

FY POPULAR **20** ANNUAL FINANCIAL **20** REPORT

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





2020 POPULAR ANNUAL FINANCIAL REPORT

To the Citizens of Richmond, VA

Richmond's Popular Annual Financial Report (PAFR) is a report for our citizens. It is designed to increase awareness throughout the community of the financial operations of the city. It is written in a user-friendly manner that will provide a better understanding of our city government, local economic conditions, and financial position.

The PAFR was prepared using audited financial statements included in the 2020 Comprehensive Annual Financial Report (CAFR), which was prepared in accordance with Generally Accepted Accounting Principles (GAAP). The CAFR received an unmodified opinion from the auditors of CliftonLarsonAllen (CLA), meaning that the financial statements were true and fair in all material aspects.

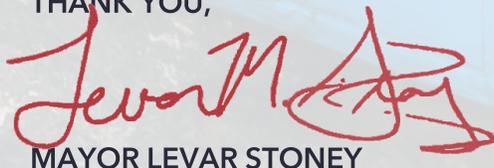
Since the PAFR is not required to include the same level of detail as the CAFR, it is not an audited financial statement. The information in this document involves only governmental funds and condenses financial information. Therefore, this report does not comply with GAAP.

As such, the PAFR does not contain complete information on proprietary funds (those that finance themselves, such as parking and utilities), fiduciary funds (those which contain resources belonging to entities other than the government, such as pensions), and component units (which are entities such as the School Board and Richmond Economic Development Authority).

This report demonstrates a portion of what makes Richmond a great place to live, work, learn, and grow. Our city – the Commonwealth's capital – is home to numerous for-profit and non-profit businesses as well as educational and state institutions. Richmond's city government plays a pivotal role in the local economy. This report is designed to demonstrate that role as well as highlighting the financial condition and trends of the city.

For more in-depth information, please obtain a copy of the CAFR on the city's website at www.richmondgov.com. Additionally, questions or comments concerning any of the information provided in the PAFR should be directed to PAFR@richmondgov.com or by calling (804) 646-7890.

THANK YOU,



MAYOR LEVAR STONEY

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ABOUT RICHMOND, VIRGINIA

City Profile

Richmond, incorporated in 1782, is a municipal corporation of the Commonwealth of Virginia and is the state capital. The city occupies 62.5 square miles and serves a growing population of 230,436 as of the latest (2019) U.S. Census Bureau's annual population estimate.

Richmond 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.

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, has been recognized as one of the Southeast's Best Urban Parks. Richmond regularly receives a number of accolades from the press and other professional associations – a sampling of which are presented on the following page.

The Mayor serves as Chief Executive Officer and is responsible for the proper administration of city government. 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 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 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. The city's Richmond Gas Works, water utility, and wastewater utility are regional providers of services. The city government also provides the majority of the funding for Richmond Public Schools.

City Services Quick Facts

- Richmond Police Department has 4 police precincts with 265 patrol units.
- Richmond Fire Department operates 20 fire stations operating 55 fire trucks.
- The Department of Public Works maintains 1,835 miles of pavement throughout the city.
- The Department of Parks, Recreation and Community Facilities manages 21 community centers and 2,844 acres of parks and open space.
- The Department of Public Utilities services and maintains 3,103 miles of gas, water, and wastewater lines.

Source: 2020 Comprehensive Annual Financial Report (CAFR), Statistical Section

RICHMOND'S ACCOLADES

What They Say About Richmond

"With an amazing art and culture scene, **RVA is quickly becoming a hotspot** on the east coast."

ENTREPRENEUR

"8 Cities Whose Entrepreneurship Communities are Booming"

"Attend just one session of 1 Million Cups Richmond, a weekly event for entrepreneurs to meet and exchange ideas, and you come away feeling **hell-bent on staking your own startup claim** in this historic Southern town."

REALTOR.COM

"Silicon Valley Shake-Up: These Are the Next Top Tech Towns"

"This Old South town has basically become the **Brooklyn of the Southeast.**"

THRILLIST

"Best American Cities for Creatives"

"While Richmond loves its past, **the future is pretty bright**, too. See it unfolding in the Scott's Addition neighborhood, where you'll find craft brewers, startup distillers, charming boutiques, and restaurants."

SOUTHERN LIVING

"10 Best Places to Travel in the South in 2018"

"Richmond is one of the nation's oldest cities, but you'd never know it. That's because red brick colonial buildings blend seamlessly with **inspired street art, creative boutiques, and hip eateries.**"

AFAR

"9 of the Most Surprising Cities in the U.S."

"Virginia's capital city combines genteel southern manners with a northern sensibility in a conflux of culture that can't quite be pigeonholed by geography or at any one point in history... **Richmond is a city always half a step ahead of the zeitgeist.**"

METROSOURCE

"Out of the Cradle of the Confederacy, Richmond Shines Anew"

"With the James River as an anchor, Richmond reveals a **stark natural beauty, that no matter the season**, offers a distinctive urban charm and vibrancy."

THE NEW YORK TIMES

"36 Hours in Richmond, Virginia"

"Virginia's capital city offers something for **athletes, foodies, history buffs, and everyone in between.**"

EXPEDIA

"18 Cities That Must Be Seen In 2018"

"...Richmond, Virginia: **a complex, richly layered city** - cultured and refined, yet hard-working and accessible..."

FOOD & WINE

"48 Wild Hours in Richmond with the Rappahannock Boys"

RICHMOND CITY LEADERSHIP

Honorable Mayor
Levar Stoney

Acting Chief Administrative
Officer (CAO) Lenora Reid

Richmond, VA is a vibrant, creative, and hardworking city. Our city government is working with our residents, local businesses, non-profits, and others in building 'One Richmond,' a city that is inclusive and beneficial to all its residents.

A key portion of building 'One Richmond' is maintaining transparency through public disclosure. Richmond is strongest when we are prepared to meet our challenges and seize opportunities. To do this - Richmond needs to be engaged and informed. That is what this report does.

The Popular Annual Financial Report (PAFR) is an executive summary for our citizens, businesses, and institutional leaders to gain valuable insight. For more information, I invite you to take a deeper dive into the 2020 Comprehensive Annual Financial Report (CAFR), which was completed early this year displaying a considerable General Fund surplus.

SINCERELY,



LEVAR STONEY
MAYOR



In fiscal year 2020 the City of Richmond was faced with the unprecedented challenge of the COVID-19 pandemic that impacted all aspects of life. Our dedicated city employees, in tandem with local business leaders, non-profits, Commonwealth institutions, and most importantly our citizens, came together in creative and inspiring ways to support their fellow Richmonder.

Transparency in the financial health of our City is more important than ever before. This document serves to provide you with clear understanding of the city's financial status after a challenging year.

The Popular Annual Financial Report (PAFR) serves as an executive summary for one of our city's most important stakeholder - you. After reading the PAFR I invite you to review our full 2020 Comprehensive Annual Financial Report on our city website at richmondgov.com.

We are committed to maintaining the financial wellbeing of the city through thoughtful planning and judicious decision making. We continue to work towards 'One Richmond' every day and we know that you are too. We look forward to doing so together in fiscal year 2021 and beyond.

SINCERELY,



LENORA REID
ACTING CHIEF
ADMINISTRATIVE OFFICER
(CAO)



MAYOR'S PRIORITY AREAS

1. Adult & Youth Education

Comprehensively promote improved educational outcomes, skill development, and demand-driven workforce readiness while pursuing strategic partnerships.

2. Economic Empowerment

Attract new business to the city, retain and expand existing enterprises, and create new businesses by local entrepreneurs, to include minority, small, and emerging businesses. Create and retain jobs.

3. Vibrant, Inclusive, & Mobile Communities

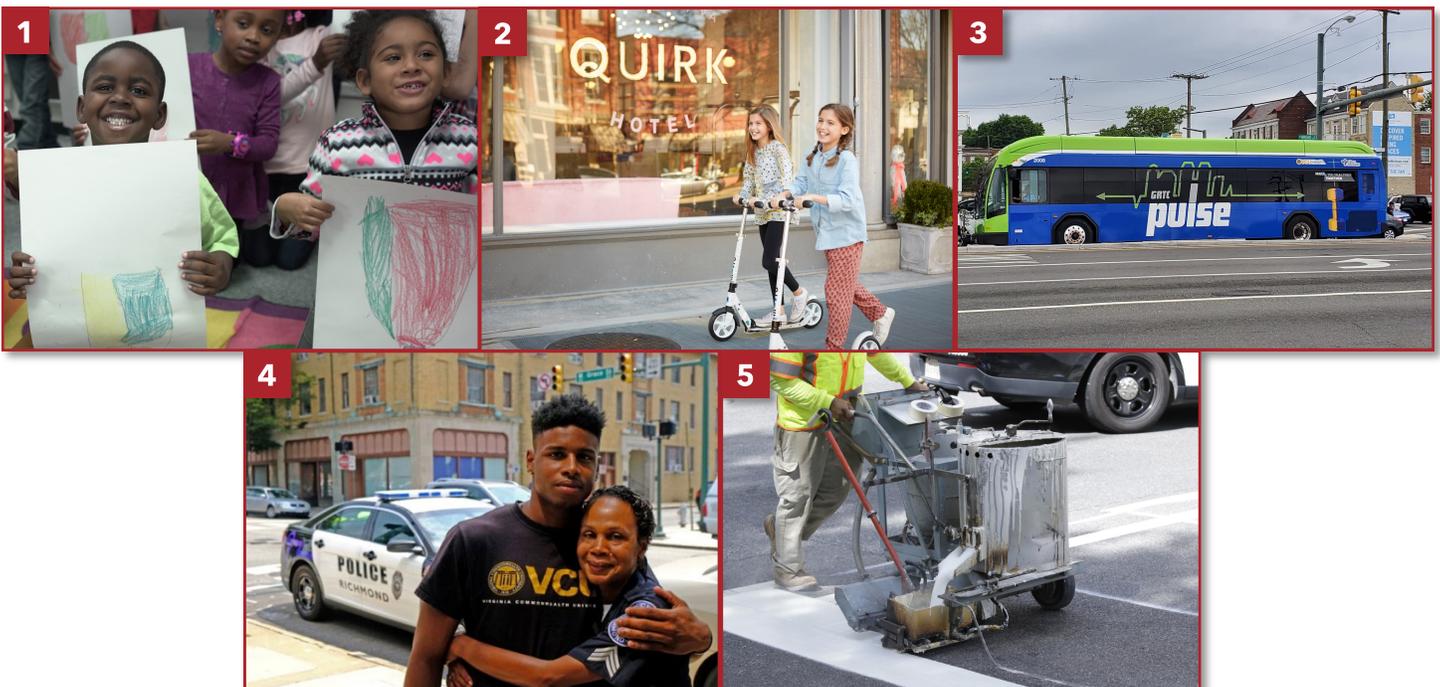
Promote neighborhood improvement, affordable housing, access to amenities as well as a safe, equitable, efficient, and sustainable citywide transportation network while ensuring that all in Richmond's diverse communities experience a high quality of life.

4. Public Safety, Health, & Wellness

Address all issues related to public safety opportunities and challenges, including the implementation of community-oriented governance that addresses all aspects of public preparedness and operations, while providing the infrastructure and services that will ensure that all Richmonders have the opportunity to experience and exceptional quality of life.

5. Efficient & High Quality Service Delivery

Promote a well-managed government that delivers high-quality services (both internal and external) to all, thereby inspiring confidence and preserving the public trust.



RICHMOND CITY COUNCIL



West End
1st Voter District
The Honorable
ANDREAS D. ADDISON
Councilmember



North Central
2nd Voter District
The Honorable
KIMBERLY B. GRAY
Councilmember



Northside
3rd Voter District
The Honorable
CHRIS A. HILBERT
Vice President



Southwest
4th Voter District
The Honorable
KRISTEN N. LARSON
Councilmember



Central
5th Voter District
The Honorable
STEPHANIE A. LYNCH
Councilmember



Gateway
6th Voter District
The Honorable
ELLEN F. ROBERTSON
Councilmember



East End
7th Voter District
The Honorable
CYNTHIA I. NEWBILLE
President



Southside
8th Voter District
The Honorable
REVA M. TRAMMELL
Councilmember



South Central
9th Voter District
The Honorable
MICHAEL J. JONES
Councilmember

MISSION

The mission of Richmond City Council is to represent citizens in creating and amending local laws, providing government policy and oversight, and approving the city budget.

VISION

Richmond City Council is committed to creating a vibrant community that is a great place to live, work, learn, play, visit, and raise a family.

FOCUS AREAS

- 21st Century Richmond: Planned Growth, Economic Progress & Affordable Housing
 - Safe Neighborhoods
 - Strong Future for Children, Adults & Families
 - Strategic Infrastructure Investment
 - Responsive, Accountable and Innovative Government



THE LOCAL ECONOMY

Richmond has a **diverse economic base**, consisting of manufacturing, research and development, retail, services, distribution, banking, and state and federal government. All of these job sectors contribute to the positive business environment of the city.

In 2020 the Richmond MSA is **home to 32 of the nation's 5,000 fastest growing companies** identified by Inc. Magazine. The Richmond area is also the **headquarters of eight Fortune 500 companies**, which have added to the city's competitive advantage.

Key Statistics

- Richmond's **population has been increasing** consistently since 2010, at an average pace of 1.3% per year. Since 2010, the city's population has grown 12.9%. New residents create new jobs and fill others, which helps to improve Richmond's tax base and the ability of the city to provide services.
- Richmond's **unemployment rate has been declining steadily** in the years following the Great Recession. In that time, it has generally moved alongside the state of Virginia. It must be noted that unemployment rates are reflective of annual values by calendar year and do not include the impacts of the global COVID-19 pandemic.
- The city's total taxable assessed property value includes residential, commercial, personal property, and machinery and tools. Richmond's **total assessed property value has continued to grow steadily** since 2014. This is an important indicator of the city's financial health because property taxes represent the largest source of tax revenues that the city collects. These revenues are used to provide social services, public safety, school funding, and they are vital to the daily operation of the city government.

Source: 2011-2020 Comprehensive Annual Financial Report (CAFR), Statistical Section

Figure 1: Richmond's Total Population

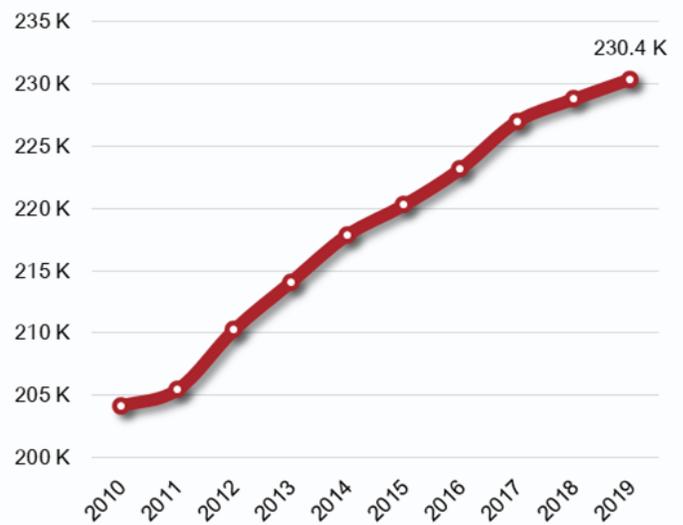


Figure 2: Richmond's Unemployment Rate

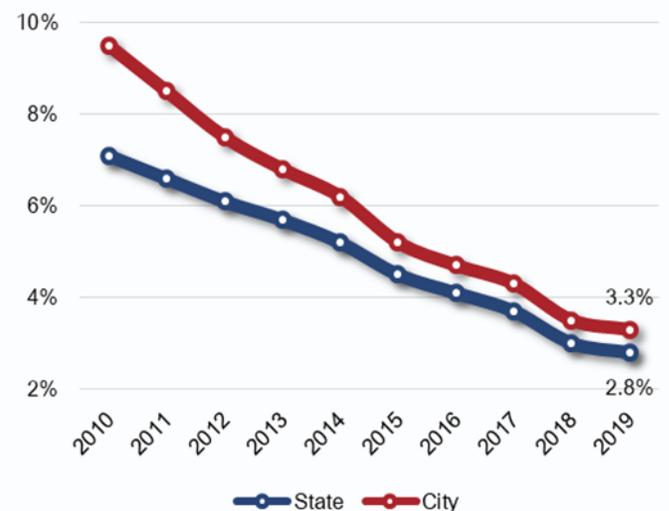
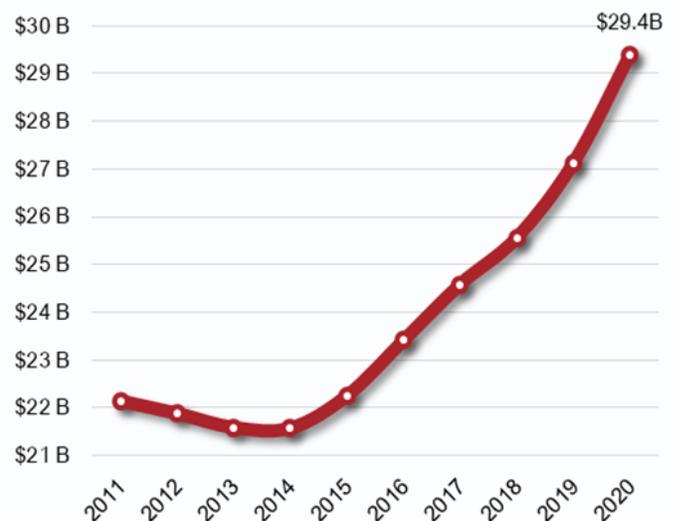


Figure 3: Richmond's Total Taxable Assessed Value



GENERAL FUND FINANCIAL STATEMENT

Revenues for FY2020 exceeded expenditures by \$14.6 million. In a 'normal' fiscal year this would be an accomplishment. Given the impacts of the global COVID-19 pandemic in the latter half of FY2020 this is a very impressive accomplishment; one that reflects the dedication of our many departments to continue to provide services to our residents and businesses effectively despite circumstances unprecedented in modern history.

By keeping revenues just above expenses **our city was able to increase the General Fund Balance by 9.6 percent** compared to the prior year. This yields a Fund Balance of \$166.6 million. The Fund Balance is committed to revenue stabilization, School Board operations, school facilities, the arts, COVID-19 contingencies, and more.

Figure 4: General Fund Total Revenues and Expenditures



Table 1: General Fund Revenues and Expenditures

Revenues (Dollars In)

Source	2016	2017	2018	2019	2020
Real Estate	\$ 234,445,036	\$ 234,294,879	\$ 247,700,125	\$ 273,627,368	\$ 300,312,274
Sales-1%	\$ 33,773,371	\$ 34,176,816	\$ 30,282,657	\$ 36,953,797	\$ 36,859,051
Personal Property	\$ 48,531,320	\$ 57,603,912	\$ 60,801,789	\$ 63,646,292	\$ 65,221,194
Prepared Food	\$ 35,455,141	\$ 35,605,363	\$ 36,948,484	\$ 45,740,073	\$ 38,099,329
All Other Taxes	\$ 121,125,628	\$ 119,607,451	\$ 103,010,689	\$ 97,584,312	\$ 93,864,709
Licenses, Permits, Privilege Fees	\$ 39,552,169	\$ 37,131,444	\$ 43,521,211	\$ 44,298,799	\$ 47,357,981
Intergovernmental	\$ 110,852,944	\$ 113,755,449	\$ 83,735,241	\$ 82,554,149	\$ 87,132,204
Other Non-Tax Sources	\$ 73,421,381	\$ 75,008,237	\$ 65,739,648	\$ 66,064,187	\$ 70,653,177
Transfers In from Other Funds	\$ 5,541,472	\$ 6,570,562	\$ 3,948,946	\$ 5,173,037	\$ 7,678,744
Total	\$ 702,698,462	\$ 713,754,113	\$ 675,688,790	\$ 715,642,014	\$ 747,178,663

Expenditures (Dollars Out)

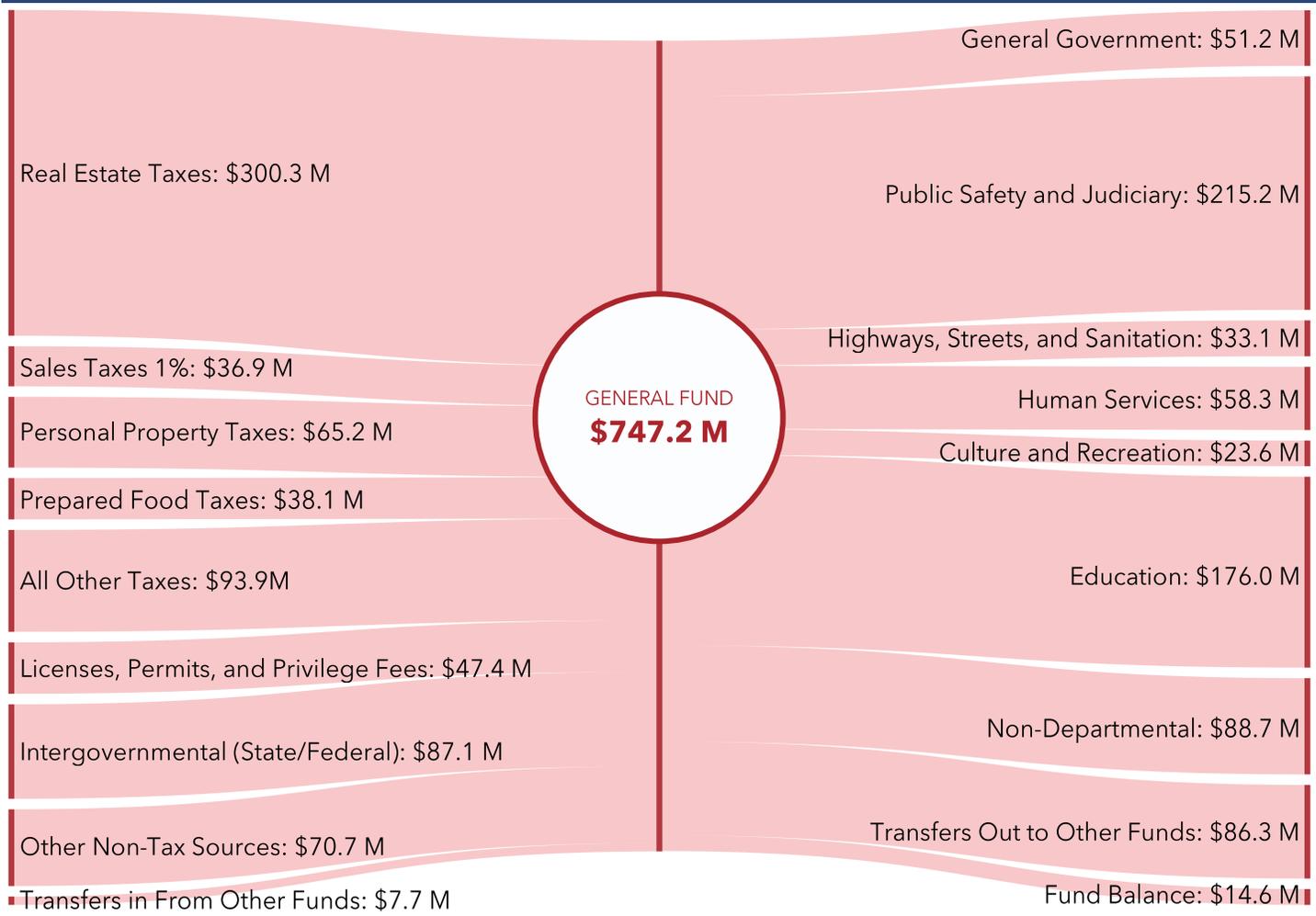
Source	2016	2017	2018	2019	2020
General Government	\$ 74,901,917	\$ 70,094,798	\$ 45,713,218	\$ 51,254,467	\$ 51,227,665
Public Safety and Judiciary	\$ 184,127,937	\$ 184,096,983	\$ 201,570,294	\$ 206,493,463	\$ 215,243,959
Highways, Streets, Sanitation	\$ 58,493,804	\$ 58,524,451	\$ 31,379,691	\$ 32,552,819	\$ 33,149,596
Human Services	\$ 61,513,205	\$ 60,983,560	\$ 60,725,459	\$ 58,201,359	\$ 58,328,039
Culture and Recreation	\$ 20,566,175	\$ 21,408,319	\$ 22,569,964	\$ 23,068,474	\$ 23,619,794
Education	\$ 170,833,592	\$ 176,983,321	\$ 155,175,684	\$ 156,721,265	\$ 176,032,861
Non-Departmental	\$ 54,638,951	\$ 46,901,510	\$ 75,498,843	\$ 84,421,652	\$ 88,689,125
Transfers Out to Other Funds	\$ 69,344,808	\$ 73,837,249	\$ 82,257,424	\$ 87,157,779	\$ 86,272,388
Total	\$ 694,420,389	\$ 692,830,191	\$ 674,890,577	\$ 699,871,278	\$ 732,563,427

Source: 2016-2020 Comprehensive Annual Financial Report (CAFR), Exhibit D





Figure 5: General Fund Revenues and Expenditures Flow



STATEMENT OF NET POSITION

This Statement of Net Position compares our assets with our liabilities for Richmond at the end of FY2020. The city's fiscal year is 12 months, beginning on July 1 and ending on June 30.

The city's **financial activities are made up of two broad categories: governmental and business-type activities.** **Governmental activities** include police and fire safety, highways and streets, parks and recreation, sanitation, and health, social services, schools, and more. **Business-type activities** include Richmond Gas Works, water and stormwater management, and parking.

Richmond's current assets include cash, investments, and receivables. Non-current assets include land, buildings, and infrastructure, such as City Hall, parks, and many public roads. Richmond's current liabilities are the debt we can pay off in one year or less, such as accounts payable and payroll. Non-current liabilities include long-term debt obligations, generally those associated with buildings and city infrastructure construction and improvements. As well as pension obligations. **The difference between these assets and liabilities is called net position.**

Positive net asset position is a measure of financial stability, and is a common measure for both governmental and business-type activities when they are reported together. This allows all activities to be combined as "government-wide" totals.

Figure 6: Assets, Liabilities, and Net Position



Table 2: Statement of Net Position

Current and Other Assets	2016	2017	2018	2019	2020
Total Current Assets	\$ 523,874,267	\$ 553,673,574	\$ 516,207,943	\$ 692,042,812	\$ 697,470,927
Total Non-Current Assets	\$ 2,438,522,418	\$ 2,625,853,293	\$ 2,618,671,323	\$ 2,636,041,318	\$ 2,851,685,796
Total Deferred Outflows of Resources	\$ 95,644,331	\$ 136,480,490	\$ 144,240,250	\$ 116,686,038	\$ 181,373,688
Total Assets and Deferred Outflows	\$ 3,058,041,016	\$ 3,316,007,357	\$ 3,279,119,516	\$ 3,444,770,168	\$ 3,730,530,411
Current and Long-Term Liabilities	2016	2017	2018	2019	2020
Total Current Liabilities	\$ 291,165,922	\$ 371,050,786	\$ 261,600,812	\$ 368,476,285	\$ 313,696,867
Total Non-Current Liabilities	\$ 1,920,631,050	\$ 1,998,869,620	\$ 2,039,419,191	\$ 1,999,243,351	\$ 2,280,829,075
Total Deferred Inflows of Resources	\$ 92,406,535	\$ 74,036,072	\$ 80,247,768	\$ 37,681,304	\$ 22,797,137
Total Liabilities and Deferred Inflows	\$ 2,304,203,507	\$ 2,443,956,478	\$ 2,381,267,771	\$ 2,405,400,940	\$ 2,617,323,079
Net Position	2016	2017	2018	2019	2020
Net Investment in Capital Assets	\$ 822,735,154	\$ 861,512,190	\$ 941,192,506	\$ 945,979,861	\$ 820,343,849
Restricted	\$ 19,843,817	\$ 54,904,539	\$ 32,471,242	\$ (35,156,875)	\$ 15,686,156
Unrestricted	\$ (88,741,462)	\$ (44,365,850)	\$ (104,823,877)	\$ 128,546,242	\$ 199,139,615
Total Net Position	\$ 753,837,509	\$ 872,050,879	\$ 897,851,745	\$ 1,039,369,228	\$ 1,113,207,332

Source: 2016-2020 Comprehensive Annual Financial Report (CAFR), Exhibit A



UNASSIGNED FUND BALANCE

The Unassigned Fund Balance is comprised of funds that have no limitations, restrictions, or planned use.

There are several reasons that maintaining a strongly Unassigned Fund Balance is important. First, an Unassigned Fund Balance provides for unforeseen expenses or emergencies. Second, the Unassigned Fund Balance reduces the need for emergency short-term borrowing for operations by providing a “savings account” to ensure sufficient cash flows. This is quite important for city finances due to the timing of tax receipts. Since over half of our revenue is collected at the end of our budget year, having an Unassigned Fund Balance can provide the cash flow needed prior to the receipt of taxes. Thirdly, a strong Unassigned Fund Balance position enhances financial stability, which is a requirement in improving our bond rating from the three rating agencies: Standard & Poor’s, Moody’s, and Fitch. Improving our bond rating allows the City of Richmond to borrow capital at lower interest rates, saving on debt issuance costs, and total repayments.

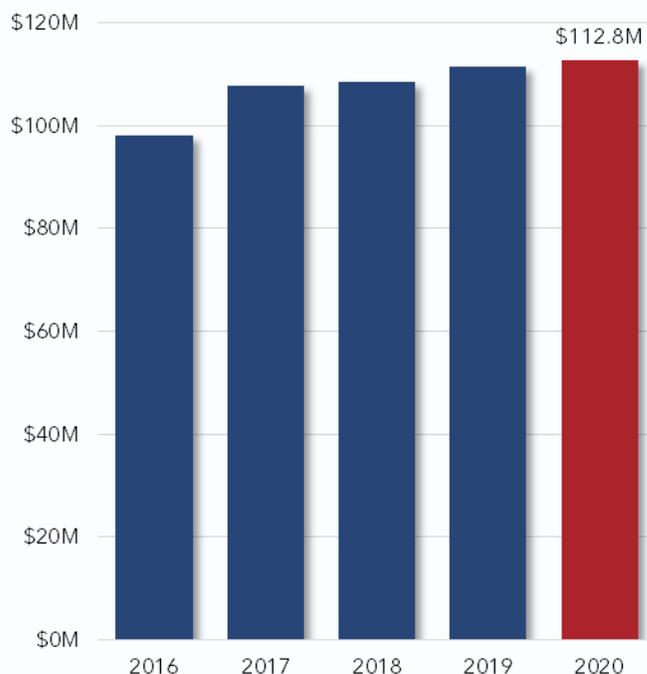
The city’s main operating fund is the General Fund, which accounts for all revenues and expenditures associated with the general operations of the city. The main revenue generators are real estate taxes, sales tax, personal property taxes, and food taxes. The main expenditures include Public Safety/Judiciary, Education, and Highways and Sanitation.

The Unassigned Fund Balance represents monies available for any purpose, as defined in the Fund Balance Types on this page. The Government Financial Officers Association (GFOA) recommends a minimum unassigned balance of at least two months of general fund operating revenues.

As of June 30, 2020, the end of FY2020, the unassigned fund balance was \$112.8 million. This represents an increase of \$1.2 million from the previous fiscal year balance of \$111.6 million. City Management and City Council remain committed to retaining a healthy fund balance and working toward a higher bond rating.

Source: 2016-2020 Comprehensive Annual Financial Report (CAFR), Exhibit I-4

Figure 7: Unassigned Fund Balance



GENERAL FUND BALANCE CLASSIFICATIONS

There are five possible fund balance classifications for the General Fund.

- **Non-spendable:** Amounts that cannot be spent because they are not in spendable form, such as prepaids, or are required to remain intact legally or contractually.
- **Restricted:** Amounts constrained for a specific purpose by external parties, constitutional provisions, or legislation.
- **Committed:** Amounts constrained to specific purposes by a government, they cannot be used for any other purposes unless Council action is taken.
- **Assigned:** Amounts a government intends to use for a specific purpose.
- **Unassigned:** Amounts available for any purpose.

CREDIT RATINGS AND OUTSTANDING DEBT

Please see the below table of credit ratings of the three major national agencies: Moody's Investors Services, S&P Global Inc., and Fitch Ratings. Both the city's ratings were recently increased by Moody's.

Rating Agency	MOODY'S	S&P Global	Fitch Ratings
General Obligation	↑Aa1	AA+	AA+
Public Utility Revenue	↑Aa1	AA	AA

Richmond's debt structure includes general obligation debt, revenue debt, and lines of credit. **General obligation debt is backed by the full-faith and credit of the city.** Virginia statutes limit general obligation outstanding debt to 10% of a local government's taxable assessed valuation of real property. The city's debt that applies to the debt limit (general obligation debt not including premiums) is \$844,566,545 which is only 3.1% of taxable assessed valuation of real property and is significantly less than the current calculated statutory debt limit of \$2,706,264,400. **The city has in place additional stricter policies for responsible handling of our debt.** Revenue debt is supported by income operations, such as utility revenues. Lastly, the city also maintains a line of credit to provide interim short-term financing before the issuance of long-term debt.

Figure 8: Governmental, Business Type, and Total Debt

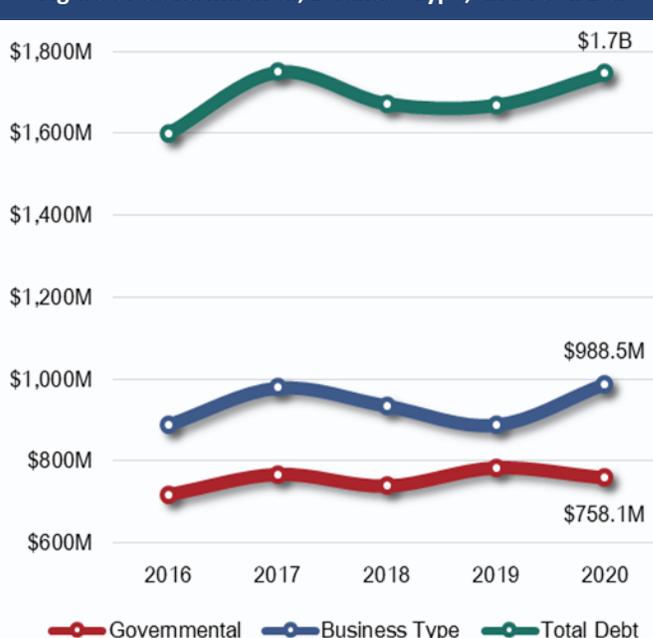


Table 3: Outstanding Debt

Governmental Activities	2016	2017	2018	2019	2020
General Obligation Bonds	\$ 712,457,290	\$ 671,852,063	\$ 738,721,428	\$ 740,197,115	\$ 738,474,526
Line of Credit	\$ 5,000,000	\$ 95,000,000	\$ -	\$ 42,200,000	\$ 19,662,000
Total	\$ 717,457,290	\$ 766,852,063	\$ 738,721,428	\$ 782,397,115	\$ 758,136,526
Business-Type Activities	2016	2017	2018	2019	2020
General Obligation Bonds	\$ 155,367,649	\$ 130,454,819	\$ 109,349,822	\$ 92,279,175	\$ 76,163,635
Revenue Bonds	\$ 731,884,858	\$ 848,558,625	\$ 825,062,783	\$ 794,436,083	\$ 912,332,112
Total	\$ 887,252,507	\$ 979,013,444	\$ 934,412,605	\$ 886,715,258	\$ 988,495,747

Total Outstanding Debt \$ 1,604,709,797 \$ 1,745,865,507 \$ 1,673,134,033 \$ 1,669,112,373 \$ 1,746,632,273

Source: 2016-2020 Comprehensive Annual Financial Report (CAFR), Table 5



DEBT SERVICE FUND

The Debt Service Fund shows the transactions that account for the repayment of debt. The fund shows the principal and interest payments the city makes by debt type, as well as categories of projects financed. **For the General Government, the majority of bonds issued are General Obligation Bonds.** These bonds are issued with the backing of the city's credit and taxing power. In other words, these bonds are issued with the understanding that the city will be able to pay back this debt through taxation or increased revenues. Projects that are funded with city debt include: the Justice Center, Transportation Projects, School Capital Projects, and many other General Government Projects.

Since 2016, the total annual principal and interest paid has dropped from \$91,746,712 to \$73,031,662. It should be noted that this large reduction is anomalous. In 2016 the city received a state grant which was used to pay \$31.1 M of principal payments towards the financing costs of the new Justice Center. Were these funds not included, the city would have seen an increase in combined annual principal and interest payments of approximately \$12.4 million dollars.

Principal and interest payments found within *Other Debt Instruments* include HUD Section 108 Notes and the Leigh Street Project.

Figure 9: Principal, Interest, and Total Payments

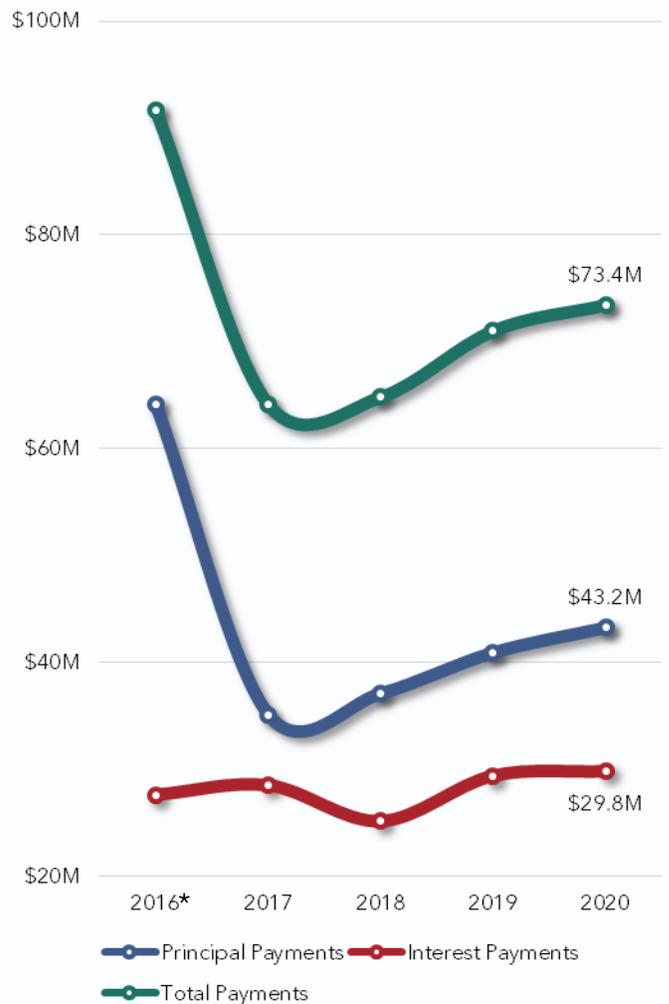


Table 4: Debt Service Fund

* In 2016 the city received a state grant which was used to pay \$31.1 M of principal payments towards the financing costs of the new Justice Center.

	2016*	2017	2018	2019	2020
Principal Payments					
General Obligation Bonds	\$ 63,613,008	\$ 34,629,119	\$ 36,054,297	\$ 40,162,796	\$ 42,553,078
Other Debt Instruments	\$ 500,000	\$ 520,000	\$ 1,025,000	\$ 730,000	\$ 670,000
Other Payments	\$ -	\$ -	\$ -	\$ -	\$ -
Total Principal Payments	\$ 64,113,008	\$ 35,149,119	\$ 37,079,297	\$ 40,892,796	\$ 43,223,078
Interest Payments					
General Obligation Bonds	\$ 27,399,081	\$ 27,680,707	\$ 24,651,609	\$ 28,769,306	\$ 29,128,912
Other Debt Instruments	\$ 134,288	\$ 266,417	\$ 261,818	\$ 255,853	\$ 312,575
Interest on Short-Term Debt	\$ 100,335	\$ 558,828	\$ 224,855	\$ 360,632	\$ 367,097
Total Interest Payments	\$ 27,633,704	\$ 28,505,952	\$ 25,138,282	\$ 29,385,791	\$ 29,808,584
Cost of Issuance Expenses	\$ -	\$ 426,877	\$ 2,583,813	\$ 736,935	\$ 398,547
Total Payments	\$ 91,746,712	\$ 64,081,948	\$ 64,801,392	\$ 71,015,522	\$ 73,430,209

Source: 2016-2020 Comprehensive Annual Financial Report, Exhibit I-4



CAPITAL ASSETS

Assets can be defined as items the city owns that will provide a benefit in the future. Specifically, the city's capital assets are owned primarily for their contribution to the quality of the community. Examples of this include a parcel of land that is owned and used as a park (governmental activity), or a public parking garage that charges for permit parking (business-type activity). The city's capital assets are assigned as either assets associated with the governmental activities or as assets associated with business-type activities.

Table 5: Capital Assets

Capital Assets Not Being Depreciated (Millions \$)	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land and Land Improvements	\$ 98.9	\$ 105.2	\$ 30.9	\$ 26.3	\$ 129.8	\$ 131.5
Construction In Progress	\$ 97.3	\$ 181.0	\$ 69.4	\$ 36.1	\$ 166.7	\$ 217.1
Works of Art / Historical Treasures	\$ 8.7	\$ 8.7	\$ -	\$ -	\$ 8.7	\$ 8.7
Total Assets Not Being Depreciated	\$ 204.9	\$ 294.9	\$ 100.3	\$ 62.4	\$ 305.2	\$ 357.3
Capital Assets Being Depreciated (Millions \$)						
Infrastructure	\$ 955.7	\$ 998.5	\$ -	\$ -	\$ 955.7	\$ 998.5
Buildings and Structures	\$ 933.9	\$ 986.3	\$ 2,092.9	\$ 2,250.2	\$ 3,026.8	\$ 3,236.5
Equipment and Other Assets	\$ 142.0	\$ 140.4	\$ 41.5	\$ 35.5	\$ 183.5	\$ 175.9
Improvements Other Than Buildings	\$ 30.2	\$ 33.4	\$ -	\$ -	\$ 30.2	\$ 33.4
Total Other Assets	\$ 2,061.8	\$ 2,158.6	\$ 2,134.4	\$ 2,285.7	\$ 4,196.2	\$ 4,444.3
Less Accumulated Depreciation For (Millions \$)						
Infrastructure	\$ 615.0	\$ 636.9	\$ -	\$ -	\$ 615.0	\$ 636.9
Buildings and Structures	\$ 394.5	\$ 451.8	\$ 940.8	\$ 969.5	\$ 1,335.3	\$ 1,421.3
Equipment and Other Assets	\$ 108.0	\$ 107.7	\$ 7.9	\$ 2.5	\$ 115.9	\$ 110.2
Improvements Other Than Buildings	\$ 13.0	\$ 14.4	\$ -	\$ -	\$ 13.0	\$ 14.4
Total Accumulated Depreciation	\$ 1,130.5	\$ 1,210.8	\$ 948.7	\$ 972.0	\$ 2,079.2	\$ 2,182.8
Total Capital Assets Depreciated, Net (Millions \$)	\$ 931.3	\$ 947.8	\$ 1,253.1	\$ 1,313.8	\$ 2,184.4	\$ 2,261.5
Total Capital Assets, Net (Millions \$)	\$ 1,136.2	\$ 1,242.7	\$ 1,353.4	\$ 1,376.2	\$ 2,489.6	\$ 2,618.8

Source: 2019-2020 Comprehensive Annual Financial Report (CAFR), Table 4 Capital Assets



CAPITAL PROJECTS FUND

The Capital Projects Fund shows the transactions that account for the building, restoration, and purchasing of capital assets. Examples of such assets include roads, vehicles, machinery, park facilities, and buildings. These projects are typically multi-year. The funding sources for these projects can come from a variety of sources. These include: General Obligation (City) Debt, City Cash Funding, Community Development Block Grant (CDBG) Funds, and other Federal and State sources.

Table 6: Capital Projects Fund

Revenues (Millions \$)	2016	2017	2018	2019	2020
Intergovernmental Revenues	\$ 71.94	\$ 33.37	\$ 15.06	\$ 14.31	\$ 16.19
Investment Earnings	\$ 0.13	\$ 3.04	\$ 0.33	\$ 0.25	\$ 0.72
Miscellaneous Revenues	\$ -	\$ -	\$ 0.27	\$ 0.14	\$ 0.07
Total Revenues	\$ 72.06	\$ 36.42	\$ 15.66	\$ 14.70	\$ 16.98
Expenditures (Millions \$)	2016	2017	2018	2019	2020
City Facility Maintenance & Improvements	\$ 5.17	\$ 3.92	\$ 2.96	\$ 3.85	\$ 4.76
Culture & Recreation	\$ 7.20	\$ 5.60	\$ 9.26	\$ 5.26	\$ 4.87
Economic & Community Development	\$ 54.02	\$ 44.23	\$ 15.58	\$ 6.55	\$ 3.38
Education	\$ 12.60	\$ 10.09	\$ 11.71	\$ 15.45	\$ 109.46
Public Safety	\$ 3.64	\$ 8.33	\$ 6.27	\$ 7.65	\$ 2.06
Transportation	\$ 30.11	\$ 21.68	\$ 17.80	\$ 20.14	\$ 30.41
City Equipment & Other Infrastructure	\$ 3.24	\$ 4.03	\$ 1.35	\$ 4.08	\$ 0.55
Debt Issuance Cost	\$ 0.81	\$ 0.13	\$ -	\$ 0.32	\$ 0.49
Total Expenditures	\$ 116.79	\$ 98.01	\$ 64.92	\$ 63.29	\$ 155.99
Deficiency of Revenues Under Expenditures	\$ (44.72)	\$(61.59)	\$(49.26)	\$(48.59)	\$ (139.01)
Other Financing Sources & Special Items (Millions \$)	2016	2017	2018	2019	2020
Proceeds From Issuance of GO Bonds	\$ 94.24	\$ 90.00	\$ -	\$ 92.47	\$ 107.49
Contributed Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In From Other Funds	\$ -	\$ -	\$ 3.93	\$ -	\$ 3.59
Transfers Out To Other Funds	\$ (32.76)	\$ -	\$ -	\$ -	\$ -
Payments to Escrow Agent	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Sale of Land	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources & Special	\$ 61.48	\$ 90.00	\$ 3.93	\$ -	\$ 111.08
Net Change in Fund Balance	\$ 16.76	\$ 28.41	\$(45.33)	\$ 43.88	\$ (27.93)

Source: 2016-2020 Comprehensive Annual Financial Report (CAFR), Exhibit I-3

ADDITIONAL INFORMATION AND CONTACTS

Feedback

Do you like this report? Did you find it informative? What other information would you like to see included in this report?

Please let us know by contacting the Finance Department at **Finance@richmondgov.com**.

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More Information

The information in this report is primarily derived from the audited financial statements found within Richmond's 2020 Comprehensive Annual Financial Report (CAFR). The CAFR is our city's formal annual report which conforms to Generally Accepted Accounting Principles (GAAP). It includes detailed information on individual funds, and full disclosure of financial and non-financial material events. Unlike the CAFR, the Popular Annual Financial Report (PAFR) is not an audited document and does not contain the level of detail found within the CAFR. This report is primarily a summarized version of the governmental funds, and aims to highlight the overall financial condition of the city. To read the full CAFR please visit richmondgov.com.

Since 1991, the Government Finance Officers Association (GFOA) has been promoting the preparation and distribution of high quality Popular Annual Financial Reports. As part of that effort, GFOA administers the Popular Annual Financial Reporting Program each year, specifically designed to encourage state and local governments to create high quality popular annual reports. Over 140 governments in the United States and Canada participate in the program each year.

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