other Principal Employers<sup>1</sup>:** These numbers represent the amount and percentage of the remaining top 18 employers for the citizens within the Richmond Metropolitan Statistical Area.  
Source: 2019 - Greater Richmond Partnership, 2010 - Richmond Times-Dispatch

CITY OF RICHMOND, VIRGINIA  
REAL ESTATE TAX LEVIES AND COLLECTIONS  
Last Ten Years

Tax Year	Tax Rate	Total Tax Levy <sup>3</sup>	Current Tax Collections <sup>1</sup>			Total Tax Collections		
			Amount	Percentage of Levy	Delinquent Tax Collections <sup>2</sup>	Amount	Percentage of Levy	
2010	1.20	\$ 234,474,521	\$ 222,858,692	95.0%	\$ 9,711,902	\$ 232,570,594	99.2%	
2011	1.20	\$ 234,035,458	\$ 222,720,502	95.2%	\$ 10,742,828	\$ 233,463,330	99.8%	
2012	1.20	\$ 227,351,927	\$ 213,930,311	94.1%	\$ 8,196,450	\$ 222,126,761	97.7%	
2013	1.20	\$ 224,663,796	\$ 207,677,432	92.4%	\$ 9,296,883	\$ 216,974,315	96.6%	
2014	1.20	\$ 217,520,214	\$ 202,460,782	93.1%	\$ 12,381,260	\$ 214,842,042	98.8%	
2015	1.20	\$ 225,091,868	\$ 210,309,436	93.4%	\$ 10,412,879	\$ 220,722,315	98.1%	
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%	

Source: City of Richmond - Department of Finance

**Current Tax Collections<sup>1</sup>:** These columns represent the amount and percentage on the tax levy within the respective tax year reporting period. These amounts are adjusted to reflect the state's personal property relief payments in the proper period.

**Delinquent Tax Collections<sup>2</sup>:** This column represents delinquent taxes collected within the respective levy year reporting period.

**Tax Levy<sup>3</sup>:** - This column includes only the original levy; adjustments to this levy are not reflected. Includes personal property and vehicle licenses.  
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 <sup>3</sup>	Current Tax Collections <sup>1</sup>			Total Tax Collections to Date		
			Amount	Percentage of Levy	Delinquent Tax Collections <sup>2</sup>	Amount	Percentage of Levy	
2010	3.70	\$ 53,716,305	\$ 45,700,784	85.1%	\$ 4,740,164	\$ 50,440,948	93.9%	
2011	3.70	\$ 49,636,035	\$ 45,050,368	90.8%	\$ 4,740,164	\$ 49,790,532	92.5%	
2012	3.70	\$ 49,995,079	\$ 46,364,216	92.7%	\$ 4,779,895	\$ 51,144,111	94.4%	
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%	\$ 13,386,275	\$ 64,150,321	106.4%	
2015	3.70	\$ 61,537,220	\$ 52,363,405	85.1%	\$ 7,102,096	\$ 59,465,502	95.4%	
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	\$ 80,184,576	\$ 59,861,884	84.6%	\$ 9,542,459	\$ 69,404,343	98.1%	
2019	3.70	\$ 79,813,791	\$ 64,124,224	80.3%	\$ 6,513,005	\$ 70,637,229	88.5%	

**Current Tax Collections<sup>1</sup>:** These columns represent the amount and percentage on the tax levy within the respective tax year reporting period. These amounts are adjusted to reflect the state's personal property relief payments in the proper period.

**Delinquent Tax Collections<sup>2</sup>:** This column represents delinquent taxes collected within the respective levy year reporting period.

**Tax Levy<sup>3</sup> -** This column includes only the original levy; adjustments to this levy are not reflected. Includes personal property and vehicle licenses.  
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	Utility Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2010	400,951,978	1,916,098	33,220,000	2,800,000	9,739,788	13,980,000	191,239,793	553,815,743	1,207,663,400	13.77%	5,914
2011	604,863,844	1,684,543	74,780,000	2,245,000	9,068,116	13,170,000	171,845,174	554,658,872	1,280,665,469	13.46%	6,231
2012	647,464,912	1,450,834	14,034,000	1,690,000	8,360,231	12,325,000	159,595,376	556,645,429	1,278,399,452	12.24%	6,079
2013	495,710,389	1,215,155	101,155,970	11,255,000	7,614,180	-	141,816,089	736,458,840	1,495,225,623	14.93%	6,983
2014	607,682,714	977,282	107,460,000	10,695,000	6,827,905	-	123,660,034	723,448,460	1,580,751,395	15.20%	7,256
2015	600,310,584	736,976	35,035,000	10,125,000	5,999,238	-	176,398,440	711,370,939	1,539,976,177	14.37%	6,991
2016	652,885,412	494,107	6,875,000	10,125,000	5,125,893	-	154,174,876	694,547,789	1,524,228,077	13.35%	6,830
2017	617,751,633	248,508	96,250,000	9,605,000	4,205,462	-	129,829,955	755,518,747	1,613,409,306	13.26%	7,107
2018	653,984,975	-	625,000	9,080,000	3,235,406	-	107,283,878	738,777,749	1,512,987,008	N/A	6,664
2019	659,768,748	-	42,200,000	11,157,000	2,213,049	-	90,607,029	714,818,325	1,520,764,151	N/A	N/A

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

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note: 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.

Note: The Certificate of Participation was paid off during 2013.

**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 Estimated Actual Taxable Value of Property	Debt Per Capita
2010	592,191,771	1,916,098	33,220,000	2,800,000	9,739,788	13,980,000	653,847,657	3.10%	3,202
2011	625,058,938	1,684,543	74,780,000	2,245,000	9,068,116	13,170,000	726,006,597	3.65%	3,532
2012	683,893,958	1,450,834	14,034,000	1,690,000	8,360,231	12,325,000	721,754,023	3.66%	3,432
2013	637,526,478	1,215,155	101,155,970	11,255,000	7,614,180	-	758,766,783	3.89%	3,544
2014	731,342,748	977,282	107,460,000	10,695,000	6,827,905	-	857,302,935	4.38%	3,935
2015	776,709,024	736,976	35,035,000	10,125,000	5,999,238	-	828,605,238	4.14%	3,761
2016	807,060,288	494,107	6,875,000	10,125,000	5,125,893	-	829,680,288	3.97%	3,718
2017	747,581,589	248,508	96,250,000	9,605,000	4,205,462	-	857,890,559	3.97%	3,779
2018	761,268,853	-	625,000	9,080,000	3,235,406	-	774,209,259	3.41%	3,384
2019	750,375,777	-	42,200,000	11,157,000	2,213,049	-	805,945,826	3.26%	N/A

N/A: Information is not available from the U.S. Department of Commerce Bureau of Economic Analysis  
 Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 2,109,403,867	\$ 1,988,745,212	\$ 1,971,653,100	\$ 1,948,406,600	\$ 1,958,825,900	\$ 2,003,129,500	\$ 2,088,184,000	\$ 2,159,577,000	\$ 2,271,088,300	\$ 2,472,304,200
Total net debt applicable to limit	<u>630,231,266</u>	<u>703,768,481</u>	<u>701,068,792</u>	<u>751,152,603</u>	<u>850,475,030</u>	<u>822,605,994</u>	<u>824,554,395</u>	<u>853,685,097</u>	<u>770,973,853</u>	<u>803,732,777</u>
Legal Debt Margin	<u>\$ 1,479,172,601</u>	<u>\$ 1,284,976,731</u>	<u>\$ 1,270,584,308</u>	<u>\$ 1,197,253,997</u>	<u>\$ 1,108,350,870</u>	<u>\$ 1,180,523,506</u>	<u>\$ 1,263,629,605</u>	<u>\$ 1,305,891,903</u>	<u>\$ 1,500,114,447</u>	<u>\$ 1,668,571,423</u>
Total net debt applicable to the limit as a percentage of debt limit	29.88%	35.39%	35.56%	38.55%	43.42%	41.07%	39.49%	39.53%	33.95%	32.51%
<b>Legal Debt Margin Calculation for Fiscal Year 2019</b>										
	Assessed Value (Taxable)									
	\$ 24,723,042,000									
	Debt limit (10% of total assessed value)									
	2,472,304,200									
	Debt applicable to limit:									
	General Obligation Bonds									
	803,732,777									
	Legal Debt Margin									
	<u>\$ 1,668,571,423</u>									

Source: City of Richmond - Department of Finance

Note: 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 6/30/2019 does not include \$714,818,325 of self supporting Public Utility Revenue Bonds or \$2,213,049 of Lease Revenue Bonds that by State law are not required to be included in calculations for legal margin for the creation of additional debt.

CITY OF RICHMOND, VIRGINIA  
 PLEDGED-REVENUE COVERAGE  
 Last Ten Years

Fiscal Year	Gross Revenue	Less: Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 297,479,213	\$ 220,452,796	\$ 77,026,417	\$ 21,104,375	\$ 34,343,862	\$ 55,448,237	1.39
2011	\$ 292,376,014	\$ 214,249,704	\$ 78,126,310	\$ 23,548,199	\$ 31,501,282	\$ 55,049,481	1.42
2012	\$ 264,583,790	\$ 185,232,686	\$ 79,351,104	\$ 27,860,480	\$ 30,343,026	\$ 58,203,506	1.36
2013	\$ 291,885,805	\$ 208,615,753	\$ 83,270,052	\$ 29,836,350	\$ 30,284,845	\$ 60,121,195	1.39
2014	\$ 322,906,697	\$ 212,520,886	\$ 110,385,811	\$ 34,088,248	\$ 36,736,199	\$ 70,824,447	1.56
2015	\$ 320,307,318	\$ 208,875,736	\$ 111,431,582	\$ 31,269,119	\$ 35,701,455	\$ 66,970,574	1.66
2016	\$ 296,741,775	\$ 181,337,736	\$ 115,404,039	\$ 34,934,079	\$ 33,895,709	\$ 68,829,788	1.68
2017	\$ 313,083,986	\$ 189,142,582	\$ 123,941,404	\$ 31,768,170	\$ 26,875,875	\$ 58,644,045	2.11
2018	\$ 341,231,639	\$ 208,431,669	\$ 132,799,970	\$ 38,174,843	\$ 34,657,826	\$ 72,832,669	1.82
2019	\$ 352,458,032	\$ 216,255,116	\$ 136,202,916	\$ 34,669,965	\$ 33,655,518	\$ 68,325,483	1.99

**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

(1) The 2010 gross revenue and direct operating expenses amount has been revised due to a reclassification. The 2010 net revenue available for debt service remains the same.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF RICHMOND, VIRGINIA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 Last Ten Years

Fiscal Year	Population (1)	Personal Income (Amounts expressed in thousands)	Per Capita Personal Income (2)	Median Age	School Enrollment (3)	City Unemployment Rate (4)	State Unemployment Rate (4)
2010	204,214	8,758,671	42,884	32.6	22,994	10.5%	7.1%
2011	205,533	9,505,530	46,052	32.4	23,454	9.3%	6.3%
2012	210,309	10,446,407	49,546	32.2	23,336	9.0%	6.0%
2013	214,114	10,035,865	46,894	32.6	23,649	8.2%	5.9%
2014	217,853	10,576,682	48,699	32.6	23,775	6.7%	5.3%
2015	220,289	11,330,718	51,283	32.9	23,957	5.2%	4.7%
2016	223,170	11,581,450	51,407	33.2	23,987	4.1%	4.0%
2017	227,032	12,164,523	53,581	33.5	24,868	4.4%	3.9%
2018	228,783	N/A	N/A	34.0	25,015	3.4%	3.2%
2019	N/A	N/A	N/A	N/A	24,763	N/A	N/A

\*NA-Not Available

(1) Source: U.S. Census Bureau, Annual estimates of the Resident Population.

(2) Source: U.S. Department of Commerce, Economic and Statistics Administration, Bureau of Economic Analysis.

(3) Source: The School Board of the City of Richmond, Virginia, Fall Membership collected on September 30th.

(4) Source: Virginia Employment Commission & U.S. Department of Labor, Bureau of Labor Statistics.

Data reflects annual benchmark revision issued in February of each year.

Unemployment rates are not seasonally adjusted.



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

Function	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities:										
General Government	696	696	620	764	739	739	684	566	763	781
Public Safety and Judiciary										
Police	980	942	923	915	918	918	849	845	847	839
Firefighters and Officers	406	434	425	411	439	439	432	409	411	425
Others	577	573	557	528	542	542	521	526	563	554
Highways, Streets, Sanitation and Refuse										
Engineering & Maintenance	452	454	497	389	391	391	327	318	340	346
Human Services										
Human Services Advocacy	35	43	34	13	15	15	14	12	10	16
Social Services	456	443	441	426	353	353	392	368	349	340
Culture and Recreation	276	261	158	161	146	146	235	232	163	158
Transportation	-	-	-	-	-	-	-	-	-	-
Business-type Activities:										
Storm water Utility	-	-	-	55	52	52	52	47	54	50
Gas Utility	404	359	367	284	291	291	281	282	275	274
Water Utility	110	110	117	106	101	101	112	116	132	118
Wastewater Utility	139	131	168	176	166	166	169	150	147	144
Electric Utility	24	24	39	26	24	24	21	15	15	14
Stores and Transportation Division	6	6	6	6	8	8	7	6	6	4
Coliseum	17	17	14	14	14	14	-	-	-	-
Landmark Theatre	-	-	-	-	-	-	-	-	-	-
Cemeteries NCO	20	21	19	19	17	17	18	18	18	12
Parking	-	-	-	-	-	-	6	6	6	8
<b>Total</b>	<u>4,598</u>	<u>4,514</u>	<u>4,385</u>	<u>4,293</u>	<u>4,216</u>	<u>4,216</u>	<u>4,120</u>	<u>3,916</u>	<u>4,099</u>	<u>4,083</u>

Source: City of Richmond Department of Human Resources

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

<b>Function</b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
<b>Governmental Activities:</b>										
Police:										
Physical Arrests	14,487	13,595	13,179	11,184	10,668	11,453	14,156	14,482	13,646	12,703
Parking Violations	134,151	128,038	125,171	125,905	115,961	131,783	118,263	87,503	131,571	144,112
Traffic Violations	31,518	30,454	25,026	18,168	17,233	17,434	10,440	22,068	15,540	16,042
Fire:										
Number of calls answered	29,587	32,450	32,287	33,774	34,236	34,616	36,079	38,516	38,267	38,550
Inspections	5,336	4,093	5,675	6,392	2,921	3,254	2,657	2,367	1,449	1,247
Highways and Streets:										
Street resurfacing (miles)	122	115	118	108	130	127	138	82	94	93
Potholes repaired	11,409	9,158	15,135	13,126	20,957	20,161	19,476	20,232	23,547	25,623
Sanitation and Refuse:										
Refuse collected (tons/day)	291	300	290	295	295	300	356	350	303	276
Recyclables collected (tons/day)	21	42	25	37	37	37	49	50	50	41
Culture and Recreation:										
Parks permits issued	579	546	546	546	546	644	448	606	666	645
<b>Business-type Activities:</b>										
Gas:										
Maximum daily sendout (MCF)	139,351	153,078	137,485	150,761	169,141	183,745	163,678	171,337	190,134	165,557
Annual Sendout (MCF)	16,006,116	17,662,077	14,673,455	17,522,110	19,014,696	19,997,009	18,230,067	17,588,052	19,394,749	17,649,213
Water:										
Average daily consumptions (MGD)	58	59	53	57	55	61	60	60	62	57
Maximum daily consumptions (MCD)	89	99	89	88	83	83	81	87	87	80
Water in Storage (gallons) <sup>1</sup>	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)	55	46	52	51	53	46	54	54	54	68
Maximum daily sewage treatment (MGD)	96	84	80	82	79	54	83	83	83	80
Coliseum:										
Average daily attendance per activity <sup>2</sup>	4,895	4,957	4,161	3,889	1,038	994	4,133	4,857	4,403	4,020
Altria Theater (Formerly Landmark):										
Total tickets sold for all activities <sup>3</sup>	156,448	100,032	217,104	121,144	143,855	101,878	177,124	143,364	138,006	185,608
Total attendance for all activities <sup>3</sup>	177,105	139,749	234,035	129,800	160,014	156,321	247,291	209,785	214,402	258,782
Cemeteries:										
Number of interments	790	777	790	860	826	875	804	790	695	683
Number of lot sales	16	20	6	13	7	12	7	14	14	33
Number of single grave sales	504	473	468	607	555	584	547	526	456	424
Number of foundations	494	522	493	519	512	544	572	593	514	482

Source: Various City departments

(1) FY 2011 and prior years, water in storage (gallons) amount has been revised to include the Byrd Park Reservoir.

(2) 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.

(3) The Altria-Theater was closed, due to construction, for 5 months during FY 2013, which caused a decrease from FY 2012 in the total number of tickets sold and attendances for all activities.

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

Function	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police:										
Stations	7	7	7	7	7	9	4	4	4	4
Patrol Units	173	164	213	223	223	220	194	222	275	279
Fire:										
Stations	20	20	20	20	20	20	20	20	20	20
Fire trucks	54	54	61	51	41	39	67	51	42	49
Highways and Streets:										
Streets (miles) <sup>1</sup>	822	822	822	822	1,860	1,860	1,835	1,832	1,836	1,835
Streetlights	30,783	36,027	35,834	36,230	31,247	31,247	31,247	31,247	34,000	34,062
Traffic Signals <sup>2</sup>	476	469	474	471	521	475	475	475	475	479
Sanitation and Refuse:										
Collection Trucks	34	33	33	33	33	33	33	33	46	35
Culture and Recreation:										
Parks acreage	2,808	2,810	2,808	2,808	2,808	2,844	2,844	2,844	2,844	2,844
Parks	71	71	72	72	73	73	73	73	73	73
Baseball/Softball Diamonds	48	48	48	48	48	48	48	48	48	45
Athletic Fields	31	31	31	31	31	30	30	30	30	27
Golf Courses (Driving Range/Par 3 Course)	1	1	1	1	1	1	1	1	1	1
Swimming Pools	9	9	9	9	9	9	9	9	9	9
Tennis Courts	140	140	140	140	140	136	136	136	136	136
Community Centers	20	20	20	20	20	20	20	20	20	21
Theatres	2	2	2	2	2	2	2	2	2	2
Coliseums	1	1	1	1	1	1	1	1	1	-
Gas:										
Miles of Service Lines <sup>3</sup>	1,050	1,057	1,069	1,138	1,149	1,130	1,139	1,146	1,157	1,167
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.



VIRGINIA



# DEPARTMENT OF FINANCE

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