

FY2025

Annual Comprehensive Financial Report (ACFR)

For the Fiscal Year ended June 30, 2025



City of Richmond, Virginia

Mayor Danny Avula

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CITY OF RICHMOND, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For Fiscal Year Ended June 30, 2025

Prepared by the Department of Finance

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**THE CITY OF RICHMOND, VIRGINIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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INTRODUCTORY



SECTION

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City of Richmond



DR. DANNY AVULA MAYOR

ODIE DONALD II

February 27, 2026

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

We are pleased to present the City of Richmond, Virginia's (City) Annual Comprehensive Financial Report (ACFR) for the fiscal year (FY) ending June 30, 2025. This report is intended to provide informative and relevant financial data to the residents of the City, the City Council, investors, creditors, and any other interested reader. It includes all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities. The reader should pay particular attention to the required Management's Discussion and Analysis - a narrative overview and analysis of the financial statements - included in this document. Any individual with comments or questions concerning this report is encouraged to contact the City of Richmond's Department of Finance at (804) 646-7000. This report may also be found online at www.rva.gov/finance.

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

CliftonlarsenAllen LLP (CLA), a certified public accounting firm, audited the City's basic financial statements. As an independent auditor, CLA rendered an unmodified opinion stating that the City's basic financial statements for the fiscal year ended June 30, 2025, are fairly presented in all material respects and in conformity with GAAP. The report of independent auditors is presented as the first component of the Financial Section of this report.

Overview of the City of Richmond, Virginia

The City, incorporated in 1782, is a municipal corporation of the Commonwealth of Virginia and is the state capital. The City occupies 62.5 square miles and serves a population of 233,655 as of the U.S. Census Bureau population estimates in July 2024. In the Commonwealth, cities have sole jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping jurisdictions and, consequently, residents of Virginia cities are not subject to overlapping debt or taxation.

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

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

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

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

The James River, which runs through Richmond, has made the City the only urban U.S. city with Class IV white water rapids running through downtown. The City's James River Park system, with 550 acres, is a large part of the reason *Travel & Leisure* called Richmond "#1 Best Place to Live in Virginia."

Profile of the Government

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

The City remains focused on being a welcoming, inclusive, diverse, innovative, and equitable City that ensures a high quality of life for all. In May 2024, the City achieved its first coveted Triple-A (AAA) bond rating by Fitch Ratings, moving the city into an elite class of organizations with proven financial responsibility. The City has maintained strong credit ratings in recent years, as reaffirmed through the Aa1 and AA+ ratings by Moody's Investor Services and Standard & Poor's, respectively, falling only one notch below the highest possible rating. As this ACFR outlines, the City continues to make progress and is well on its way to achieving the primary goals of managing to balanced budgets, maintaining existing tax rates, increasing delinquent tax collections, and reducing spending.

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

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

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

The City's ACFR includes all funds of the City, as the primary government, as well as all its component units. Five discretely presented component units (the Richmond Ambulance Authority, Richmond Redevelopment and Housing Authority, Richmond Behavioral Health Authority, School Board of the City of Richmond, and the Richmond Economic Development Authority) are

included in the reporting entity because of the City's financial accountability for these organizations. These component units are reported in separate columns in the City's basic financial statements. Additional information concerning these legally separate organizations can be found in the notes to the financial statements.

Budget Process

The budget serves as the foundation for the City's financial planning and spending control. The City adopts an annual budget. The proposed Fiscal Year 2025 budget was presented to City Council in March 2024. 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 2025 budget, a public hearing was held in April with budget adoption in May 2024.

Legal budgetary restrictions for Fiscal Year 2025 were established at the governmental function (e.g. Department of Finance), with effective administrative controls maintained through detailed line-item budgets. Some agencies also maintained subtotal portions of their appropriations at the program/cost center level (e.g. Sheriff's Office) or service code level (e.g. Department of Public Works). Any revisions that alter the total budgeted amounts and/ or appropriations of any fund must be approved by the City Council. Budget to actual comparisons are provided in this report for governmental funds where an appropriated budget has been adopted. These comparisons are presented in the "Other Required Supplementary Information" section of the financial statements.

Revenue and Expenditures

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

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

Economic Overview

The U.S. economy was surprising resilient through FY 2025, despite the risks to the U.S. economy and ongoing elevated global conflicts. With U.S inflation remaining elevated and concerns about rate decision by the Federal Reserve, consumer spending was considerably robust along with labor market hiring and low unemployment. While real gross domestic product (GDP), which is the broadest measure of national economic activity, slowed during the first half of FY2025 and contracted during the first quarter of 2025, the subsequent quarter showed an increase of 3.8%. Labor market remained relatively healthy with moderate job growth continuing at an albeit slower rate.

Consistent with labor force statistics at the national and state level, the City's employment market remained strong throughout FY 2025. The City's unemployment rate averaged 3.6 percent during FY 2025, modestly 0.2 percent higher from FY 2024 (Federal Reserve Bank of St. Louis FRED Data). The national unemployment rate closed out at 4.2 percent as of June 2025 rising modestly higher by 0.1 percent compared to June 2024 (Federal Reserve Bank of St. Louis FRED Data). Virginia saw its statewide unemployment rate edge up from 2.8 percent in June 2024 to 3.6 percent in June 2025 (Federal Reserve Bank of St. Louis FRED Data) driven mainly by job cuts at the federal level.

Richmond has seen population growth as people moved into the City. Generally, the City's population has grown since 2014, reaching 233,655 as of the U.S. Census Bureau population estimates in July 2024.

Economic growth continues throughout the City, as evidenced by the many neighborhoods and districts seeing new projects. The last several years have seen new public and private construction project investments completed and underway. Notable projects include:

- In January 2025, Haleon, a leading global consumer health company, announced that it would invest \$54.2 million to upgrade its research & development facility in the City of Richmond. Haleon's Richmond site is home to its R&D Center of Excellence, with critical technical functions collocated there, including consumer science, formulation development,

process scale-up, analytical test method development, microbiology, and package design for its global brands, including Advil, Emergen-C, and Robitussin.

- In June 2025, the new Allianz Amphitheater officially opened for its inaugural season. The \$30 million, 7,500-person-capacity, open-air concert venue is led by Red Light Ventures, one of the nation's largest music management companies, and Live Nation, the nation's largest promoter of live events. With its prime spot overlooking the James River, the amphitheater will host 25-30 performances annually, serving as a quality-of-life asset and attracting new tourism dollars from outside Richmond.
- Construction is nearing completion of CoStar's \$460 million+ campus expansion, featuring a 26-story, 750,000-square-foot, LEED Platinum office complex adjacent to their current office tower at 501 South 5th Street. The expansion will bring roughly 2,000 jobs to Richmond. The Company anticipates opening the new facility in mid-2026.
- Richmond continues to add new multifamily housing. For example, the Guild, a new 301-unit mixed-use multifamily building delivered in 2025, and 7000 Carnation, a new multifamily building with 218 dedicated affordable units, delivered in late 2024.
- Construction is nearly complete on the new headquarters for VPM's, central Virginia's NPR and public broadcasting station. The new state-of-the-art headquarters in the heart of downtown features a five-story, 53,700-square-foot facility with multiple audio, television, and digital content production studios, as well as a street-level community studio and event space. VPM anticipates the new facility will be ready in the summer of 2026.
- Construction is underway on the new CarMax Park, the City's new multi-use minor league baseball stadium, with anticipated completion in time for the 2026 baseball season. The infrastructure to support the baseball stadium and the new mixed-use Diamond District neighborhood is also underway. The City approved plans to develop 67.57 acres of underdeveloped, publicly-owned property along the I-95 east coast corridor into a mixed-use, mixed-income entertainment destination known as the Diamond District. The Diamond District will create a neighborhood with a much-anticipated new ballpark, signature park, retail, office, hotel, parking, and mixed-income, mixed-use residential development. The ballpark is scheduled to be completed in time for the 2026 baseball season.
- The City continues to advance key redevelopment initiatives to spur revitalization in City Center and the downtown corridor. The City's Economic Development Authority (EDA) and the Greater Richmond Transit Company are partnering to transform an underutilized parcel into a new, modern transit center featuring a 10-bus bay terminal below a privately-led mixed-use overbuild designed to enhance mobility, livability, and vitality in Downtown Richmond. An RFQ was issued in November 2025 to identify a shortlist of qualified, financially capable development teams, which will be invited to respond to a Request for Proposals in early 2026.

Major Initiatives and Accomplishments: Well-Managed Government

In January 2025, Dr. Danny Avula became the City's 81st Mayor replacing outgoing Mayor Levar Stoney who had reached a term limit. Before his election to public office, Mayor Avula served the Richmond and Henrico Health Districts for 12 years, including 6 years as its Director. There, he championed efforts to increase access to care for the most vulnerable residents of our community, prioritized the voices of those with lived experience, lifted up the intersection of housing and health, and addressed the root causes that shape health outcomes-especially poverty and race.

The City Administration continued to build for the future with the implementation of the FY 2025 Adopted Budget. Mayor Stoney announced another historic personnel budget, which mark a fourth consecutive year of unprecedented pay adjustments and benefits offering. Highlights include:

- Historic minimum wage increases to \$20.00 per hour, or \$41,600 annualized. The competitive minimum wage solidifies Richmond as a leader in the regional market. The \$20.00 per hour minimum is one of the highest of municipalities in Virginia, 67% higher than the Commonwealth's minimum wage of \$12.00, and 176% higher than the federal minimum wage of \$7.25.
- In addition to the increase in minimum wage, the budget included competitive pay increases of \$9.1 million for a 7.0% average wage increase for Sworn Employees, \$5.7 million for a 4.0% General Employee wage increase, and \$2.0 million for eligible General Employee market increases.

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- Several years ago, the City made it our mission to become an "Employer of Choice." An Employer of Choice offers a fantastic work culture and workplace environment that attracts and retains talented and motivated individuals, ensuring accountability to both employees and stakeholders by offering diverse benefit options and competitive compensation.

The Administration transitioned the City to the Virginia Retirement System on January 1, 2024, and in doing so enacted financial policies to address chronic underfunded Richmond Retirement System (RRS) through a holistic approach: transition to Virginia Retirement System (VRS); issue Pension Obligation Bonds to accelerate actuarial funded status of RRS to 80 percent; implement financial policies to maintain the RRS funded status at 80 percent and establish a reserve fund as needed to maintain RRS funded status of at least 80 percent. From this day forward, new qualifying employees are automatically entered into VRS. The choice to adopt VRS as the city's retirement plan was part of a holistic strategy to increase the stability and health of city-offered retirement options.

Throughout the fiscal year, the Administration continued carrying out the Equitable Affordable Housing Plan supported by the Mayor and adopted by City Council in FY 2022. This plan is a strategic framework outlining how the City will meet its goal to provide housing and services across all spectrums and meet the housing needs of the residents in the City over the next ten years. In FY 2025, the Administration committed \$50 million over five years to affordable housing. In addition, the City invested \$17.2 million with an additional \$1.8 million planned in FY 2026 in the Highland Grove/Dove Street Redevelopment, which includes the construction of 139 residential units, planning, design, and street updates. \$5.0 million was earmarked for the installation of infrastructure to support the redevelopment of the Creighton Court Affordable Housing Neighborhood, such as roads, curbs, gutters, sidewalks, paving, streetscaping, underground utilities, and stormwater management. \$1.0 million was set aside for the Eviction Diversion Program to help divert evictions by providing financial resources, outreach, education, and support to families. \$500,000 was dedicated to a Right to Counsel initiative to provide legal services for families facing eviction. Additionally, in FY 2025 the Administration rolled out its Affordable Housing Performance Grants program, a groundbreaking initiative to partner with developers and incentivize the development of affordable units in the City.

Several proactive financial reporting actions continued through FY 2025 to maintain core services, including a five-year revenue and expenditure forecast, monthly financial reports and quarterly budget projections, and introduction and adoption of a structurally balanced budget. Protecting fiscal integrity ensures the City is poised for future growth and is able to meet its service demands. Moving forward to FY 2026, the Administration will continue to expand on these accomplishments, streamlining processes, enhancing customer service, and ensuring continued financial stability and resiliency to maintain a AAA credit rating from Fitch Ratings and achieve such a rating from all credit rating agencies.

Financial Policies and Guidelines

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

Fund Balance Guidelines

As of June 30, 2025, the General Fund Unassigned Fund Balance was \$140.7 million, which equals 14.0 percent of the adopted FY2025 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. In June 2024, the City Council adopted Ord. No. 2024-168 which effectively increases the Downturn Reserve Fund (previously the Rainy Day Fund) from 16.67 percent previously to 20 percent. It is the policy of the City that appropriations be made from the unassigned fund balance only when catastrophic, unforeseen, or unavoidable events cause a reduction in revenue or an increase in expenditures, either or both.

Debt Guidelines

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

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

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

A. No Overlapping Debt

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

B. Legal Debt Margin

Article VII, Section 10 of the Constitution of Virginia provides that the legal general obligation debt limit for cities is ten percent of the last preceding assessment for real estate taxes. At June 30, 2025 the City had a legal debt limit of \$4,122,752,200 and the statutory capacity to issue approximately \$3,189,394,301 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, 2025 ¹	\$4,122,752,200
Less: bonds and notes payable ²	<u>(933,357,899)</u>
Legal margin for creating additional debt	\$3,189,394,301

¹ Source: City Assessor of Real Estate

² Does not include \$786,004,965 of Richmond Public Utility Revenue Bonds that by State law are not required to be included in calculations for legal margin for creation of debt.

C. Short-Term Debt

As of June 30, 2025, the City had a Bond Anticipation Note Line of Credit Facility (BAN) in place in the amount of \$250.0 million to finance city and school construction projects. The City does not borrow to meet seasonal needs or day-to-day operations.

D. Long-Term Debt

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

Enterprise Funds and Internal Service Funds pay from user fees the principal of and interest on certain general obligations bonds, revenue bonds and serial equipment notes issued for the program purposes of each fund. All

other monies for the principal of and interest on such debt are appropriated in the General Fund budget. No long-term bonds are sold to finance current operations.

E. Authorized but Unissued Bonds and Notes

As of June 30, 2025, the City had a total of \$764,257,022 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, \$457,975,639 is earmarked for self-supporting Public Utility revenue bond funded projects, \$60,191,102 for Stormwater Utility Projects, \$238,710,281 for various General Fund supported capital projects and \$7,380,000 for funding of equipment purchases.

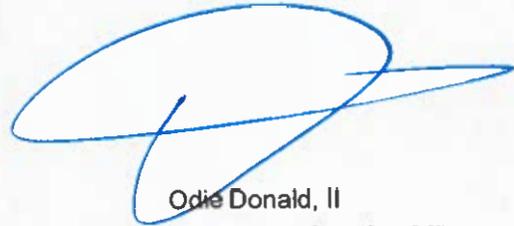
Acknowledgements

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

Sincerely,



Dr. Danny Avula
Mayor



Odie Donald, II
Chief Administrative Officer

City of Richmond



DR. DANNY AVULA
MAYOR

ODIE DONALD II
CAO

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 CliftonlarsenAllen, LLP, independent certified public accountants, selected by the City Council. Management has made available to CliftonlarsenAllen, 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 CliftonlarsenAllen, 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 CliftonlarsenAllen, 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.

Dr. Danny Avula
Mayor

Odie Donald II
Chief Administrative Officer

CITY OF RICHMOND, VIRGINIA
MAYOR – COUNCIL FORM OF GOVERNMENT
Fiscal Year Ended June 30, 2025

CITY MAYOR
Danny Avula

CHIEF ADMINISTRATIVE OFFICER
Odie Donald II

CITY COUNCIL

Andrew S. Breton (1st District)
Katherine Jordan - Vice President (2nd District)
Kenya J. Gibson (3rd District)
Sarah Abubaker (4th District)
Stephanie A. Lynch (5th District)

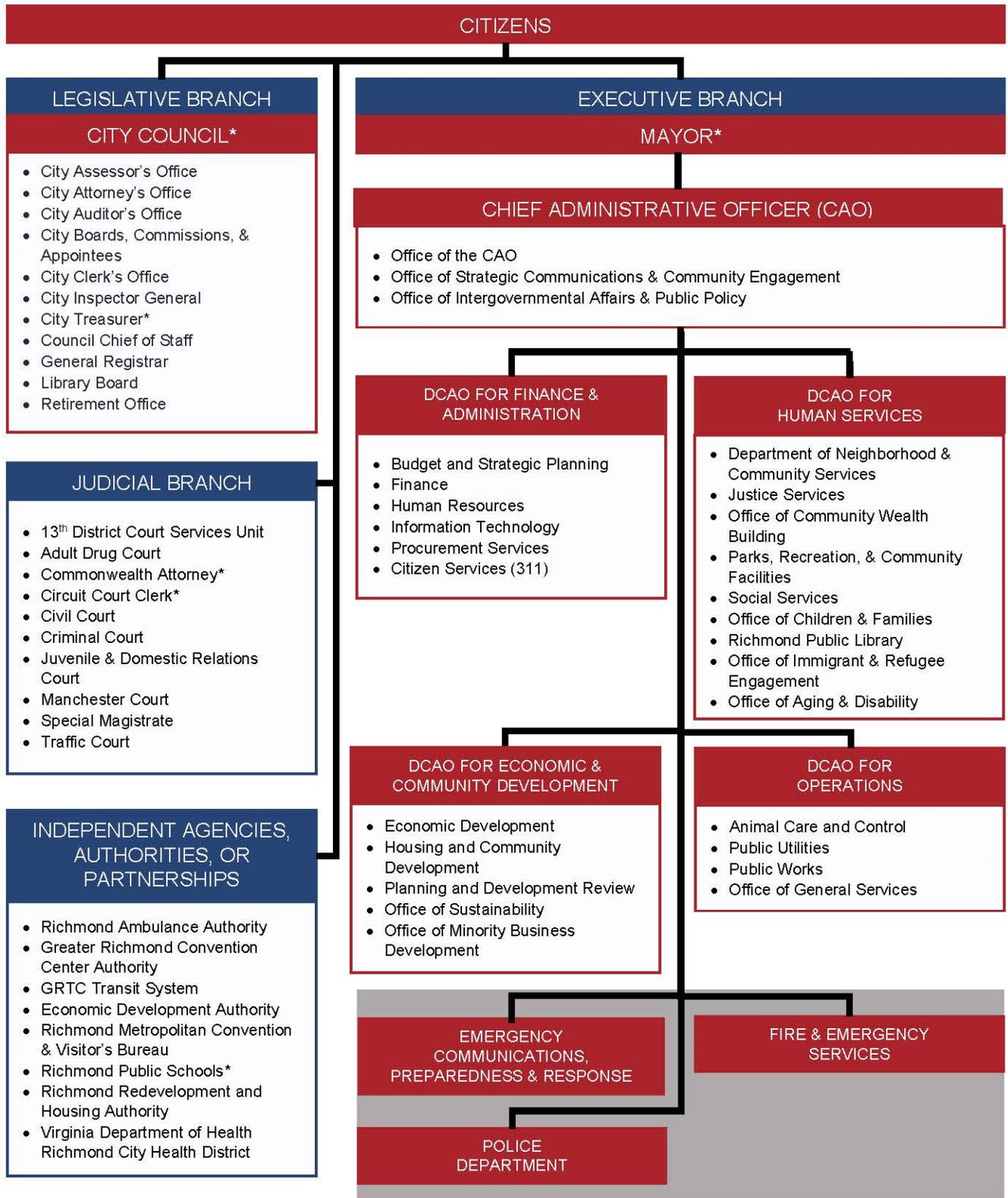
Ellen F. Robertson (6th District)
Cynthia I. Newbille - President (7th District)
Reva M. Trammell (8th District)
Nicole Jones (9th District)

**CITY
AUDITOR**
Riad Ali, CPA

ATTORNEY
Laura Drewry

**SUPERINTENDENT
OF SCHOOLS**
Jason Kamras

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



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

FY2025 ORG CHART



FINANCIAL



SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Richmond's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following discretely presented component units: Richmond School Board, Richmond Economic Development Authority, Richmond Behavioral Health Authority, and Richmond Redevelopment and Housing Authority, which represents 98 percent, 96 percent, and 97 percent, respectively of the assets and deferred outflows of resources, net position, and revenues for the aggregate discretely presented component units. We also did not audit the financial statements of the Richmond Retirement System, which represents 72 percent, 83 percent and 33 percent, respectively, of the assets and deferred outflows of resources, fund balance/net position, and revenues/additions of the aggregate remaining fund information of the City. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for Richmond School Board, Richmond Economic Development Authority, Richmond Behavioral Health Authority, Richmond Redevelopment and Housing Authority and the Richmond Retirement system, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications"), issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

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

Emphasis of Matter – Correction of an Error and Change in Accounting Principles

As discussed in Note 18 to the financial statements, the City restated beginning net position or fund balance due to a correction of an error in the Debt Service and Custodial Funds and for the implementation of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

The Honorable Members of the City Council
City of Richmond

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon February 27, 2026. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon February 27, 2026.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026February 27, 2026February 27, 2026, on our consideration of the City of Richmond's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Richmond's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Richmond's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Arlington, Virginia
February 27, 2026

CITY OF RICHMOND, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025
(Unaudited)

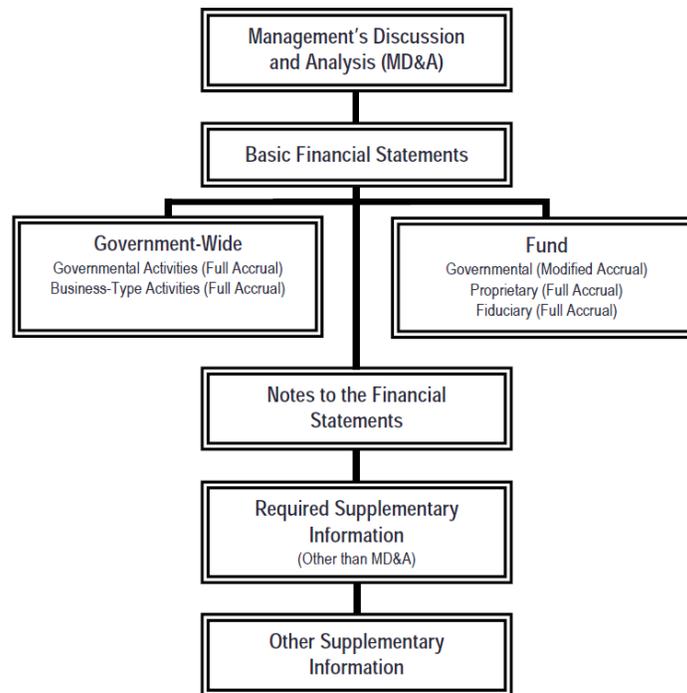
The following discussion and analysis provided by the City's management presents a narrative overview and analysis of the financial activities of the City through the presentation of its Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025. City management encourages readers 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 2024

- The City's General Fund reported an ending Fund Balance of \$270.5 million, an increase of \$1.8 million or 0.7 percent compared to the prior year. Of the total General Fund balance: \$1.1 million is Nonspendable, \$34.0 million is Committed to Revenue Stabilization, \$109.0 thousand committed to School Board Operations, \$40.8 million is Assigned to subsequent years' Expenditures, \$0.3 million for Percent for the Arts, \$8.9 million to Capital Reserve, \$9.8 million for School Facilities, \$6.9 million for Unspent Building Code Fees, \$0.5 million for Unspent COVID-19 Contingencies, \$1.3 million for Special Purpose, \$6.0 million Employee Compensation Reserve \$1.8 million for Special Purpose, Unfunded Reserve, \$1.8 million for Revolving Land Acquisition, 12.8 million for Risk Reserve, and \$140.7 million is Unassigned. The Unassigned Fund Balance represents 12.9 percent of actual Expenditures and Transfers out of \$1,088.0 million.
- The City's total taxable assessed value for Real and Personal Property including Machinery and Tools increased by \$3.0 billion or 7.2 percent.
- The City's General Obligation Bond ratings were reaffirmed at Aa1 by Moody's, with a stable outlook, and AAA by Fitch Ratings, with a stable outlook. The rating was upgraded to AA+ by Standard and Poor's, with a stable outlook.
- At the end of the Fiscal Year, the City's Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$1,978.9 million. Net Position was comprised mainly of \$1,492.4 million attributable to the City's Net Investment in Capital Assets, \$289.1 million in Restricted and \$197.4 million in Unrestricted.
- Net Position for Governmental Activities increased \$118.4 million or 16.6 percent compared to the prior year.
- For this Fiscal Year, General Fund Revenues and Financing Sources were \$1,089.8 million. General Fund Expenditures and Other Financing Uses were \$1,088.0 million. City Taxes accounted for 71.8 percent of Revenue.
- The City's Business-Type Activities Net Position increased by \$77.1 million or 7.2 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

Government-Wide Financial Statements

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

The City's Government-Wide financial statements are divided into three categories:

- **Governmental Activities** – Most of the City's basic services including Police, Fire, Economic and Community Development, Parks, Recreation and Community Facilities, Social Services and General Administration are reported here. The majority of these activities are supported by property taxes, other local taxes and federal and state funding.
- **Business-Type Activities** – The City's Gas, Water, Wastewater, Stormwater, Parking and Cemeteries are reported here. Fees are charged to customers to help cover the costs of providing these services.

- **Component Units** – Five separate legal entities are included in this report: Richmond School Board, Richmond Economic Development Authority, Richmond Ambulance Authority, Richmond Behavioral Health Authority and Richmond Redevelopment and Housing Authority. Although legally separate, these component units are important because the City is financially accountable for them, and may provide significant operating or capital funding, or both.

Fund Financial Statements

The Fund financial statements provide detailed information about the City's most significant funds and not the City as a whole. Funds are an accounting tool that the City uses to track resources that are segregated for specific activities or objectives. Some funds are required by state law or by bond covenants. Other funds are established to control and manage money for particular purposes or to show that the City is using specific revenue sources such as taxes and grants for their intended purposes. The City has three types of funds: Governmental, Proprietary and Fiduciary.

- **Governmental Funds** – The General Fund, Debt Service Fund, Capital Projects Fund, Special Revenue funds and Permanent Funds are Governmental Funds. These Funds' statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the Fiscal Year. Additional information is provided accompanying these statements that explains the relationship between the long-term focused Government-Wide statements and the short-term focused Governmental Fund statements.
- **Proprietary Funds** – Services for which the City charges customers a fee are generally reported in Proprietary Funds. Like the Government-Wide statements, Proprietary Fund statements provide both long and short-term financial information. The City maintains two types of Proprietary Funds:
 - **Enterprise Funds** – Similar to Business-Type Activities included in the Government-Wide statements, the Enterprise Fund financial statements provide more detail and additional information such as Cash-Flow.
 - **Internal Service Funds** – The City uses Internal Service Funds to report activities that provide supplies and services for the City's other programs and activities.
- **Fiduciary Funds** – Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. These Fiduciary activities are excluded from the City's Government-Wide financial statements because the City cannot use these assets to finance its operations. The City maintains three Fiduciary Funds:
 - **Trust Funds** – Provides Retirement and Disability Benefits for all vested full time employees under a City deferred compensation plan created in accordance with the Internal Revenue Code Section 457.
 - **Private Purpose Funds** -- Reports trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.
 - **Custodial Funds** – Reports fiduciary activity resources that are not held in a trust agreement or equivalent arrangement that meets specific criteria.

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

FY2025, Total Assets for the Primary Government were \$4,608.6 million, an increase from prior year total Assets by \$230.7 million. Total Assets for only Governmental Activities were \$2,404.0 million, up by \$181.2 million or 8.2 percent. Total Assets from Business-Type Activities increased by \$49.6 million in FY2024, accounting for 47.8 percent of total Primary Government Assets compared to 49.2 percent in FY2024.

Total Liabilities were \$2,680.4 million down \$130.4 million from \$2,810.8 million in FY2024. Total Liabilities associated with Governmental Activities decreased by \$99.4 million or (5.9) percent while total Liabilities associated with Business-Type Activities decreased \$31.0 million or (2.8) percent.

Total Net Position was \$1,978.9 million up \$195.6 million over the prior year's balance. Table 1 summarizes the City's Government-Wide Net Position at June 30, 2025 and 2024.

Table 1
City of Richmond's Schedule of Net Position
As of the Fiscal Years Ended June 30, 2025 and 2024
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 756.4	\$ 767.6	\$ 403.7	\$ 520.7	\$ 1,160.1	\$ 1,288.3
Capital Assets, Net	1,647.7	1,455.3	1,800.8	1,634.3	3,448.5	3,089.6
Total Assets	<u>2,404.0</u>	<u>2,222.8</u>	<u>2,204.6</u>	<u>2,155.0</u>	<u>4,608.6</u>	<u>4,377.9</u>
Deferred Outflow of Resources	<u>226.5</u>	<u>230.0</u>	<u>36.5</u>	<u>41.8</u>	<u>263.0</u>	<u>271.8</u>
Current and Other Liabilities	459.4	425.5	165.3	124.4	624.7	549.9
Long-Term Obligations Outstanding	1,130.6	1,263.7	925.1	997.2	2,055.7	2,260.9
Total Liabilities	<u>1,589.9</u>	<u>1,689.3</u>	<u>1,090.5</u>	<u>1,121.5</u>	<u>2,680.4</u>	<u>2,810.8</u>
Deferred Inflows of Resources	<u>206.0</u>	<u>48.5</u>	<u>5.2</u>	<u>7.0</u>	<u>211.2</u>	<u>55.5</u>
Net Position:						
Net Investment in Capital Assets	593.5	585.6	898.9	734.8	1,492.4	1,320.4
Restricted	253.4	285.3	35.8	35.9	289.1	321.3
Unrestricted	(13.3)	(155.9)	210.7	297.5	197.4	141.6
Total Net Position	<u>\$ 833.5</u>	<u>\$ 715.1</u>	<u>\$ 1,145.4</u>	<u>\$ 1,068.3</u>	<u>\$ 1,978.9</u>	<u>\$ 1,783.3</u>

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

Activities

REVENUES

In FY2025, total Primary Government Revenues were \$1,754.4 million, which reflects an increase over prior year. Program Revenues (Charges for Service, Grants, and Contributions) of \$954.6 million accounted for 54.4 percent of all Primary Government Revenues, while property and other local taxes attributable to Governmental Activities accounted for \$727.6 million, most of the remainder. Total Revenues for all Governmental Activities were \$1,232.6 million. Governmental Activities' Program Revenues of \$437.4 million accounted for 35.5 percent.

For the fiscal year ended June 30, 2025, revenues from governmental activities totaled \$1,232.6 million, an increase of \$45.3 million from fiscal year 2024. Real estate tax revenue is the City's largest revenue source, and reflects the recognition of the first half and second half of calendar year 2025 real property tax. The Real estate tax revenue collected during fiscal year 2025 was \$470.1 million, which was an increase of \$27.9 million or 6.3 percent, from fiscal year 2024 due to increased property values.

During fiscal year 2025, the City collected \$90.7 million in personal property tax revenue from City residents which includes Personal Property Tax Relief received from the Commonwealth of Virginia (the Commonwealth) of \$16.7 million. Under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA), the Commonwealth's share of the local personal property tax payment for a calendar year was frozen at 70 percent for qualified vehicles. During the 2004 General Assembly, the Commonwealth's obligation for car tax relief was capped at \$950 million annually. Each jurisdiction's share of the \$950 million is based on the total 2004 reimbursement as of December 31, 2005. The fiscal year 2025 property tax collections were up by \$10.3 million or 12.9 percent over fiscal year 2024.

Business-type activities produced revenues of \$521.8 million, an increase of \$47.0 million from fiscal year 2024. The City's Gas activity produced \$206.5 million in charges for services, and the City's Water and Sewer activity produced \$217.1 million in charges for services.

Program revenues of \$1.3 million in operating grants and contributions, and \$71.1 million in capital grants and contributions were received in fiscal year 2025.

EXPENSES

Total Expenses for Primary Government were \$1,524.2 million. Four activities: General Government, Public Safety and Judiciary, Education, and Business-Type Activities accounted for the following amounts and percentages: \$193.1 million (12.7 percent), \$301.8 million (19.8 percent), \$246.4 million (16.2 percent), and \$411.4 million (27.0 percent), respectively. Table 2 summarizes the City's Government-Wide Activities for the years ended June 30, 2025 and 2024.

For the fiscal year ended June 30, 2025, expenses for the governmental activities totaled \$1,113.0 million, an increase of \$46.4 million or 4.4 percent from fiscal year 2024 (Table 2). Included in this activity are employee compensation and benefits, payments for education expenses to the School Board (Richmond Public Schools), and the cost of general governmental activities such as public safety, recreation, and libraries. The largest expense increases occurred in Public Safety, Education, and Human Services.

Education continues to be one of the City's highest priorities and commitments. Spending on Education was up \$13.7 million or 5.9 percent, which includes a direct payment by the primary government of \$246.4 million for School operations.

Public Safety and Judiciary expenses decreased by \$24.2 million or 7.4 percent (Table 2). The decrease is primarily driven by a City-wide decrease in pension and OPEB activities.

The expenses of business-type activities totaled \$411.4 million, an increase of \$51.9 million or 14.4 percent over fiscal year 2024 business-type activities.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

For the fiscal year ending June 30, 2025, the governmental funds reflect a combined fund balance of \$340.2 million, a decrease of \$22.2 million from fiscal year 2024. The General Fund accounts for \$270.5 million of the total combined balance. This is an increase of \$1.8 million or 0.7 percent from the General Fund balance of \$268.6 million recorded at June 30, 2024. The General Fund Balance was impacted by General Fund Revenues, which increased by \$72.2 million or 7.2 percent from fiscal year 2024. The largest increases occurred in Real Estate Taxes by \$27.9 million, Personal Property Taxes by \$10.3 million, and Intergovernmental by \$28.7 million.

At the same time, General Fund Expenditures decreased by \$25.4 million or 2.7 percent from fiscal year 2024. The following items affected the fund balance and should be noted:

- The General Fund transferred \$40.8 million to the Capital Projects Fund to finance various capital projects, \$13.8 million to the Special Revenue Fund and \$86.9 million for debt service. The total transfers were up \$3.0 million from the previous year.
- The General Fund contributed \$239.3 million to fund fiscal year 2025 School Board operations, an increase of \$17.8 million or 8.0 percent increase from the fiscal year 2024 contribution.

Highlights of other Governmental Funds are as follows:

The Other Governmental Fund balance of \$60.8 million (Exhibit D) decreased by \$0.2 million or 0.3 percent from fiscal year 2024. The decrease is primarily due to an overall increase in expenditures incurred during fiscal year 2025. The major function of the Other Governmental Fund is to account for State and Federal grants received by the City, Social Services programs, and solid waste operations. State and Federal grants are received on a reimbursement basis and accounted for \$102.1 million in revenues. The City's Department of Social Services operations accounted for \$15.8 million in State and Federal grant revenue and \$50.4 million in expenditures during fiscal year 2025.

- The Debt Service Fund Balance decreased by \$36.8 million from \$56.2 million during fiscal year 2025, due to a prior period correcting made to remove the EDA bonds from the Debt Service Fund and include them in the Fiduciary Fund. The fund received transfers from the General Fund of \$87.9 million, and expenditures for debt service were \$92.1 million. Other financing sources included issuance of refunding bonds of \$134.1 million, offset by transfers out of \$132.9 million.

- The Capital Projects Fund Balance of \$(10.5) million (Exhibit D) is an increase of \$13.0 million, or 55.3 percent, in comparison to fiscal year 2024. During the fiscal year, expenditures for capital projects were \$255.9 million, and revenues were \$26.3 million. Other financing sources include transfers from the general fund of \$173.6 million, and issuance of bonds and notes of \$124.0 million during fiscal year 2025.

Table 2
City of Richmond's Schedule of Activities
As of the Fiscal Years Ended June 30, 2025 and 2024
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 363.8	\$ 337.4	\$ 444.7	\$ 413.4	\$ 808.5	\$ 750.9
Operating Grants and Contributions	51.7	57.4	1.3	1.7	53.1	59.2
Capital Grants and Contributions	21.9	32.9	71.1	35.1	93.0	68.1
General Revenues:						
Property Taxes	556.3	529.2	-	-	556.3	529.2
Other Taxes	171.3	170.9	-	-	171.3	170.9
Investment Income	6.2	2.0	10.5	24.3	16.7	26.2
Miscellaneous	61.4	57.4	(5.9)	0.2	55.6	57.6
Total Revenues	<u>1,232.6</u>	<u>1,187.3</u>	<u>521.8</u>	<u>474.8</u>	<u>1,754.4</u>	<u>1,662.1</u>
Expenses:						
Primary Government						
General Government	193.1	189.0	-	-	193.1	189.0
Public Safety and Judiciary	301.8	326.0	-	-	301.8	326.0
Highway, Street, Sanitation and Refuse	116.4	121.9	-	-	116.4	121.9
Human Services	101.5	97.2	-	-	101.5	97.2
Culture and Recreation	43.6	43.6	-	-	43.6	43.6
Education	246.4	232.7	-	-	246.4	232.7
Transportation	9.3	8.9	-	-	9.3	8.9
Interest and Fiscal Charges	100.8	47.2	-	-	100.8	47.2
Business-Type Activities	-	-	411.4	359.5	411.4	359.5
Total Expenses	<u>\$ 1,113.0</u>	<u>\$ 1,066.6</u>	<u>\$ 411.4</u>	<u>\$ 359.5</u>	<u>\$ 1,524.2</u>	<u>\$ 1,426.2</u>
Income Before Transfers	87.4	120.7	110.6	115.4	230.2	235.8
Transfers	32.3	29.6	(33.4)	(29.6)	(1.0)	-
Changes in Net Position	119.6	150.3	77.2	85.8	229.1	235.8
Net Position, Beginning of Year	715.1	435.7	1,068.3	925.5	1,783.3	1,361.2
Net Position, End of Year	<u>\$ 834.7</u>	<u>\$ 586.0</u>	<u>\$ 1,145.5</u>	<u>\$ 1,011.3</u>	<u>\$ 2,012.5</u>	<u>\$ 1,597.0</u>

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

GENERAL FUND

The General Fund is the City's largest governmental Fund and, therefore, deserves special attention. Total Revenues and Other Financing Sources totaled \$1,089.8 million in FY2025, an increase of \$75.3 million from the prior year. Property and other local taxes accounted for \$774.3 million or 71.8 percent of total Revenues

Actual General Fund Revenues were more than the original budgeted revenues by \$87.9 million during fiscal year 2025. Actual revenue collections exceeded the amended budget by \$53.8 million. This increase is attributable in part to collections of general property taxes such as real property and personal property taxes, which exceeded the amended budget by \$8.1 million, and intergovernmental revenue, such as federal awards, which exceeded budget by \$58.4 million (Table 3).

On the other side of the ledger, Expenditures and Transfers Out totaled \$1,088.0 million, a decrease of \$22.4 million or 2.0 percent, from the prior year. Public Safety & Judiciary and Education, the two largest program areas, totaled \$516.2 million, or 58.3 percent of total General Fund Expenses.

Actual General Fund Total Expenses and Other Financing Sources were greater than the original budget by \$86.1 million, and less than the amended budget by \$6.3 million. During the fiscal year, City Council amended the budget several times. These budget amendments or supplemental appropriation resolutions were primarily for the following purposes:

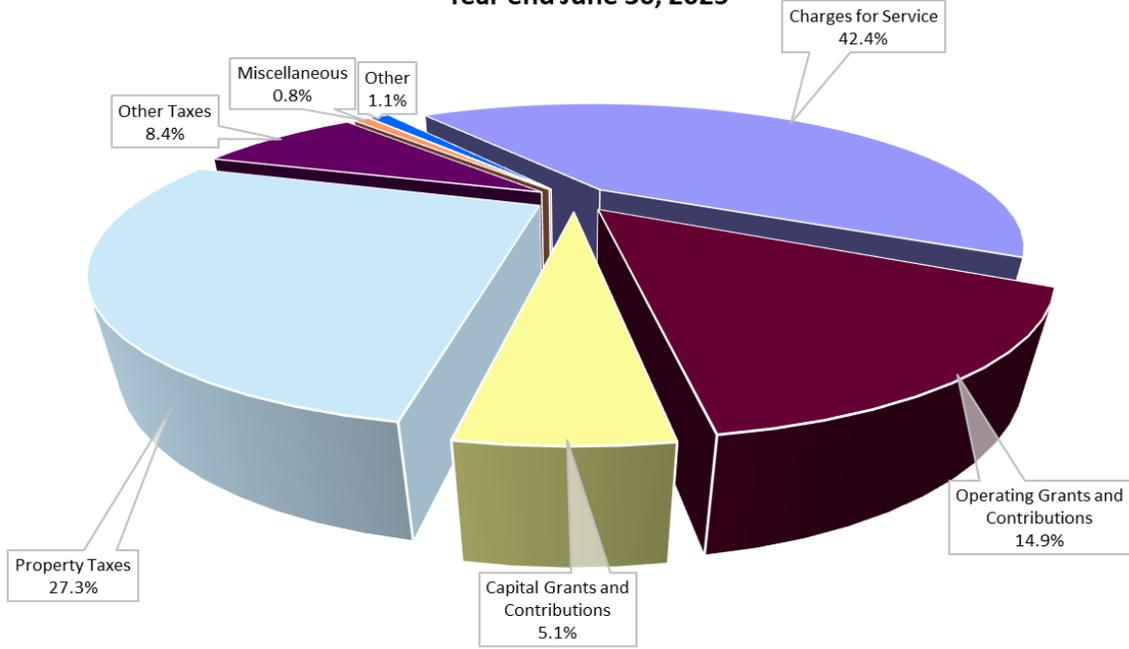
- To reappropriate monies to pay for continuing programs for whose fiscal years extended beyond June 30, 2025.
- To reappropriate grant revenues authorized in fiscal year 2025 or earlier, but not expended or encumbered as of June 30, 2025 and to appropriate grants or donations accepted or adjusted in fiscal year 2025.
- To appropriate funds for program enhancements, capital projects or other operational needs that were not anticipated in the original fiscal year budget.

Table 3
City of Richmond's Budgetary Comparison
General Fund
For the Fiscal Years Ended June 30, 2025 and 2024
(In Millions, rounded)

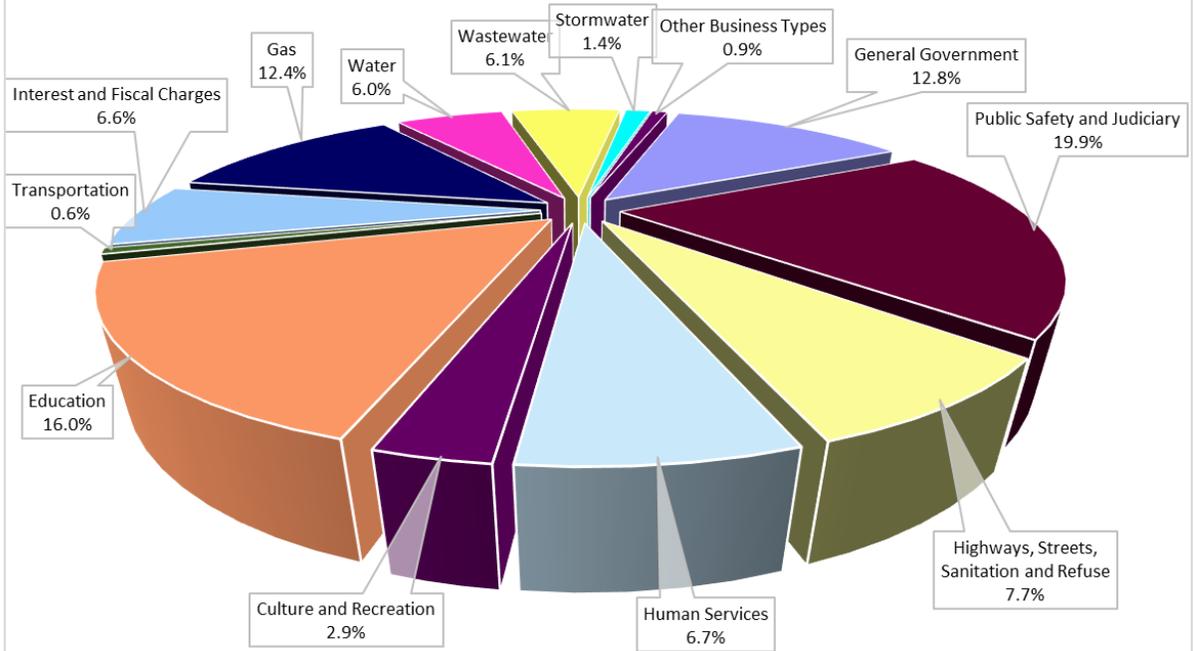
	Original Budget		Amended Budget		Actual		Positive (Negative) Variance	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenues:								
Property Taxes	\$ 573.3	\$ 562.0	\$ 587.7	\$ 544.3	\$ 595.8	\$ 562.0	\$ 8.0	\$ 17.7
Other Taxes	176.1	176.2	175.9	165.9	178.6	176.2	2.6	10.3
Intergovernmental	96.2	125.9	96.3	89.2	154.7	125.9	58.4	36.9
Miscellaneous	143.4	122.2	147.2	138.8	149.2	141.9	2.1	3.1
Other Financing Sources	12.9	34.3	28.9	35.6	11.5	8.5	(17.4)	(27.1)
Total Revenues and Other Financing Sources	<u>\$ 1,001.9</u>	<u>\$ 1,020.7</u>	<u>\$ 1,036.0</u>	<u>\$ 973.7</u>	<u>\$ 1,089.8</u>	<u>\$ 1,014.5</u>	<u>\$ 53.7</u>	<u>\$ 40.9</u>
Expenses:								
General Government	\$ 108.8	\$ 94.2	\$ 140.2	\$ 138.7	\$ 109.6	\$ 106.0	\$ 30.6	\$ 32.6
Public Safety and Judiciary	263.2	251.4	275.8	268.2	277.0	257.2	(1.3)	11.0
Highway, Street, Sanitation and Refuse	43.9	41.2	48.5	46.9	48.9	45.6	(0.4)	1.3
Human Services	77.5	74.7	78.1	72.3	69.6	65.7	8.6	6.6
Culture and Recreation	36.9	34.0	41.3	36.4	41.2	35.9	-	0.6
Education	239.3	221.5	239.3	221.5	239.3	221.5	-	-
Non-Departmental	81.0	87.3	119.6	115.5	98.7	206.1	20.9	(90.5)
Other Financing Uses	151.3	147.8	151.6	155.7	203.6	166.0	(52.0)	(10.5)
Total Expenses and Other Financing Uses	<u>\$ 1,001.9</u>	<u>\$ 951.9</u>	<u>\$ 1,094.3</u>	<u>\$ 1,055.0</u>	<u>\$ 1,088.0</u>	<u>\$ 1,103.9</u>	<u>\$ 6.6</u>	<u>\$ (48.9)</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 end June 30, 2025



Primary Government Functional Expenses
Year end June 30, 2025



CAPITAL ASSETS

The Department of Public Utilities' spent \$245.23 million during the Fiscal Year to expand, upgrade, and renew its Infrastructure. The Gas Utility invested approximately \$8.22 million to support our expanding market base and \$36.64 million in upgrades to existing Infrastructure. The Water Utility invested approximately \$69.03 million in upgrades to our Infrastructure including \$27.33 million of investments in major plant and pumping improvements, \$1.20 million into water transmission, and \$40.51 million into water distribution . The Wastewater Utility invested approximately \$103.11 million in upgrades to existing Infrastructure, of which \$39.76 million was spent on major plant improvements, \$25.38 million of improvements to the Combined Sewer System, and \$35.10 million into sanitary sewers. The Storm water Utility invested \$28.24 million to upgrade their existing Infrastructure.

Table 4
City of Richmond's Capital Assets
As of the Fiscal Years Ended June 30, 2025 and 2024
(In Millions, rounded)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Capital Assets Not Being Depreciated:						
Land and Land Improvements	\$ 109.8	\$ 107.7	41.3	\$ 39.6	\$ 151.1	\$ 147.3
Construction In Progress	451.3	236.4	238.2	126.2	689.5	362.6
Works of Art/Historical Treasures	8.3	8.1	-	-	8.3	8.1
Total Assets Not Being Depreciated	<u>569.4</u>	<u>352.2</u>	<u>279.5</u>	<u>165.8</u>	<u>848.9</u>	<u>518.0</u>
Capital Assets Being Depreciated:						
Infrastructure	1,153.6	1,129.8	-	-	1,153.6	1,129.8
Buildings and Structures	1,123.8	1,117.4	2,421.6	2,640.8	3,545.4	3,758.2
Right of Use Land & Land Rights	-	-	16.3	16.2	16.3	16.2
Right of Use Equipment and Other Assets	42.0	33.5	-	-	42.0	33.5
Equipment and Other Assets	176.3	166.7	365.6	3.8	541.9	170.5
Improvements Other Than Buildings	36.3	35.1	-	-	36.3	35.1
Total Other Assets	<u>2,532.0</u>	<u>2,482.5</u>	<u>2,803.5</u>	<u>2,660.8</u>	<u>5,335.6</u>	<u>5,143.3</u>
Less Accumulated Depreciation For:						
Infrastructure	759.4	732.1	-	-	759.4	732.1
Buildings and Structures	525.4	501.6	1,048.5	1,189.8	1,573.9	1,691.4
Equipment and Other Assets	132.2	122.9	232.4	3.0	364.6	125.9
Right of Use Land & Land Rights	-	-	1.4	1.4	1.4	1.4
Right of Use Equipment and Others	15.2	5.3	-	-	15.2	5.3
Improvements Other Than Buildings	21.5	20.1	-	-	21.5	20.1
Total Accumulated Depreciation	<u>1,453.7</u>	<u>1,382.0</u>	<u>1,282.3</u>	<u>1,194.2</u>	<u>2,736.0</u>	<u>2,576.2</u>
Total Capital Assets Being Depreciated, Net	<u>1,078.3</u>	<u>1,100.5</u>	<u>1,521.2</u>	<u>1,466.6</u>	<u>2,599.6</u>	<u>2,567.1</u>
Total Capital Assets, Net	<u>\$ 1,647.7</u>	<u>\$ 1,452.7</u>	<u>\$ 1,800.7</u>	<u>\$ 1,632.4</u>	<u>\$ 3,448.5</u>	<u>\$ 3,085.1</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, 2025, the City's had a total of \$2.1 billion of outstanding Bonds, Notes and Premiums, a increase of \$136.0 million compared to the previous year. Outstanding debt of the City's Governmental Activities at year end was \$1,122.9 million, while the Business Type Activities outstanding debt (primarily Utilities and Parking operations) was \$954.4 million.

During FY2025, the City issued it's \$129,725,000 of General Obligation Public Improvement Bonds (Tax-Exempt), Series 2024C, dated July 30, 2024. The proceeds of the Series 2024C bonds, together with other available funds, will be used to (a) finance the cost of the design, acquisition, construction and equipping of a new baseball stadium to be developed in connection with the redevelopment of the area known as the "Diamond District" and (b) to pay the issuance and financing costs incurred in connection with the 2024C Bonds (including, but not limited to, certain capitalized interest on the 2024C Bonds)..

The City's Utility Department has issued its \$16.6 million Public Utility General Obligation Bond, Anticipation Note, Series 2025A, to Atlantic Union Public Finance, Inc. to finance the costs of certain stormwater utility capital improvement projects. The Series 2025A BAN bears interest on the unpaid principal at a rate of 3.436% per year

Table 5
City of Richmond's Long-Term Obligations
For the Fiscal Year Ended June 30, 2024
(In Thousands, rounded)

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Not Due Within One Year	Due Within One Year
Primary Government - Governmental Activities						
General Obligation Bonds	\$ 822,927.9	\$ 129,725.0	\$ 53,040.0	\$ 899,612.9	\$ 845,492.9	\$ 54,120.0
General Obligation Bond - Direct Borrowing	-	-	-	-	-	-
Total General Obligation Bonds	<u>822,927.9</u>	<u>129,725.0</u>	<u>53,040.0</u>	<u>899,612.9</u>	<u>845,492.9</u>	<u>54,120.1</u>
Line of Credit - Bond Anticipation Note -	39,600.0	124,000.0	-	163,600.0	-	163,600.00
General Obligation Serial Equipment Notes	4,997.0	-	2,123.0	2,874.0	1,456.0	1,418.0
Total General Obligation Notes	<u>44,597.0</u>	<u>124,000.0</u>	<u>2,123.0</u>	<u>166,474.0</u>	<u>1,456.0</u>	<u>165,018.0</u>
HUD Section 108 Notes	7,715.0	-	725.0	6,990.0	6,250.0	740.0
Premium on Debt Issued	54,401.9	4,390.2	8,922.7	49,869.3	41,918.8	7,950.6
Total Obligations	<u>\$ 929,641.8</u>	<u>\$ 258,115.2</u>	<u>\$ 64,810.7</u>	<u>\$ 1,122,946.2</u>	<u>\$ 895,117.7</u>	<u>\$ 227,828.6</u>
Compensated Absences	\$ 26,061.7	\$ (3,362.1)	\$ -	\$ 22,699.6	\$ 15,001.5	\$ 7,698.1
Net Other Post Employment Benefit Obligations	\$ (1,413.0)	\$ 4,681.0	\$ 3,865.2	\$ (597.3)	\$ (597.3)	\$ -
Net Pension Liability	<u>\$ 290,843.8</u>	<u>\$ 14,637.4</u>	<u>\$ 142,002.7</u>	<u>\$ 163,478.5</u>	<u>\$ 163,478.5</u>	<u>\$ -</u>

Table 6
City of Richmond's Long-Term Obligations
For the Fiscal Year Ended June 30, 2024
(In Thousands, rounded)

Primary Government - Business-Type Activities

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Not Due Within One Year	Due Within One Year
General Obligation Bonds:						
Utilities						
General Obligation Bonds	\$ 36,588.3	\$ -	\$ 390.0	\$ 36,198.3	\$ 34,846.5	\$ 1,351.8
General Obligation Bond - Direct Borrowing	1,571.2	-	112.8	1,458.5	1,345.7	112.8
Total Utilities General Obligation Debt	<u>38,159.6</u>	<u>-</u>	<u>502.8</u>	<u>37,656.8</u>	<u>36,192.2</u>	<u>1,464.6</u>
Non-Major Enterprise Funds						
General Obligation Bonds	34,143.7	-	3,700.0	30,443.8	26,592.0	3,851.8
General Obligation Bond - Direct Borrowing	-	-	-	-	-	-
Premium on Non-Major Debt, Net	602.1	-	140.7	461.4	338.0	123.4
Total Non-Major Enterprise Funds General Obligation Debt	<u>34,745.7</u>	<u>-</u>	<u>3,840.6</u>	<u>30,905.2</u>	<u>26,930.0</u>	<u>3,975.2</u>
 Total General Obligation Debt	 72,905.3	 -	 4,343.4	 68,562.0	 63,122.3	 5,439.8
Revenue Bonds:						
Public Utility Revenue Bonds	761,550.0	-	32,650.0	728,900.0	695,195.0	33,705.0
Public Utility Revenue Bond - Direct Borrowing	53,448.3	9,356.1	5,699.5	57,104.9	51,380.4	5,724.5
Premium on Public Utility Debt, Net	53,157.4	-	5,131.5	48,025.9	43,133.7	4,892.2
Total Revenue Bonded Debt	<u>868,155.8</u>	<u>9,356.1</u>	<u>43,481.0</u>	<u>834,030.8</u>	<u>789,709.0</u>	<u>44,321.5</u>
 Total Bonded Debt	 <u>\$ 941,061.1</u>	 <u>\$ 9,356.1</u>	 <u>\$ 47,824.4</u>	 <u>\$ 902,592.8</u>	 <u>\$ 852,831.3</u>	 <u>\$ 49,761.3</u>
Compensated Absences:						
Gas	\$ 1,332.3	\$ 277.5	\$ -	\$ 1,609.8	\$ 1,108.5	\$ 501.3
Water	986.3	(330.5)	-	655.7	485.9	169.8
Wastewater	959.0	(417.0)	-	542.0	360.5	181.5
Storm water	275.9	100.4	-	376.3	266.6	109.7
Stores Operating Fund	24.3	(4.3)	-	20.0	14.4	5.6
Cemeteries	59.1	(24.4)	-	34.7	23.3	11.5
Other Non-major Enterprise Funds	127.2	(35.2)	-	92.0	64.6	27.5
Total Compensated Absences	<u>\$ 3,764.0</u>	<u>\$ (433.5)</u>	<u>\$ -</u>	<u>\$ 3,330.4</u>	<u>\$ 2,323.8</u>	<u>\$ 1,006.8</u>
Net Other Post Employment Benefit Obligations	<u>\$ (229.6)</u>	<u>\$ 134.7</u>	<u>\$ 356.2</u>	<u>\$ (451.0)</u>	<u>\$ (451.0)</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 48,823.3</u>	<u>\$ 13,234.6</u>	<u>\$ 37,645.3</u>	<u>\$ 24,412.7</u>	<u>\$ 24,412.7</u>	<u>\$ -</u>

ECONOMIC FACTORS

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

The City's population has grown since 2014, reaching 229,395 in 2022 according to the U.S. Census Bureau's American Community Survey 2022 1-year estimates. The overall Richmond metropolitan region now includes a population of more than 1.3 million in central Virginia. The City of Richmond's unemployment rate has improved, closing out at 3.1 percent in June 2024 compared to 3.4 percent in June 2023. The City's current unemployment rate is slightly below the national average. The assessed values of Richmond's taxable real estate reported strong growth over the fiscal year. The assessed value of taxable real estate in the City grew 7.2 percent in FY

2025, from \$14.6 billion to \$44.6 billion. Current and Delinquent Real Estate tax collections grew from \$452.9 million to \$483.2 million during the fiscal year.

In December of 2021 issued a Request for Interest for the Diamond District Project which seeks to redevelop 67.57 acres of under-developed, publicly-owned property along the I-95 east coast corridor into a mixed-use, mixed-income entertainment destination. The City has been preparing for a redevelopment of this strategic site for a number of years and, in the process, has relocated city functions, demolished buildings, and remediated the site with the exception of the baseball stadium and the Arthur Ashe Junior Athletic Center. The City has selected RVA Diamond Partners LLC as the development team to partner with the City to fulfill the vision for the Diamond District. During fiscal year 2024, the City's Economic Development Authority issued \$33.7 million of Revenue Bonds in connection to the initial phase of this project.

In May of 2022, the City of Richmond adopted the Strategic Plan for Equitable Economic Development (SPEED). SPEED focuses on community, innovation, and industry. The plan outlines tangible steps toward addressing long-standing inequities that have only been exacerbated by the COVID-19 pandemic, including racial disparities in education, poverty, housing, and health. Each of the plan's initiatives are designed to build a more equitable, inclusive, and sustainable economy for Richmond. The plan establishes five aggressive economic development goals through Fiscal Year 2026: \$3 billion in capital investment for economic development projects; 3,000 announced new jobs with annual salaries at or about \$52,000; reduce the poverty rate by 5 percentage points; public and private sector real estate development activities that generate \$25 million in annual real estate tax revenue; and 2,500 postsecondary credentials awarded to Richmond residents.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL



STATEMENTS

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CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2025

Exhibit A, Continued

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Assets				
Current Assets:				
Cash and Cash Equivalents (Note 3)	\$ 323,449,098	\$ 214,226,103	\$ 537,675,201	\$ 99,825,341
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes and Licenses	132,635,339	-	132,635,339	-
Accounts Receivable	31,048,271	93,819,374	124,867,645	22,823,429
Leases Receivable	574,996	492,750	1,067,746	-
Internal Balances, Net	2,980,801	(2,980,801)	-	-
Due from Other Funds	-	1,547,591	1,547,591	-
Due From Primary Government	-	-	-	6,804,467
Due From Other Governments (Note 5)	7,971,773	32,518,353	40,490,126	178,679,685
Investments	231,240,594	-	231,240,594	-
Inventories of Materials and Supplies	287,769	20,010,015	20,297,784	1,635,711
Prepaid Assets	1,139,074	8,322,097	9,461,171	87,261,652
Total Current Assets	731,327,715	367,955,482	1,099,283,197	397,030,285
Non-Current Assets:				
Restricted Assets - Cash and Investments (Note 3)	17,825,546	35,775,451	53,600,997	92,287,004
Lease Receivable	7,209,423	-	7,209,423	-
Capital Assets, Net (Note 6):				
Land, Land Improvement and Works of Art/Historical	118,018,699	41,327,879	159,346,578	10,895,490
Infrastructure, Net	394,212,134	1,187,795,372	1,582,007,506	-
Buildings, Structures, Improvements, and Equipment, Net	657,301,749	318,587,684	975,889,433	106,219,299
Construction in Progress	451,326,356	238,192,091	689,518,447	87,276,500
Right of Use Assets, Net	26,807,734	14,916,190	41,723,924	27,055,863
Total Capital Assets, Net	1,647,666,672	1,800,819,216	3,448,485,888	231,447,152
Total Non-Current Assets	1,672,701,641	1,836,594,667	3,509,296,308	323,734,156
Total Assets	2,404,029,356	2,204,550,149	4,608,579,505	720,764,441
Deferred Outflows of Resources				
Deferred Losses on Refunding	12,350,822	7,921,377	20,272,199	-
Pension/OPEB Related Activities (Note 11 and 12)	214,191,976	28,551,747	242,743,723	98,420,416
Total Deferred Outflows of Resources	\$ 226,542,798	\$ 36,473,124	\$ 263,015,922	\$ 98,420,416
Liabilities				
Current Liabilities:				
Combined RPS City Withholding	\$ 5,259,136	\$ -	\$ 5,259,136	\$ -
Accounts Payable	79,808,851	53,168,404	132,977,255	24,966,114
Accrued Liabilities	863,516	9,462,548	10,326,064	43,366,566
Right of Use Liabilities	3,629,595	353,183	3,982,778	-
Due To Component Units - Schools	43,364,032	-	43,364,032	-
Due To Other Governments	44,207	-	44,207	3,967,962
Due to Component Units - Other	-	-	-	14,205
Accrued Interest on Bonds and Notes Payable	14,632,898	15,675,292	30,308,190	-
Unearned Revenues	52,338,698	22,389	52,361,087	61,702,609
General Obligation Bonds,				
Serial Notes Payable (Note 7)	227,828,517	39,118,763	266,947,280	-
Revenue Bonds Payable (Note 7)	-	44,321,718	44,321,718	-
Compensated Absences (Note 7)	7,698,080	1,006,650	8,704,730	5,088,578
Other Liabilities and Claims Payable	23,893,150	2,187,425	26,080,575	11,298,972
Total Current Liabilities	459,360,680	165,316,372	624,677,052	150,405,006

CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2025

Exhibit A, Concluded

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Non-Current Liabilities				
Customers' Deposits	-	9,621,657	9,621,657	583,271
Right of use liabilities	23,967,698	13,924,984	37,892,682	2,513,825
General Obligation Bonds, Serial Notes Payable (Note 7)	895,117,722	81,233,031	976,350,753	310,179,481
Revenue Bonds Payable (Note 7)	-	789,709,111	789,709,111	-
Compensated Absences (Note 7)	15,001,478	2,323,760	17,325,238	-
Other Liabilities and Claims Payable (Note 9)	33,595,353	3,624,026	37,219,379	60,457,241
Net Pension and OPEB Liability	162,881,209	24,700,108	187,581,317	7,449,221
Total Non-Current Liabilities	<u>1,130,563,460</u>	<u>925,136,677</u>	<u>2,055,700,137</u>	<u>381,183,039</u>
Total Liabilities	<u>1,589,924,140</u>	<u>1,090,453,049</u>	<u>2,680,377,189</u>	<u>531,588,045</u>
Deferred Inflows of Resources				
Unavailable Revenues	160,258,008	-	160,258,008	-
Prepaid Taxes	56,559	-	56,559	-
Deferred Inflow - Leases	7,554,673	475,208	8,029,881	-
Pension/OPEB Related Activities (Note 11 and 12)	38,112,539	4,742,764	42,855,303	69,556,734
Total Deferred Inflows of Resources	<u>205,981,779</u>	<u>5,217,972</u>	<u>211,199,751</u>	<u>69,556,734</u>
Net Position				
Net Investment in Capital Assets	593,490,321	898,896,313	1,492,386,634	196,232,945
Restricted for (Note 8):				
Capital Projects	175,040,916	-	175,040,916	-
Grants funded projects	58,293,458	-	58,293,458	-
Restricted for Debt Service	19,423,429	35,775,451	55,198,880	-
Nonspendable	1,139,074	-	1,139,074	-
Restricted for OPEB benefits	597,263	-	597,263	-
Unrestricted	(13,318,226)	210,680,488	197,362,262	21,807,133
Total Net Position	<u>\$ 834,666,235</u>	<u>\$ 1,145,352,252</u>	<u>\$ 1,980,018,487</u>	<u>\$ 218,040,078</u>

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

CITY OF RICHMOND, VIRGINIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

Functions/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental:				
General Government	\$ 193,115,960	\$ 164,564,912	\$ 8,884,139	\$ -
Public Safety and Judiciary	301,810,945	32,784,827	13,035,094	-
Highways, Streets, Sanitation and Refuse	116,354,421	97,550,542	24,278,683	21,385,670
Human Services	101,597,604	63,757,973	1,593,935	-
Culture and Recreation	43,603,340	1,646,206	1,115,256	-
Education	246,402,831	-	-	-
Transportation	9,271,982	-	-	-
Interest and Fiscal Charges	100,840,957	3,468,671	2,802,708	496,521
Total Governmental Activities	<u>1,112,998,040</u>	<u>363,773,131</u>	<u>51,709,815</u>	<u>21,882,191</u>
Business-type:				
Gas	\$ 190,463,515	\$ 206,522,153	\$ -	\$ 1,642,833
Water	91,723,192	89,504,888	551,957	18,453,725
Wastewater	94,600,073	109,952,620	-	39,275,877
Stormwater	21,241,169	17,626,895	796,753	11,722,915
Cemeteries	2,548,664	1,545,685	-	-
Parking	10,775,325	19,569,622	-	-
Total Business-type Activities	<u>411,351,938</u>	<u>444,721,863</u>	<u>1,348,710</u>	<u>71,095,350</u>
Total Primary Government	<u>\$ 1,524,349,978</u>	<u>\$ 808,494,994</u>	<u>\$ 53,058,525</u>	<u>\$ 92,977,541</u>
Component Units:				
School Board	601,361,553	579,291	172,128,450	5,219,908
Richmond Economic Development Authority	1,351,163	685,427	-	-
Richmond Ambulance Authority	23,867,699	17,056,699	116,527	-
Richmond Behavioral Health Authority	104,292,278	25,442,536	-	-
Richmond Redevelopment and Housing Authority	103,770,181	14,220,368	79,689,558	6,667,229
Total Component Units	<u>\$ 834,642,874</u>	<u>\$ 57,984,321</u>	<u>\$ 251,934,535</u>	<u>\$ 11,887,137</u>
General Revenues:				
City Taxes				
Real Estate				
Sales Tax				
Personal Property				
Machinery and Tools				
General Utility Sales				
State Communication Taxes				
Bank Stock				
Prepared Food				
Cigarette Tax				
Lodging Tax				
Admissions				
Real Estate Taxes - Delinquent				
Personal Property Taxes - Delinquent				
Penalties and Interest				
Property Rental 1%				
Vehicle Rental Tax				
Telephone Commissions				
Total City Taxes				
Intergovernmental Revenue				
Payment From Primary Government - Unrestricted				
Investment Earnings				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Changes in Net Position				
Net Position - Beginning of Year - as reported				
Accounting Changes and Error Correction				
Net Position, Beginning of Year, as restated				
Net Position - End of Year				

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

Net (Expenses) Revenues and Changes in Net Position

Governmental Activities	Business-type Activities	Totals	Component Units
\$ (19,666,909)	\$ -	\$ (19,666,909)	\$ -
(255,991,024)	-	(255,991,024)	-
26,860,474	-	26,860,474	-
(36,245,696)	-	(36,245,696)	-
(40,841,878)	-	(40,841,878)	-
(246,402,831)	-	(246,402,831)	-
(9,271,982)	-	(9,271,982)	-
(94,073,057)	-	(94,073,057)	-
<u>(675,632,903)</u>	<u>-</u>	<u>(675,632,903)</u>	<u>-</u>
\$ -	\$ 17,701,471	\$ 17,701,471	\$ -
-	16,787,378	16,787,378	-
-	54,628,424	54,628,424	-
-	8,905,394	8,905,394	-
-	(1,002,979)	(1,002,979)	-
-	8,794,297	8,794,297	-
-	<u>105,813,985</u>	<u>105,813,985</u>	-
<u>\$ (675,632,903)</u>	<u>\$ 105,813,985</u>	<u>\$ (569,818,918)</u>	<u>\$ -</u>
-	-	-	(423,433,904)
-	-	-	(665,736)
-	-	-	(6,694,473)
-	-	-	(78,849,742)
-	-	-	(3,193,026)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(512,836,881)</u>
437,735,197	-	437,735,197	-
53,791,456	-	53,791,456	-
84,576,011	-	84,576,011	-
14,409,565	-	14,409,565	-
19,234,925	-	19,234,925	-
9,982,147	-	9,982,147	-
11,855,628	-	11,855,628	-
54,775,430	-	54,775,430	-
1,861,047	-	1,861,047	-
10,581,812	-	10,581,812	-
3,667,248	-	3,667,248	-
13,081,886	-	13,081,886	-
6,447,733	-	6,447,733	-
3,722,549	-	3,722,549	-
333,430	-	333,430	-
1,250,981	-	1,250,981	-
281,607	-	281,607	-
<u>727,588,652</u>	<u>-</u>	<u>727,588,652</u>	<u>-</u>
-	-	-	312,906,102
-	-	-	158,618,509
6,211,397	10,529,788	16,741,185	4,672,203
29,104,435	(5,882,262)	23,222,173	14,683,259
32,339,551	(33,388,830)	(1,049,279)	-
<u>795,244,035</u>	<u>(28,741,304)</u>	<u>766,502,731</u>	<u>490,880,073</u>
119,611,132	77,072,681	196,683,813	(21,956,808)
715,055,103	1,068,279,571	1,783,334,674	240,145,509
-	-	-	(148,623)
<u>715,055,103</u>	<u>1,068,279,571</u>	<u>1,783,334,674</u>	<u>239,996,886</u>
<u>\$ 834,666,235</u>	<u>\$ 1,145,352,252</u>	<u>\$ 1,980,018,487</u>	<u>\$ 218,040,078</u>

**CITY OF RICHMOND, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025**

EXHIBIT C, Continued

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents (Note 3)	\$ 190,892,244	\$ 87,156	\$ 9,242,173	\$ 59,938,701	\$ 260,160,274
Receivables (Net of Allowance for Doubtful Accounts):					
Taxes and Licenses	132,635,339	-	-	-	132,635,339
Accounts Receivable, Net	18,605,005	1,825,000	-	7,123,480	27,553,485
Account Receivable - Leases	7,784,418	-	-	-	7,784,418
Due From Other Funds (Note 4)	8,199,882	-	-	3,804,791	12,004,673
Due From Other Governments (Note 5)	96,694	-	3,823,141	4,051,938	7,971,773
Investments	220,033,600	-	11,206,994	-	231,240,594
Prepaid Assets	1,139,074	-	-	-	1,139,074
Restricted Assets - Cash and Investments (Note 3)	-	17,761,527	-	64,019	17,825,546
Total Assets	579,386,256	19,673,683	24,272,308	74,982,929	698,315,176
Liabilities:					
Accounts Payable	25,876,866	250,254	26,170,632	6,691,763	58,989,515
Accrued Liabilities	477,252	-	-	-	477,252
Accrued Wages	10,033,272	-	50,081	1,444,933	11,528,286
Due To Component Units - Schools	43,364,032	-	-	-	43,364,032
Due To Other Governments	44,204	-	-	-	44,204
Due To Other Funds (Note 4)	32,794,215	-	-	589,981	33,384,196
Unearned Revenue	38,519,346	-	8,536,358	5,282,994	52,338,698
Total Liabilities	151,109,187	250,254	34,757,071	14,009,671	200,126,183
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	150,209,651	-	-	-	150,209,651
Unavailable Revenue - Opioid Settlement	-	-	-	135,321	135,321
Prepaid Taxes	56,559	-	-	-	56,559
Deferred Inflow - Leases	7,554,673	-	-	-	7,554,673
Total Deferred Inflows of Resources	157,820,883	-	-	135,321	157,956,204
Fund Balances (Note 8):					
Nonspendable	1,139,074	-	-	-	1,139,074
Restricted	-	19,423,429	175,040,916	62,098,249	256,562,594
Committed	34,130,899	-	-	-	34,130,899
Assigned	94,507,298	-	-	-	94,507,298
Unassigned	140,678,915	-	(185,525,679)	(1,260,312)	(46,107,076)
Total Fund Balances	270,456,186	19,423,429	(10,484,763)	60,837,937	340,232,789
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 579,386,256	\$ 19,673,683	\$ 24,272,308	\$ 74,982,929	\$ 698,315,176

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

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

June 30, 2025

EXHIBIT C, Concluded

Total Fund Balances for Governmental Funds	\$	340,232,789
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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	117,655,310	
Infrastructure, net	394,212,134	
Buildings, structures, improvements, and equipment, net	631,754,552	
Construction in progress	450,912,730	
Right of use assets	25,596,653	1,620,131,379

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	12,350,822	
Deferred Outflows Pension and OPEB	<u>207,275,023</u>	219,625,845

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	(10,048,357)	(10,048,357)
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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	(14,576,626)	
Right of use liabilities	(26,386,212)	
Governmental bonds, notes payable, and line of credit	(1,118,253,889)	
Compensated Absences	(21,696,682)	
Pension and OPEB related - Deferred Inflow of Resources	(36,936,246)	
Pension and OPEB related - Net Pension Liability	<u>(156,949,702)</u>	(1,374,799,357)

Internal service funds are used by the City to charge costs of certain activities to individual funds. The net position of the internal service funds are reported as components of Governmental Activities

		<u>39,523,936</u>
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Net Position of Governmental Activities	\$	<u><u>834,666,235</u></u>
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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, 2025

EXHIBIT D, Continued

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
Revenues					
City Taxes					
Real Estate	\$ 470,100,109	\$ -	\$ -	\$ -	\$ 470,100,109
Sales Tax	53,791,456	-	-	-	53,791,456
Personal Property	90,676,870	-	-	-	90,676,870
Machinery and Tools	15,448,994	-	-	-	15,448,994
Utility Sales Tax Gas	5,162,697	-	-	-	5,162,697
Utility Sales Tax Electric	14,875,560	-	-	-	14,875,560
State Communications Taxes	9,982,147	-	-	-	9,982,147
Bank Stock	11,855,628	-	-	-	11,855,628
Prepared Food	58,726,635	-	-	-	58,726,635
Cigarette Tax	1,861,047	-	-	-	1,861,047
Lodging Tax	11,345,127	-	-	-	11,345,127
Admission	3,931,784	-	-	-	3,931,784
Real Estate Taxes - Delinquent	13,081,886	-	-	-	13,081,886
Personal Property Taxes - Delinquent	6,447,733	-	-	-	6,447,733
Penalties and Interest	5,163,967	-	-	-	5,163,967
Property Rental 1%	333,430	-	-	-	333,430
Vehicle Rental Tax	1,250,981	-	-	-	1,250,981
Telephone Commissions	281,607	-	-	-	281,607
Total City Taxes	774,317,658	-	-	-	774,317,658
Licenses, Permits and Privilege Fees	53,712,068	-	-	-	53,712,068
Intergovernmental	154,656,973	496,521	21,385,670	102,082,701	278,621,865
Service Charges	37,412,874	-	-	3,298,103	40,710,977
Fines and Forfeitures	7,388,452	-	-	264,329	7,652,781
Utility Payments	24,754,852	-	-	-	24,754,852
Investment Income	13,634,751	708,289	4,861,494	357,366	19,561,900
Lease Revenue	-	-	-	745,701	745,701
Miscellaneous	12,358,072	-	72,393	10,444,332	22,874,797
Total Revenues	1,078,235,700	1,204,810	26,319,557	117,192,532	1,222,952,599
Expenditures					
Current:					
General Government	111,409,567	-	-	20,048,160	131,457,727
Public Safety and Judiciary	271,519,587	-	-	18,103,832	289,623,419
Highways, Streets, Sanitation and Refuse	48,123,827	-	567	63,457,094	111,581,488
Human Services	73,680,576	-	-	26,672,936	100,353,512
Culture and Recreation	41,141,128	-	-	1,964,337	43,105,465
Education	239,280,792	-	-	-	239,280,792
Non-Departmental	127,425,959	-	-	-	127,425,959
Capital Outlay	6,419,561	-	255,907,008	-	262,326,569
Debt Service:					
Principal Retirement	-	53,340,000	-	-	53,340,000
Interest Payments	-	37,398,956	-	-	37,398,956
Debt Issuance costs	-	1,370,193	-	-	1,370,193
Total Expenditures	919,000,997	92,109,149	255,907,575	130,246,359	1,397,264,080
Excess (Deficiency) of Revenues Over (Under) Expenditures	159,234,703	(90,904,339)	(229,588,018)	(13,053,827)	(174,311,481)
Other Financing Sources and Uses					
Issuance of Bonds and Notes	-	-	124,000,000	-	124,000,000
Issuance of Refunding Bonds	-	134,051,652	-	-	134,051,652
Receipts from EDA	-	1,836,935	-	-	1,836,935
Transfers In - Other Funds	11,562,318	87,899,033	173,619,663	14,278,825	287,359,839
Transfers Out - Other Funds	(168,965,878)	(132,851,652)	(55,036,193)	(1,421,878)	(358,275,601)
Total Other Financing Sources, Net	(157,403,560)	90,935,968	242,583,470	12,856,947	188,972,825
Net Change in Fund Balances	1,831,143	31,629	12,995,452	(196,880)	14,661,344
Fund Balances - Beginning of Year, as originally reported	268,625,043	56,226,020	(23,480,215)	61,034,817	362,405,665
Error Correction	-	(36,834,220)	-	-	(36,834,220)
Fund Balances - Beginning of Year, as fully adjusted	<u>268,625,043</u>	<u>19,391,800</u>	<u>(23,480,215)</u>	<u>61,034,817</u>	<u>325,571,445</u>
Fund Balances - End of Year	<u>\$ 270,456,186</u>	<u>\$ 19,423,429</u>	<u>\$ (10,484,763)</u>	<u>\$ 60,837,937</u>	<u>\$ 340,232,789</u>

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

CITY OF RICHMOND, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN THE FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2025

EXHIBIT D, Concluded

Net change in Fund Balances - Total Governmental Funds \$ 14,661,344

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Purchase/Disposal of Assets	262,136,684	
Depreciation expense	<u>(67,074,023)</u>	195,062,661

The issuance of long term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from borrowing, net of escrow payments	(258,051,652)	
Principal payments of bonds, net of payments on behalf of Component Units	58,299,519	
Amortization of bond premiums and refunding	<u>2,583,831</u>	(197,168,302)

Some revenues in the Statement of Activities do not provide of current financial resources and, therefore, are not reported as revenues in the governmental funds.

Change in Unavailable Tax Revenue	(44,484,256)	(44,484,256)
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Some expenditures in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in Accrued Interest	(3,078,965)	
Change in Compensated Absences	3,324,887	
Change in Net Pension and OPEB Obligations	<u>120,592,604</u>	120,838,526

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.

30,701,159

Change in Net Position of Governmental Activities	<u>\$ 119,611,132</u>
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CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

EXHIBIT E-1

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Assets							
Current Assets:							
Cash and Cash Equivalents (Note 3)	\$ -	\$ 54,689,697	\$ 138,815,967	\$ -	\$ 18,788,889	\$ 212,294,553	\$ 63,288,824
Accounts Receivables (Net of Allowance for Doubtful Accounts)	26,564,145	36,155,978	26,353,730	4,745,521	-	93,819,374	3,494,786
Account Receivable - Leases	-	-	-	492,750	-	492,750	-
Due From Other Funds (Note 4)	2,338,715	5,542,377	19,378,603	-	-	27,259,695	27,441,832
Due From Other Governments (Note 5)	74,798	13,367,178	17,480,495	1,595,882	-	32,518,353	-
Inventories of Materials and Supplies	6,308,291	-	-	-	-	6,308,291	13,989,493
Prepaid Expenses and Other Current Assets	2,504,646	2,637,299	2,913,058	-	-	8,055,003	267,094
Total Current Assets	37,790,595	112,392,529	204,941,853	6,834,153	18,788,889	380,748,019	108,482,029
Noncurrent Assets:							
Restricted Cash	11,581,693	8,744,219	15,449,539	1,931,550	-	37,707,001	-
Capital Assets (Note 6):							
Land	219,200	878,307	1,101,261	14,985,624	22,456,955	39,641,347	2,049,921
Buildings and Structures	781,251,143	667,806,560	878,413,445	54,420,691	36,230,569	2,418,122,408	60,489,374
Equipment and Other Assets	53,089,962	145,854,942	84,587,026	61,563,598	3,818,791	348,914,319	109,378,228
Construction in Progress	18,090,671	13,967,072	182,779,280	23,355,068	-	238,192,091	413,626
Less: Accumulated Depreciation	(410,824,381)	(337,103,186)	(471,963,476)	(20,047,407)	(21,141,005)	(1,261,079,455)	(143,894,621)
ROU Assets Land & Land Rights	-	-	-	-	15,344,991	15,344,991	-
ROU Assets-Equip & Other Assets	-	-	-	-	966,026	966,026	1,567,894
Less: Accumulated amortization	-	-	-	-	(1,394,827)	(1,394,827)	(356,813)
Total capital assets, net accumulated depreciation and amortization	441,826,595	491,403,695	674,917,536	134,277,574	56,281,500	1,798,706,900	29,647,609
Total Noncurrent Assets	453,408,288	500,147,914	690,367,075	136,209,124	56,281,500	1,836,413,901	29,647,609
Total Assets	491,198,883	612,540,443	895,308,928	143,043,277	75,070,389	2,217,161,920	138,129,638
Deferred Outflows of Resources							
Losses on Refunding of Debt	3,150,574	1,614,729	3,156,074	-	-	7,921,377	-
Pension / OPEB Related Activities (Note 11 and 12)	10,101,382	7,294,073	7,929,034	2,253,528	689,682	28,267,699	7,201,001
Total Deferred Outflows of Resources	13,251,956	8,908,802	11,085,108	2,253,528	689,682	36,189,076	7,201,001
Liabilities							
Current Liabilities:							
Combined RPS City Withholding	-	-	-	-	-	-	5,259,136
Accounts Payable	16,821,736	14,203,664	16,950,230	5,116,227	867,073	53,958,930	11,301,921
Accrued Liabilities	5,976,911	1,280,691	3,327,107	193,677	79,310	10,857,696	5,002,317
Right of Use Liability	-	-	-	-	353,183	353,183	1,232,923
Due To Other Funds (Note 4)	10,991,671	108,424	180,265	7,411,950	2,692,112	21,384,422	11,937,582
Accrued Interest on Bonds Payable	4,994,305	3,722,712	6,136,284	368,247	453,744	15,675,292	56,272
General Obligation Bonds and Notes Payable (Note 7)	15,566	145,563	149,940	34,832,518	3,975,176	39,118,763	1,895,122
Revenue Bonds Payable (Note 7)	14,112,719	10,638,618	19,570,381	-	-	44,321,718	-
Compensated Absences (Note 7)	501,273	169,799	181,464	109,689	38,819	1,001,044	299,417
Other Liabilities & Claims Payable	-	-	-	2,187,425	22,389	2,209,814	15,014,742
Total Current Liabilities	53,414,181	30,269,471	46,495,671	50,219,733	8,481,806	188,880,862	51,999,432
Noncurrent Liabilities:							
Right of Use Liability	-	-	-	-	13,924,984	13,924,984	-
Customers' Deposits	6,974,389	2,647,268	-	-	-	9,621,657	-
General Obligation Bonds and Notes Payable (Note 7)	5,884,621	4,246,033	4,373,703	39,798,629	26,930,045	81,233,031	3,872,992
Revenue Bonds Payable (Note 7)	240,880,089	180,879,585	367,949,437	-	-	789,709,111	-
Compensated Absences (Note 7)	1,108,492	485,942	360,510	266,602	87,831	2,309,377	723,447
Net Pension and OPEB Liability	8,380,833	6,616,871	6,013,738	2,097,117	1,304,094	24,412,653	6,218,962
Other Liabilities & Claims Payable	147,127	233,668	528,526	-	-	909,321	33,595,353
Total Noncurrent Liabilities	263,375,551	195,109,367	379,225,914	42,162,348	42,246,954	922,120,134	44,410,754
Total Liabilities	316,789,732	225,378,838	425,721,585	92,382,081	50,728,760	1,111,000,996	96,410,186
Deferred Inflows of Resources							
Pension & OPEB Related Activities (Note 11 and 12)	1,641,537	1,080,158	1,348,268	403,916	268,885	4,742,764	1,176,293
Deferred Inflow - Leases	-	-	-	475,208	-	475,208	-
Total Deferred Inflows of Resources	1,641,537	1,080,158	1,348,268	879,124	268,885	5,217,972	1,176,293
Net Position							
Net Investment in Capital Assets	203,923,325	327,564,887	305,741,615	48,275,899	11,278,271	896,783,997	25,571,698
Restricted - Debt Service	11,581,693	8,744,219	15,449,539	-	-	35,775,451	-
Unrestricted	(29,485,448)	58,681,143	158,133,029	3,759,701	13,484,155	204,572,580	22,172,462
Total Net Position	\$ 186,019,570	\$ 394,909,249	\$ 479,324,183	\$ 52,035,600	\$ 24,762,426	\$ 1,137,132,028	\$ 47,744,160

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

Reconciliation of Enterprise Funds

Net Position to Business-Type of Net Position

Net Position as Shown on Statement of Net Position - Proprietary Fund 1,137,132,028

The Stores and Transportation Division Internal Service Fund as it Relates to Business-Type Activities 8,220,224

Net Position Shown on Government-Wide Statement of Net Position \$ 1,145,352,252

CITY OF RICHMOND, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN THE NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2025

EXHIBIT E-2

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Operating Revenues							
Charges for Goods and Services	\$ 206,037,964	\$ 89,970,386	\$ 109,981,998	\$ 17,569,315	\$ 21,115,307	\$ 444,674,970	\$ 154,752,443
Operating Expenses							
Purchased Gas	95,717,915	-	-	-	-	95,717,915	-
Intragovernmental Goods and Services Sold	-	-	-	-	-	-	12,853,872
Salaries and Wages and Benefits	11,658,177	13,064,027	9,626,953	3,286,886	1,097,576	38,733,619	8,282,740
Data Processing	-	-	-	-	147,237	147,237	14,230,056
Materials and Supplies	2,536,639	4,152,590	1,218,897	176,574	81,704	8,166,404	1,902,006
Rents and Utilities	449,560	5,882,735	6,666,319	100,685	766,957	13,866,256	3,416,030
Maintenance and Repairs	21,778,134	15,616,914	9,354,794	7,800,737	1,117,200	55,667,779	2,936,840
Depreciation and Amortization	26,040,955	22,292,826	24,766,353	3,223,116	1,476,713	77,799,963	3,462,261
Claims and Settlements	-	-	-	-	21,342	21,342	89,070,033
Uncollectible Expense	8,589,450	5,546,425	8,585,755	2,050,114	-	24,771,744	16,374
Miscellaneous Operating Expenses	19,841,140	24,644,634	30,396,323	2,302,889	7,760,451	84,945,437	14,944,668
Total Operating Expenses	<u>186,611,970</u>	<u>91,200,151</u>	<u>90,615,394</u>	<u>18,941,001</u>	<u>12,469,180</u>	<u>399,837,696</u>	<u>151,114,880</u>
Operating Income (Loss)	<u>19,425,994</u>	<u>(1,229,765)</u>	<u>19,366,604</u>	<u>(1,371,686)</u>	<u>8,646,127</u>	<u>44,837,274</u>	<u>3,637,563</u>
Non-Operating Revenues (Expenses)							
Interest on Long-Term Debt	(9,833,117)	(7,373,461)	(11,999,377)	(2,299,427)	(854,809)	(32,360,191)	(209,457)
Interest Income	749,032	2,901,116	6,877,991	1,649	-	10,529,788	-
Interest Expense	(36,136)	(12,234)	-	-	-	(48,370)	-
Miscellaneous Revenues (Expenses)	(6,405,807)	(1,066,212)	293,127	949,848	-	(6,229,044)	10,164
Total Non-Operating Revenues (Expenses), Net	<u>(15,526,028)</u>	<u>(5,550,791)</u>	<u>(4,828,259)</u>	<u>(1,347,930)</u>	<u>(854,809)</u>	<u>(28,107,817)</u>	<u>(199,293)</u>
Net Income Before Contributions and Transfers	<u>3,899,966</u>	<u>(6,780,556)</u>	<u>14,538,345</u>	<u>(2,719,616)</u>	<u>7,791,318</u>	<u>16,729,457</u>	<u>3,438,270</u>
Capital Contributions	1,642,833	18,453,725	39,275,877	11,722,915	-	71,095,350	28,073,026
Transfers Out - Other Funds	(1,542,928)	(3,744,805)	(6,274,530)	-	-	(11,562,263)	-
Change in Net Position	<u>3,999,871</u>	<u>7,928,364</u>	<u>47,539,692</u>	<u>9,003,299</u>	<u>7,791,318</u>	<u>76,262,544</u>	<u>31,511,296</u>
Net Position - Beginning of Year	<u>182,019,699</u>	<u>387,061,885</u>	<u>431,784,491</u>	<u>43,032,301</u>	<u>16,971,108</u>	<u>1,060,869,484</u>	<u>16,232,864</u>
Net Position - End of Year	<u>\$ 186,019,570</u>	<u>\$ 394,990,249</u>	<u>\$ 479,324,183</u>	<u>\$ 52,035,600</u>	<u>\$ 24,762,426</u>	<u>\$ 1,137,132,028</u>	<u>\$ 47,744,160</u>

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

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

Changes in net position as Shown on Statement of Net Position - Proprietary Funds 76,262,544

The Stores and Transportation Division Internal Service Fund as it Relates to Business-Type Activities 810,137

Change in Net Position as Shown on Government-Wide Statement of Activities \$ 77,072,681

CITY OF RICHMOND, VIRGINIA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2025

EXHIBIT E-3

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
Cash Flows from Operating Activities							
Receipts from Customers	\$ 193,239,624	\$ 82,573,634	\$ 102,118,582	\$ 16,050,228	\$ 21,115,305	\$ 415,097,373	\$ 154,759,877
Payments to Suppliers	(124,443,578)	(43,369,428)	(39,695,452)	(9,589,420)	(11,535,769)	(228,633,647)	(138,981,105)
Payments to Employees	(18,625,546)	(18,366,955)	(16,022,818)	(4,406,051)	(2,408,834)	(59,830,204)	(21,049,864)
Payments to Other Funds	(6,228,461)	(6,981,661)	(7,992,595)	-	-	(21,202,717)	(472,850)
Receipts from Other Funds	-	-	-	-	-	-	-
Other Receipts or (Payments)	(6,519,710)	639,854	324,969	939,056	-	(4,615,831)	10,901
Net Cash Provided By Operating Activities	<u>37,422,329</u>	<u>14,495,444</u>	<u>38,732,686</u>	<u>2,993,813</u>	<u>7,170,702</u>	<u>100,814,974</u>	<u>(5,733,041)</u>
Cash Flows from Noncapital Financing Activities							
Transfers Out - Other Funds	(1,542,928)	(3,744,805)	(6,274,530)	-	-	(11,562,263)	-
Due From Other Funds	-	(1,183,750)	(14,335,913)	-	(1,584,181)	(17,103,844)	3,327,311
Due to Other Funds	12,270,429	-	-	(974,625)	-	11,295,804	(259,945)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>10,727,501</u>	<u>(4,928,555)</u>	<u>(20,610,443)</u>	<u>(974,625)</u>	<u>(1,584,181)</u>	<u>(17,370,303)</u>	<u>3,067,366</u>
Cash Flows from Capital and Related Financing Activities							
Acquisition of Capital Assets/ROU Assets	(43,503,463)	(64,939,349)	(104,928,370)	(27,589,707)	(98,840)	(241,059,729)	(1,350,049)
Proceeds from Bond Sale	-	-	9,356,117	18,688,200	-	28,044,317	-
Capital Grants and Contributions	1,568,035	21,525,585	39,069,930	10,130,038	-	-	631,194
Repayments of Revenue Bonds, General Obligation Bonds	(11,915,374)	(9,102,083)	(17,332,022)	(1,069,766)	(3,700,000)	(43,119,245)	(2,548,000)
Repayments of Notes Payables	-	-	-	-	-	-	-
Interest Paid on Long-Term Debt	(11,304,308)	(8,409,159)	(13,833,336)	(2,382,572)	(1,025,471)	(36,954,846)	(209,458)
Net Cash Used in Capital and Related Financing Activities	<u>(65,155,110)</u>	<u>(60,925,006)</u>	<u>(87,667,681)</u>	<u>(2,223,807)</u>	<u>(4,824,311)</u>	<u>(293,089,503)</u>	<u>(3,476,313)</u>
Cash Flows from Investing Activities							
Interest Earned on Operating Funds	749,032	3,009,539	7,058,256	1,649	-	10,818,476	-
Interest Paid on Customers' Deposits	(36,136)	(12,234)	-	-	-	(48,370)	-
Net Cash Provided By Investing Activities	<u>712,896</u>	<u>2,997,305</u>	<u>7,058,256</u>	<u>1,649</u>	<u>-</u>	<u>10,770,106</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,292,384)	(48,360,812)	(62,487,182)	(202,970)	762,210	(126,581,138)	(6,141,988)
Cash and Cash Equivalents at July 1, 2024	27,874,077	111,794,728	216,752,688	2,134,520	18,026,679	376,582,692	69,430,812
Cash and Cash Equivalents at June 30, 2025	<u>\$ 11,581,693</u>	<u>\$ 63,433,916</u>	<u>\$ 154,265,506</u>	<u>\$ 1,931,550</u>	<u>\$ 18,788,889</u>	<u>\$ 250,001,554</u>	<u>\$ 63,288,824</u>
Reconciliation of Operating Income							
To Net Cash Provided by Operating Activities							
Operating Income	\$ 19,425,994	\$ (1,229,765)	\$ 19,366,604	\$ (1,371,686)	\$ 8,646,127	\$ 44,837,274	\$ 3,637,563
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation and amortization	26,040,955	22,292,826	24,766,353	3,223,116	1,476,713	77,799,963	3,462,261
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-
Pension Expense	(7,337,012)	(5,092,149)	(6,082,592)	(1,261,834)	(2,205,064)	(21,978,651)	(10,954,047)
Miscellaneous Revenues (Expenses)	(6,333,391)	574,656	324,963	939,056	-	(4,494,716)	220,359
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Accounts Receivable	(4,208,891)	(1,850,324)	722,339	531,026	-	(4,805,850)	23,807
Inventories of Material and Supplies	(1,223,256)	-	-	-	-	(1,223,256)	(3,356,926)
Prepaid Expenses	84,260	(155,993)	(18,333)	-	-	(90,066)	(61,338)
Accounts Payable	5,732,763	147,938	(33,374)	207,304	(692,288)	5,362,343	1,112,724
Accrued Liabilities	5,149,759	73,567	103,754	42,244	4,797	5,374,121	219,810
Customers' Deposits	(186,318)	65,199	-	-	-	(121,119)	-
Compensated Absences	277,466	(330,511)	(417,028)	100,424	(59,583)	(429,232)	(37,254)
Other Liabilities	-	-	-	584,163	-	584,163	-
Total Adjustments	<u>17,996,335</u>	<u>15,725,209</u>	<u>19,366,082</u>	<u>4,365,499</u>	<u>(1,475,425)</u>	<u>55,977,700</u>	<u>(9,370,604)</u>
Net Cash Provided by Operating Activities	<u>\$ 37,422,329</u>	<u>\$ 14,495,444</u>	<u>\$ 38,732,686</u>	<u>\$ 2,993,813</u>	<u>\$ 7,170,702</u>	<u>\$ 100,814,974</u>	<u>\$ (5,733,041)</u>

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

CITY OF RICHMOND, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

EXHIBIT F-1

	Pension & Other Employee Benefit Trust Funds	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Assets			
Cash and Cash Equivalents	\$ 4,274,609	\$ 2,746,113	\$ 33,617,997
Receivables:			
Accounts Receivable	2,118,590	-	-
Total Cash and Receivables	6,393,199		-
Investments at fair value:			
US Equities	200,134,893	-	-
International Equities	162,312,217	-	-
Fixed Income	280,694,161	-	-
Real Estate	57,876,997	-	-
Diversifying Assets	59,629,250	-	-
Private Debt	56,552,382	-	-
Private Equity	79,791,628	-	-
Pooled Investment Funds	12,249,659	-	-
Total investments	909,241,187	-	-
Other Assets	11,294	-	-
Total Assets	\$ 915,645,680	\$ 2,746,113	\$ 33,617,997
Liabilities			
DROP Payable	\$ 16,344,851	\$ -	\$ -
Accounts Payable	2,456,758	-	280,610
Investment Expense Payable	330,000	-	-
Retirement & Death Benefit Payable	414,867	-	-
Due To Other Governments	-	-	39,497
Due to Others	-	2,746,113	478,900
Total Liabilities	19,546,476	2,746,113	799,007
Net Position			
Restricted for:			
Pensions	883,849,545	-	-
Postemployment benefits, Other Than Pensions	12,249,659	-	-
Individuals, Organizations, Other governments	-	-	32,818,990
Total Net Position	\$ 896,099,204	\$ -	\$ 32,818,990

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, 2025

EXHIBIT F-2

	Pension & Other Employee Benefit Trust Funds	Social Welfare Private-Purpose Trust Fund	Custodial Funds
Additions			
Contributions:			
Individuals	\$ 6,111,922	\$ -	\$ 562,727
City of Richmond	50,983,640	-	-
RBHA	1,038,933	-	-
Other	-	-	-
Total Contributions	58,134,495	-	562,727
Investment earnings/(loss):			
Net increase in fair value of investments	74,306,843	-	-
Interest, dividends, other	14,900,276	-	-
Total Investment Earnings	89,207,119	-	-
Less Investment Costs			
Investment activity costs	1,558,977	-	-
Net Investment Earnings	87,648,142	-	-
License and fees collected for State	-	-	14,849
Miscellaneous	-	134,050	-
Total Additions	145,782,637	134,050	577,576
Deductions			
Benefits paid to participants or beneficiaries	77,957,642	-	4,709,511
Refunds of member contributions	358,109	-	-
Payments to state	-	-	-
Administrative expense	1,746,292	134,050	-
Other	66,135	-	-
Total Deductions	80,128,178	134,050	4,709,511
Change in Net Position	65,654,459	-	(4,131,935)
Net Position - July 1, 2024, as previously reported	830,444,745	-	116,705
Error correction	-	-	36,834,220
Net Position - July 1, 2024, as fully adjusted	830,444,745	-	36,950,925
Net Position - June 30, 2025	\$ 896,099,204	\$ -	\$ 32,818,990

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

**CITY OF RICHMOND, VIRGINIA
STATEMENT OF NET POSITION
COMPONENT UNITS
6/30/2025**

EXHIBIT G-1

	School Board	Richmond Economic Development Authority	Richmond Ambulance Authority	Richmond Behavioral Health Authority	Richmond Redevelopment and Housing Authority	Total
Assets						
Cash and Cash Equivalents	\$ 40,119,263	\$ 62,037,988	\$ 354	\$ 29,845,250	\$ 34,684,132	\$ 166,686,987
Due From Primary Government	-	6,804,467	-	-	-	6,804,467
Due From Other Governments	175,748,078	-	-	2,931,607	-	178,679,685
Accounts Receivable	4,522,259	77,027	5,849,336	4,132,427	8,242,380	22,823,429
Other Current Assets	-	1,240,605	-	-	-	1,240,605
Financed purchase notes receivable current portion	-	632,395	-	-	-	632,395
Inventories of Materials and Supplies	398,170	-	282,309	-	955,232	1,635,711
Prepaid Expenses and Other Current Assets	25,400	11,271	770,297	663,506	767,639	2,238,113
Investments	2,050,420	-	3,773,543	-	-	5,823,963
Net Pension Asset	281,478	-	-	-	-	281,478
Property held for sale	-	13,817,438	-	-	5,783,957	19,601,395
Financed purchase notes receivable, less current portion	-	17,452,081	-	-	-	17,452,081
Lease receivable, less current portion	-	-	-	-	55,563,759	55,563,759
Loans receivable, net	-	7,669,756	-	-	-	7,669,756
Accrued interest receivable	-	2,183,465	-	-	-	2,183,465
Land	-	1,612,388	-	1,378,964	7,904,138	10,895,490
Construction in Progress	-	62,810,811	-	-	24,465,689	87,276,500
Buildings and Structures	-	17,610,428	1,038,872	20,393,220	143,304,087	182,346,607
Leasehold Improvements	-	-	-	4,079,503	-	4,079,503
Website	-	126,895	-	-	-	126,895
Equipment	105,935,244	-	7,014,945	8,379,216	29,788,221	151,117,626
Less: Accumulated Depreciation	(76,160,103)	(17,605,956)	(7,296,113)	(12,990,143)	(117,399,017)	(231,451,332)
Right to Use Assets	2,453,016	-	4,466,390	23,769,072	6,697,766	37,386,244
Less: Accumulated Depreciation	(1,655,528)	-	(913,015)	(7,761,838)	-	(10,330,381)
Leased capital asset, net	-	-	-	-	-	-
Total Capital Assets	30,572,629	64,554,566	4,311,079	37,247,994	94,760,884	231,447,152
Total Assets	253,717,697	176,481,059	14,986,918	74,820,784	200,757,983	720,764,441
Deferred Outflows of Resources						
Deferrals related to OPEB	9,079,512	-	-	2,633,249	199,702	11,912,463
Deferrals related to Pension	81,406,954	-	-	262,057	4,838,942	86,507,953
Total Deferred Outflows of Resources	90,486,466	-	-	2,895,306	5,038,644	98,420,416
Liabilities						
Accounts Payable	9,148,449	6,829,596	1,691,073	1,803,677	5,493,319	24,966,114
Accrued Liabilities	32,195,501	-	855,095	3,574,725	1,866,231	38,491,552
Accrued Interest	-	-	-	17,477	-	17,477
Due To Primary Government	-	14,205	-	-	-	14,205
Due To Other Governments	2,403,829	-	-	-	1,564,133	3,967,962
Unearned Revenues	18,955,692	416,188	6,062	40,806,762	1,517,905	61,702,609
Current portion of long-term liabilities	-	-	-	2,765,803	765,000	3,530,803
Customers' Deposits	-	-	-	-	583,271	583,271
Bonds, Notes Payable and Leases	-	3,089,220	-	-	624,109	3,713,329
Current portion of recoverable Grant Payable	-	795,000	-	-	-	795,000
Interfund balances	-	1,240,605	-	-	-	1,240,605
Accrued Interest Payable	-	188,689	-	-	-	188,689
Maintenance reserve	-	142,691	-	-	-	142,691
Other Current Liabilities	-	-	361,091	-	-	361,091
Compensated Absences	-	-	-	4,137,692	950,886	5,088,578
Accrued healthcare claims	4,668,848	-	-	-	-	4,668,848
Non-Current Liabilities:						
Due within one year	4,604,673	-	-	-	-	4,604,673
Due in more than one year	273,345,261	-	-	15,615,224	11,148,987	300,109,472
Bonds, Notes Payable and Leases	-	33,745,000	-	-	-	33,745,000
Other Noncurrent Liabilities	-	-	-	-	17,628,030	17,628,030
Net Other Postemployment Benefit Obligations	-	-	-	4,087,472	462,379	4,549,851
Net Pension Liability	-	-	-	1,378,794	1,520,576	2,899,370
Lease Payable	-	-	2,513,825	-	-	2,513,825
Recoverable grants payable	-	16,065,000	-	-	-	16,065,000
Total Liabilities	345,322,253	62,526,194	5,427,146	74,187,626	44,124,826	531,588,045
Deferred Inflow of Resources						
Deferrals related to OPEB	17,043,651	-	-	1,489,669	136,523	18,669,843
Deferrals related to Pension	39,868,286	-	-	5,710,702	5,307,903	50,886,891
Total Deferred Inflows of Resources	56,911,937	-	-	7,200,371	5,444,426	69,556,734
Net Position						
Net Investment in Capital Assets	29,599,350	57,750,069	942,159	18,641,437	89,299,930	196,232,945
Restricted for:						
Capital Projects	134,785,128	10,495,069	-	-	10,914,286	156,194,483
Permanent Funds:	1,645,603	-	-	-	-	1,645,603
Special Revenue Projects:	4,782,702	-	-	-	-	4,782,702
Nutrition Service funds	3,005,136	-	-	-	-	3,005,136
Net Pension Asset	281,478	-	-	-	-	281,478
Unrestricted	(232,129,424)	45,709,727	8,617,613	(22,313,344)	56,013,159	(144,102,269)
Total Net Position	\$ (58,030,027)	\$ 113,954,865	\$ 9,559,772	\$ (3,671,907)	\$ 156,227,375	\$ 218,040,078

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, 2025**

Functions/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
School Board	\$ 601,361,553	\$ 579,291	\$ 172,128,450	\$ 5,219,908
Richmond Economic Development Authority	1,351,163	685,427		-
Richmond Ambulance Authority	23,867,699	17,056,699	116,527	-
Richmond Behavioral Health Authority	104,292,278	25,442,536	-	-
Richmond Redevelopment and Housing Authority	103,770,181	14,220,368	79,689,558	6,667,229
Total Component Units	<u>\$ 834,642,874</u>	<u>\$ 57,984,321</u>	<u>\$ 251,934,535</u>	<u>\$ 11,887,137</u>

General Revenues:

Payment From Primary Government	
Intergovernmental Revenue Not Restricted to Specific Programs	
Investment Earnings	
Gain/(loss) on Disposal of Assets	
Miscellaneous Other Income	
Miscellaneous Capital Grants	-
Interest Expense	
Loss or Disposal of capital assets	
Interest Income	
Total General Revenues	
Changes in Net Position	
Net Position - Beginning of Year - as reported	
Accounting Change	
Net Position - Beginning of Year - as restated	
Net Position - End of Year	

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

EXHIBIT G-2

Net (Expenses) Revenues and Changes in Net Position

School Board	Richmond Economic Development Authority	Richmond Ambulance Authority	Richmond Behavioral Health Authority	Richmond Redevelopment and Housing Authority	Total
\$ (423,433,904)	\$ -	\$ -	\$ -	\$ -	\$ (423,433,904)
-	(665,736)	-	-	-	(665,736)
-	-	(6,694,473)	-	-	(6,694,473)
-	-	-	(78,849,742)	-	(78,849,742)
-	-	-	-	(3,193,026)	(3,193,026)
<u>\$ (423,433,904)</u>	<u>\$ (665,736)</u>	<u>\$ (6,694,473)</u>	<u>\$ (78,849,742)</u>	<u>\$ (3,193,026)</u>	<u>\$ (512,836,881)</u>
239,280,792	59,005,612	7,139,121	7,480,577	-	312,906,102
97,862,855	-	-	60,755,654	-	158,618,509
174,881	-	-	-	586,988	761,869
-	9,886,439	(94,784)	-	-	9,791,655
5,754,715	(3,465,083)	25,940	635,208	-	2,950,780
-	4,580,333	-	-	(38,871)	4,541,462
-	(2,311,717)	(8,755)	(280,166)	-	(2,600,638)
-	-	-	-	-	-
-	2,879,590	136,823	893,921	-	3,910,334
<u>343,073,243</u>	<u>70,575,174</u>	<u>7,198,345</u>	<u>69,485,194</u>	<u>548,117</u>	<u>490,880,073</u>
(80,360,661)	69,909,438	503,872	(9,364,548)	(2,644,909)	(21,956,808)
<u>22,479,257</u>	<u>44,045,427</u>	<u>9,055,900</u>	<u>5,692,641</u>	<u>158,872,284</u>	<u>240,145,509</u>
<u>(148,623)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,623)</u>
<u>22,330,634</u>	<u>44,045,427</u>	<u>9,055,900</u>	<u>5,692,641</u>	<u>158,872,284</u>	<u>239,996,886</u>
<u>\$ (58,030,027)</u>	<u>\$ 113,954,865</u>	<u>\$ 9,559,772</u>	<u>\$ (3,671,907)</u>	<u>\$ 156,227,375</u>	<u>\$ 218,040,078</u>

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The City's financial statements are prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's financial reporting entity is defined and its financial statements are presented in accordance with GAAP, which defines the distinction between the City as a Primary Government and its related entities. Accordingly, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable, hereafter referred to as the reporting entity. The City has two types of Component Units – Blended and Discretely. The Blended Component Units are separate legal entities, in substance, that are part of the City's operations; thus, financial data from these units are combined with that of the City and reported in the appropriate fund type. Each Blended Component Unit has a June 30 fiscal year-end. The Discretely presented Component Units, on the other hand, are reported in a separate column in the Government-Wide financial statements to emphasize that they are legally separate from the primary government. Each Discretely presented Component Unit has a June 30 fiscal year-end, except for the Richmond Redevelopment and Housing Authority, which has a September 30 fiscal year-end.

Blended Component Units

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

The Richmond Retirement System (RRS)

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

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

Discretely Presented Component Units

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

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

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

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Richmond Behavioral Health Authority (RBHA)

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

Richmond Redevelopment and Housing Authority (RRHA)

RRHA is responsible for operating a low-income housing program, which provides housing for eligible families, for operating redevelopment and conservation programs in accordance with the City's Master Plan, and for the delivery of services to citizens of low-income housing and urban renewal areas through the encouragement and development of social and economic opportunities. The City Council appoints the Commissioners of RRHA and is financially accountable for RRHA's operations. RRHA's September 30 fiscal year-end Audited Financial Statements are included in the City's Component Unit combining financial statements. Complete financial statements for RRHA may be obtained from the administrative offices located at 901 Chamberlayne Avenue, Richmond, VA 23220.

RRHA and the City have different fiscal years, which can result in timing differences in transactions between RRHA and the City as noted in the basic financial statement balances for Due To and From Primary Government and Component Units.

Joint Ventures

Greater Richmond Transit Company (GRTC)

The City retains an ongoing financial responsibility for the Greater Richmond Transit Company, which under a joint venture agreement between the City and the County of Chesterfield, Virginia, provides mass transportation for passengers on a regional basis and associated para-transit service mandated by the Americans with Disabilities Act for the purposes of providing continuous service within and between the jurisdictions of the City, Chesterfield County and Henrico County. Greater Richmond Transit Company, a public service corporation incorporated on April 12, 1973, is governed by a six-member board of directors; three of which are appointed by the City and three by the County of Chesterfield. MV Contract Transportation Inc., is under contract with the Greater Richmond Transit Company to provide the executive management team that manages the operations of the 100 percent owned subsidiary, Old Dominion Transit Management Company, which does business as GRTC Transit System.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 9,271,981 for operating subsidies for bus routes and para-transit services within the City for the year ended June 30, 2025.. 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, 2025.

Central Virginia Transportation Authority (CVTA) was created by the 2020 Virginia General Assembly (Code of Virginia Chapter 33.2-3702) to serve the following Richmond metropolitan jurisdictions: Town of Ashland, Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, and City of Richmond. The purpose of the CVTA is to administer transportation funding generated through the imposition of an addition regional 0.7 percent of state sales and use tax, and wholesale gas tax of 7.6 cents per gallon for gasoline and 7.7 cents per gallon of diesel fuel. Funds received through the Authority are used to address transportation-related purposes that benefit localities in the Richmond Region. CVTA funds are allocated with 35% retained by the Authority for large regional projects, 15% to the Greater Richmond Transit Authority (GRTC) to provide transit services for the region and 50% returned, proportionally, to each locality to address local transportation needs. The City received \$18,952,254 in funding for City transportation capital projects from the CVTA during the fiscal year ended June 30, 2025.

Central Virginia Waste Management Authority (CVWMA) was created pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2 of the Code of Virginia (1950), as amended). CVWMA's purpose is to plan, acquire, construct, reconstruct, improve, extend, operate, contract for and maintain any garbage and refuse collection, transfer and disposal program or system, including waste reduction, waste material recovery, recycling as mandated by law or otherwise, resource recovery, waste incineration, landfill operation, ash management, sludge disposal from water and wastewater treatment facilities, household hazardous waste management and disposal, and similar programs within one or more political subdivisions which are members of the CVWMA. The City is a member of the CVWMA. The CVWMA is governed by a Board of Directors consisting of one or more representatives appointed by each of the thirteen member cities, town and counties. The City appointed three of the twenty-member board of directors. The City provided \$3,546,980 in funding to CVWMA for the fiscal year ended June 30, 2025.

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, 2025.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 \$4,782,747 to RMCVB for the year ended June 30, 2025.

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 \$136,180 for the year ended June 30, 2025.

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 \$11,492,535 in transient occupancy tax revenue for the year ending June 30, 2025.

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

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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. 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

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

and Storm water (all of which are considered Major Funds), Cemeteries, and Parking Enterprise (which are combined into a single, aggregated presentation as Non-Major Proprietary Funds).

A description of the major Enterprise Utility Funds are as follows:

- *Gas* – The Gas Utility provides natural gas service to the City and surrounding counties. Operation of the Gas Utility is designed to be self-supporting through user charges.
- *Water* – The Water Utility provides retail water service to the City and surrounding counties. Operation of the Water Utility is designed to be self-supporting through user charges.
- *Wastewater* – The Wastewater Utility provides wastewater service to the City and portions of the surrounding counties. Operation of the Wastewater Utility is designed to be self-supporting through user charges.
- *Stormwater Utility* – The Stormwater Utility provides storm water service to the City. Operation of the Storm water Utility is designed to be self-supporting through user charges.
- *Internal Service Funds* - Internal Service Funds account for operations that provide services to City departments/agencies on a cost reimbursement basis. The city maintains eight Internal Service Funds consisting of Fleet Management, Radio Management, Health Self-Insurance, Information Technology, Risk Management, Electric Utility, and Stores and Transportation, which exclusively serves the City's Major Proprietary Funds.
- *Fiduciary Funds* - Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governments.
 - *Pension Trust Funds* – For accounting measurement purposes, the Pension Trust Funds are accounted for in essentially the same manner as Proprietary Funds. The Trust Funds consist of the City's Retirement Plan and OPEB Trust.
 - *Private-Purpose Trust Fund* - Reports trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.
 - *Custodial Funds* – Reports fiduciary activity resources that are not held in a trust agreement or equivalent arrangement that meets specific criteria.

Reconciliation of Government-Wide and Fund Financial Statements

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

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using the current financial resources measurement focus wherein only current assets and current liabilities are included on the Balance Sheet in the fund statements whereas long-term assets and 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.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

Operating revenues and expenses in the Proprietary Funds result from providing goods and services in connection with their principal ongoing operations (e.g., charges for services). Operating expenses for the Enterprise and Internal Service Funds include the cost of services, administrative expenses, contractual services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Cash and Cash Equivalents

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

E. Investments

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

F. Allowances for Doubtful Accounts

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

Allowances for doubtful accounts at June 30, 2025, were as follows:

General Fund and Governmental Activities	\$ 11,160,715
Enterprise Funds	51,639,475
Total Allowances for Doubtful Accounts	<u>\$ 62,800,190</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

G. Inventories

Inventories on hand at June 30, 2025, 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 greater than one year and having an initial cost of more than \$5,000. Capital assets, which are used for general governmental purposes and are not available for expenditure, are accounted for and reported in the government-wide financial statements. Infrastructure elements include the roads, bridges, curbs and gutters, streets and sidewalks, park land, and improvements.

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

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

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

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

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

I. Construction Period Interest

The City records interest cost incurred before the end of a construction period as a current period expenditure, consistent with governmental fund accounting principles.

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J. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Based on the criteria listed, one type of leave qualify for liability recognition for compensated absences – Vacation Leave and Sick Leave. The liability for compensated absences is reported as incurred in government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements.

The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. This liability is recorded in government-wide, governmental fund and proprietary fund financials statements within salaries and wages payable.

The liabilities for compensated absences include salary-related benefits, where applicable.

a. Vacation Leave

The City’s general employees earn vacation pay in varying amounts and can accumulate vacation pay based on length of service. Sworn officers earn both vacation pay and sick pay based on length of service and employment date.

b. - Sick Leave

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

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Internal Services Fund. The City is self-insured with respect to payments for health care and is reported in the Health Self-Insurance Internal Service Fund (ISF).

L. Deferred Outflows and Inflows of Resources

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

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

M. Restricted Assets

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

N. Categories of Fund Balance

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

Nonspendable – Amounts that cannot be spent due to either their physical form or as a result of a legal or contractual obligation (such as inventory or the corpus of an endowment fund).

Restricted – Amounts constrained to specific purposes by either a third party (such as grantors, bondholders, or creditors) or by law through constitutional provisions or enabling legislation.

Committed – Amounts constrained to specific purposes by formal action (adoption of an ordinance) by the government's highest level of decision-making authority (City Council). Committed amounts do not lapse nor can they be used for any other purpose unless the government takes the same level of action (adoption of another ordinance) to remove or change the constraint.

City Council, through Ordinance No. 2010-181-163 adopted September 27, 2010, created a new reservation of fund balance called the Revenue Stabilization Fund for the purpose of helping the City manage through the immediate effects of economic factors including, but not limited to, revenue reductions and unanticipated cuts in state funding, and to set aside \$2 million in Fiscal Year 2010 as a reservation of fund balance. During 2012, City Council adopted Resolution No. 2012-R41-69, which amended the policy. To state, "The Mayor will prepare and administer General Fund budgets such that funding will be budgeted annually for a Revenue Stabilization and Contingency Fund (the "RSCF") until the RSCF reaches a minimum of \$10,000,000. On December 11, 2017, the City Council further strengthened this policy by adopting Ordinance No. 2017-215 which sets the target balance of the Committed RSCF to 3.0 percent of budgeted General Fund expenditures. Accordingly, an appropriation from the RSCF cannot be proposed unless; (a) projected general fund revenue reflects a 0.5 percent or greater decrease from current year's authorized budget due to a catastrophic, unforeseen or unavoidable event or (b) expenses increase by 0.5 percent or greater over the current year's authorization due to a catastrophic, unforeseen or unavoidable event. These events must be quantifiable and distinguishable from other events that may occur during the normal course of government operations. If funds are withdrawn from the RSCF, a plan must be put in place within 60 days to replenish

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the fund to the required minimum level. The City shall dedicate up to one half of any year end surplus or other one time revenue toward reaching the targeted goal.

Assigned – Amounts constrained by the City's expressed intent to use resources for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body has delegated the authority. Resolution No. 2011-65-69 and Chapter 8 of the City Charter provided that the Director of Finance is in charge of the financial affairs of the City, and to that end, he/she shall have authority and shall be responsible for the management of City finances in a professionally accountable and responsible manner. In order for assigned funds to be expended for the assigned purpose, an ordinance would need to be adopted by City Council. Assigned funds lapse at the end of the fiscal year in which they were assigned. With the exception of the General Fund, this is the residual fund balance of the classification of all Governmental Funds with positive balances.

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

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

O. Net Position

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

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

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

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

P. Internal and Intra-entity Activity

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

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

Q. Advances to Other Funds

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

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R. Estimates and Assumptions

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

S. Identification of Major Revenue Sources Susceptible to Accrual

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

T. Permanent Funds

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

U. Unearned Revenues

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

V. Leases

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

W. Pollution Remediation

Pollution remediation obligations related to pollution remediation are recognized by The City as a liability once the City knows or reasonably believes that a site is polluted and commences cleanup activities, or legally obligates itself by entering into a contract to assess and commence work for cleanup services such as asbestos and lead abatement and storm sewer management. A liability for pollution remediation is recorded in the government-wide statement of net position.

X. Adoption of New Accounting Pronouncements

During the year ended June 30, 2025, the City implemented the provisions of the following GASB statements:

In June 2022, **GASB Statement No. 101 - Compensated Absences** was issued. This pronouncement better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The adoption of this statements did not result in a significant impact to the City.

In June 2023, **GASB Statement No. 102 - Certain Risk Disclosures** was issued. This pronouncement provides users of government financial statements with essential information about risks related to a governments vulnerabilities due to certain concentrations or constraints. The adoption of this statement did not have a significant effect on the City.

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Y. Future Accounting Pronouncements

In April 2024, **GASB Statement No. 103 - Financial Reporting Model Improvements** was issued. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The key components include Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Propriety Fund Statement of Revenue, Expense, and Change in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information. The City will implement this statement in fiscal year 2026.

In September 2024 **GASB Statement No. 104 - Disclosure of Certain Capital Assets** was issued. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosure required by GASB Statement No. 34. It also requires additional disclosures for capital assets held for sale. The City will implement this statement in fiscal year 2026.

In December 2025 **GASB Statement No. 105 - Subsequent Events** was issued. The objective of this Statement is to improve the financial reporting requirements for subsequent events and enhancing consistency in their application by clarifying the subsequent events that constitute recognized and nonrecognized subsequent events. The City will implement this statement in fiscal year 2027.

2. REAL AND PERSONAL PROPERTY TAXES

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

Personal property taxes may be paid without penalty and interest on or before June 5 or 60 days from the date the vehicle acquired situs in Richmond. Effective January 1, 2011, real estate taxes are billed on a semi-annual basis. These taxes may be paid without penalty and interest on or before January 14 and June 14. Penalty for late payment is 10 percent or \$10, whichever is greater not to exceed the full amount of the tax. In 2024, the interest rate for unpaid taxes was 10 percent.

The City bills and collects its own property taxes. Delinquent property taxes may be sent to collection services. Property taxes levied January 1, 2025, are intended to finance operations of the fiscal year ended June 30, 2025. The real estate taxes assessed and due on January 14, 2025, and June 14, 2025, are intended to finance operations of the fiscal year ended June 30, 2025.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents – Primary Government

At June 30, 2025, cash and cash equivalents, which include cash on hand, demand deposit accounts, savings accounts, time certificates of deposits, petty cash and liquid money market funds totaled approximately \$94,977,136. The City's deposits 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.

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All cash of the City is maintained in accounts collateralize in accordance with the Virginia Security for Public Deposits Act (The Act), Section 2.2-4400 et. Seq. of the Code of Virginia or covered by Federal Depository Insurance Corporation (FDIC). Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC must pledge collateral of 50 percent of the excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100 percent of deposits in excess of the FDIC limits and are considered insured

B. Investments

Investment Policy:

City policy is consistent with the statutes of the Commonwealth of Virginia governing investment, wherein permissible investments include obligations of the Commonwealth, the United States, its agencies and instrumentality's, 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, 2025, most non-RRS investments were in either LGIP, or SNAP, which were both rated AAA, and the length of the investments for both programs was less than 90 days.

As of June 30, 2025, any non-RRS investments not held in LGIP or SNAP, were held in the name of the City, in safekeeping by a third -party custodian in compliance with Section 2.2-4515 of the Code of Virginia.

The City maintains a pooled cash and investment portfolio for the purpose of maximizing investment earnings. The pool is managed by the City's finance department in accordance with the City's Investment Policy Statement and applicable state statutes. The General Fund holds legal title to the pooled investments. Other funds, including the Enterprise Fund, participate in the pool through interfund receivable and payables balances. Funds participating in the pooled investment portfolio have their share of investment earnings and unrealized gains and losses allocated based on their relative participation in the pool. Cash and investments are recorded at fair value. Investment earnings, including interest, dividends, and changes in fair value are recognized in the period earned and allocated to participating funds on a consistent and systematic basis.

On July 30, 2024, the City issued \$129,725,000 of General Obligation Public Improvement Bonds (Tax-Exempt), Series 2024C, dated July 30, 2024. During the fiscal year ended June 30, 2025, the City invested the long term portion of these bond proceeds, in accordance with bond covenants, applicable laws, and the City's Investment Policy Statement. The long term portion of bond proceeds invested are held in the name of the City, with the third party custodian, with maturities aligned with expected cash needs for project expenditures and debt service obligations. These investments are classified as restricted assets on the statement of net position because their use is legally restricted for the specified purposes above.

A summary of deposits and investments held by the Government-Wide at June 30, 2025, is as follows:

	<u>Government-Wide</u>
Cash & cash equivalents	\$ 94,977,136
Investments	
LGIP	468,165,922
Trusts	19,709,476
Fixed income securities	\$ 239,664,258
Total cash, cash equivalents, and investments	<u>\$ 822,516,792</u>

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Reconciliation of Cash Schedule to Statements of Net Position:

	Government-Wide	Fiduciary Funds Statement of Net Position			Total
	Statement of Net Position	Pension and Other Employee Benefit Trust	Social Welfare Private Purpose Trust	Custodial Funds	
Cash, cash equivalents, LGIP, Trusts	\$ 527,596,038	\$ 4,274,609	\$ 2,746,113	\$ 25,194,334	\$ 559,811,094
Investments- Unrestricted	231,240,594	909,241,187	-	-	1,140,481,781
Restricted assets	63,680,160	-	-	8,423,663	72,103,823
Total	<u>\$ 822,516,792</u>	<u>\$ 913,515,796</u>	<u>\$ 2,746,113</u>	<u>\$ 33,617,997</u>	<u>\$ 1,772,396,698</u>

Additionally, the City is authorized to place investments of the Richmond Retirement System (RRS) in common stocks, corporate debt securities, U.S. Government and Agency Securities, international stocks and bonds, money market, and mutual funds. At no time, shall more than 35 percent of the portfolio be invested in commercial paper. No more than 5 percent of the portfolio shall be invested in the commercial paper of a single entity.

Custodial Credit Risk for Deposits:

At June 30, 2025, the City did not have any deposits that were not covered by depository insurance or collateralized under the Virginia Security for Public Deposits Act. The City's Investment Policy limits investments to securities with high credit quality.

Custodial Credit Risk for Investments:

Custodial credit risk is the risk that, in the event of failure by a counter party, the City will not be able to recover the value of its investments or collateralized securities held in custody by an outside party. The City's investment policy requires that all securities be clearly held in the name of the City and held in safekeeping by a third-party in compliance with Section 2.2-4515 of the Code of Virginia. As of June 30, 2025, the City holds its investment securities in external investment pools, and in safekeeping by a third party, and thus has no custodial credit risk.

The City's Investment Policy Statement requires minimizing credit risk and interest rate risk. Credit risk is mitigated by investing primarily in high rated securities. Interest rate risk is mitigated by matching investment maturities with cash flow needs.

Certain investment held by the entity may be classified as non-rated or may have their ratings withdrawn by credit rating agencies, as noted above in the chart. It is important to understand that these classifications do not indicate that the investments are of poor credit quality or present undue risk.

Non-rated investment may include securities issued by entities that do not seek ratings due to their strong market reputation, limited issuance size, or other strategic reasons. These investments are often subject to rigorous internal credit analysis and oversight.

Withdrawn ratings typically occur when a rating agency no longer maintains coverage of a particular security or issuer, not due to the deterioration in creditworthiness. The City's Investment Policy includes due diligence and risk management practices to ensure that all investments, regardless of rating status, meet the safety, liquidity and return objectives appropriate for public funds.

As of June 30, 2025, the non-RRS investments held in the name of the City, in safekeeping by a third party custodian were rated as follows, in accordance with the City's Investment Policy Statement:

	Fair Value	A1	Aa1	Aa2	Aaa	Not Rated	WTHDRWN
Corporate bonds	\$ 17,125,639	\$ 4,188,794	\$ 2,924,280	\$ -	\$ 7,020,525	\$ 3,062,040	\$ -
Government agency	176,640,145	-	152,735,543	-	8,008,440	13,384,863	13,674,671
Municipal bonds	37,474,810	-	8,513,286	16,904,740	1,899,400	5,045,750	-
Total	<u>\$ 231,240,594</u>	<u>\$ 4,188,794</u>	<u>\$ 164,173,109</u>	<u>\$ 16,904,740</u>	<u>\$ 16,928,365</u>	<u>\$ 21,492,653</u>	<u>\$ 13,674,671</u>
	<u>100.00%</u>	<u>2%</u>	<u>72%</u>	<u>7%</u>	<u>7%</u>	<u>9%</u>	<u>6%</u>

CITY OF RICHMOND, VIRGINIA
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Concentration Risk:

As of June 30, 2025, 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.

Foreign Currency Risk

The risk that changes in exchange rates will adversely affect investment values. The City's Investment Pool does not invest in foreign currency denominated investments.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy statement states that the City shall minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by limiting the maximum maturity of the overall portfolio to five years.

The City mitigates this risk by structuring the portfolio to meet anticipated liquidity needs.

As of June 30, 2025, the weighted average maturity of the non-RRS fixed income portfolio is three years. The RRS investment policy statement outlines specific maturities for RRS investments.

The RRS does not have a specific investment policy governing interest rate risk.

As of June 30, 2025, the non-RRS fixed income investments held in the name of the City, in safe-keeping by a third party custodian, were as follows:

Asset Class	Less Than 1 Year	1-2 Years	3-5 Years	More Than 5 Years	Total Fair Value
Gov't Agency	\$ 47,172,524	\$ 40,725,887	\$ 88,328,837	\$ 8,836,559	\$ 185,063,807
Municipal	-	-	-	-	-
Bonds	-	11,941,530	25,533,281	-	37,474,811
Corporate	-	-	-	-	-
Bonds	-	3,949,440	13,176,199	-	17,125,639
	<u>\$ 47,172,524</u>	<u>\$ 56,616,857</u>	<u>\$ 127,038,317</u>	<u>\$ 8,836,559</u>	<u>\$ 239,664,257</u>

The City and Richmond Retirement System (RRS) categorizes the fair value measurements of its assets within the fair value hierarchy.

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The following table shows the City and RRS fair value measurements as of June 30, 2025.

Investments Measured at Fair Value

	Fair Value at June 30, 2025	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Equities				
Consumer Spending	\$ 12,289,388	\$ 12,289,388	\$ -	\$ -
Energy and Industrials	16,321,324	16,321,324	-	-
Information Technology	7,797,741	7,797,741	-	-
Financials	17,669,295	17,669,295	-	-
Healthcare	10,670,390	10,670,390	-	-
Other	6,102,820	6,102,820	-	-
Total U.S Equities	<u>70,850,958</u>	<u>70,850,958</u>	<u>-</u>	<u>-</u>
International Equities	80,437,102	-	-	80,437,102
US Fixed Income				
Government & Agency Bonds	222,538,619	222,538,619	-	-
Corporate Bonds	17,125,639	17,125,639	-	-
Real Estate	16,102,683	-	-	16,102,683
Diversifying Assets	32,006,571	-	-	32,006,571
Private Debt	56,552,382	-	-	56,552,382
Private Equity	79,791,628	-	-	79,791,628
Total US Fixed Income	<u>424,117,522</u>	<u>239,664,258</u>	<u>-</u>	<u>184,453,264</u>
Total Investments Measured at Fair Value	<u>\$ 575,405,582</u>	<u>\$ 310,515,216</u>	<u>\$ -</u>	<u>\$ 264,890,366</u>

	Fair Value	Unfunded Commitments	Redemption Frequency	Required Redemption Notice
Investments Measured at Net Asset Value (NAV)				
Investment Pool (OPEB)	12,249,658	\$ -	Daily	0 - 5 days
US Equity Funds	129,283,935	-	Daily	0 - 5 days
International Equities	81,875,115	-	Daily	1 - 30 days
Global Fixed Income	280,694,161	-	Daily	1 - 10 days
Real Estate Investment Trusts and Funds	41,774,314	-	Daily, Quarterly	7 - 45 days
Diversifying Assets	27,622,679	-	Daily, Quarterly	1 - 95 days
Total Investments Measured at Net Asset Value (NAV)	<u>\$ 573,499,862</u>			
Total Investments at Fair Value	<u>\$ 1,148,905,444</u>			

Level 1 investments are valued at active market quoted prices.

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

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

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

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

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

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

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

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

6. Diversifying Assets — This category consists of investments in fund of funds-of-funds and direct investments. Investment managers in the fund-of-funds category have the ability to invest in underlying managers that focus on a variety of different strategies such as long/short, event-driven, leveraging, and other derivative instruments. The RRS's direct fund managers focus on a global macro approach. Units held in investments valued using the NAV practical expedient are excluded from the fair value hierarchy and reported at the NAV provided by the investment managers. Investments in limited partnerships that are not valued at NAV are classified in Level 3 of the fair value hierarchy.

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

Participation in External Investment Pools

The City of Richmond has invested bond proceeds subject to rebate of arbitrage earnings in the Virginia State Non-Arbitrage Program ("SNAP"). SNAP is designed to assist local governments in complying with the arbitrage rebate requirements of the Tax Reform Act of 1986. These programs provide comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of general obligation and revenue tax-exempt bond financing of Virginia cities, counties and towns. As of June 30, 2025, the City had \$10,079,161 in the SNAP short-term investment. SNAP is administered by the Commonwealth of Virginia Treasury Board. The Board is committed to

CITY OF RICHMOND, VIRGINIA
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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, 2025, the City had \$468,165,922 in LGIP short-term investments. The Commonwealth's Department of Treasury is committed to managing certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share, which is determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

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

Healthcare OPEB Trust Plan Investment

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

The primary benefits of participation in the trust include access to institutional investment fund managers offered through two diversified portfolios, the guidance of an investment consultant, economies of scale through pooling, and administrative services. Participants hold individual trust accounts wherein they can monitor the performance of their investments. As of June 30, 2025, the City of Richmond's investments in the OPEB Trust Fund had a market value of \$12,249,659. The OPEB Trust Fund issues a separate audited financial report which may be obtained by visiting the website: valocalfinance.org/opeb/ or by contacting the VML/VACo Finance, 8 East Canal Street, Suite 100, Richmond, VA 23219.

4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

		Due From										
		General	Non Major Governmental	Non Major Proprietary	Gas	Water	Wastewater	Stormwater	Internal Service	Total		
Due To	General	\$ -	\$ 589,981	\$ 2,692,112	\$ -	\$ 108,424	\$ 180,265	\$ -	\$ 4,629,100	\$ 8,199,882		
	Gas	-	-	-	-	-	-	-	2,338,715	2,338,715		
	Water	572,610	-	-	-	-	-	-	4,969,767	5,542,377		
	Wastewater	974,982	-	-	10,991,671	-	-	7,411,950	-	19,378,603		
	Non-Major Governmental	3,804,791	-	-	-	-	-	-	-	3,804,791		
	Internal Svc	27,441,832	-	-	-	-	-	-	-	27,441,832		
	Total	\$ 32,794,215	\$ 589,981	\$ 2,692,112	\$ 10,991,671	\$ 108,424	\$ 180,265	\$ 7,411,950	\$ 11,937,582	\$ 66,706,200		

**CITY OF RICHMOND, VIRGINIA
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JUNE 30, 2024**

The balances resulted from the time lag between the dates that inter-fund goods and services are provided or reimbursable expenditures occur and payments among funds are made. The City reports inter-fund transfers among many of its funds. Inter-fund transfers for the year ended June 30, 2024, consisted of the following:

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

The City reports inter-fund transfers among many of its funds. Inter-fund transfers for the year ended June 30, 2024, consisted of the following:

	Transfer From							Total
	General Fund	Debt Service	Cap Projects	Gas	Water	Wastewater	Non Major Governmental	
General Fund	\$ -	\$ -	\$ -	\$ 1,542,928	\$ 3,744,805	\$ 6,274,530	\$ 55	\$ 11,562,318
Debt Service	86,933,260	-	-	-	-	-	965,773	87,899,033
Capital Projects	40,768,011	132,851,652	-	-	-	-	-	173,619,663
Non-Major Governmental	13,822,775	-	-	-	-	-	456,050	14,278,825
Internal Service *	27,441,832	-	-	-	-	-	-	27,441,832
EDA - Component Unit	-	-	55,036,193	-	-	-	-	55,036,193
Total	\$ 168,965,878	\$ 132,851,652	\$ 55,036,193	\$ 1,542,928	\$ 3,744,805	\$ 6,274,530	\$ 1,421,878	\$ 369,837,864

* The \$27,441,832 transferred from the General Fund to the Internal Service Fund is part of the Capital Contribution shown on Exhibit E-2.

5. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2025 are as follows:

Primary Government	Federal	State	Other Localities	Total
General Fund	\$ -	\$ 96,694	\$ -	\$ 96,694
Capital Projects Fund	3,723,157	99,984	-	3,823,141
Non-Major Governmental Funds	3,990,704	61,234	-	4,051,938
Gas Fund	74,798	-	-	74,798
Water Fund	-	545,066	12,822,112	13,367,178
Wastewater Fund	16,929,273	-	551,222	17,480,495
Stormwater Fund	-	1,595,882	-	1,595,882
	\$ 24,717,932	\$ 2,398,860	\$ 13,373,334	\$ 40,490,126

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

6. CAPITAL ASSETS

Primary Government – Governmental Activities

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 107,745,307	\$ -	\$ -	\$ 2,022,012	\$ 109,767,319
Construction in Progress	236,434,945	256,864,120	232,751	(41,739,958)	451,326,356
Works of Art/Historical Treasures	8,101,380	-	-	150,000	8,251,380
Total Capital Assets, not being depreciated	<u>352,281,632</u>	<u>256,864,120</u>	<u>232,751</u>	<u>(39,567,946)</u>	<u>569,345,055</u>
Capital Assets, Being Depreciated/Amortized					
Infrastructure	1,129,756,014	-	-	23,837,615	1,153,593,629
Building and Structures	1,117,399,452	113,307	-	6,279,993	1,123,792,752
Right of Use Assets/SBITA Assets	40,669,598	2,066,009	691,720	-	42,043,887
Equipment	166,699,861	2,485,894	1,141,450	8,221,931	176,266,236
Improvements Other Than Buildings	35,111,256	7,847	-	1,228,407	36,347,510
Total Capital Assets, being depreciated/amortized	<u>2,489,636,181</u>	<u>4,673,057</u>	<u>1,833,170</u>	<u>39,567,946</u>	<u>2,532,044,014</u>
Less Accumulated Depreciation/Amortized For:					
Infrastructure	732,137,382	27,244,113	-	-	759,381,495
Building and Structures	501,625,279	23,727,931	-	-	525,353,210
Right of Use Assets /SBITA Assets	9,894,263	5,370,712	28,822	-	15,236,153
Equipment	122,887,863	10,497,247	1,140,710	-	132,244,400
Improvements Other Than Buildings	20,103,587	1,403,552	-	-	21,507,139
Total Accumulated Depreciation/Amortized	<u>1,386,648,374</u>	<u>68,243,555</u>	<u>1,169,532</u>	<u>-</u>	<u>1,453,722,397</u>
Total Capital Assets, Being Depreciated, Net	<u>1,102,987,807</u>	<u>(63,570,498)</u>	<u>663,638</u>	<u>39,567,946</u>	<u>1,078,321,617</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,455,269,439</u>	<u>\$ 193,293,622</u>	<u>\$ 896,389</u>	<u>\$ -</u>	<u>\$ 1,647,666,672</u>

Depreciation was charged to functions as follows:

General Government	\$ 25,450,896
Public Safety and Judiciary	1,928,034
Highways, Streets, Sanitation, and Refuse	32,652,587
Human Services	61,653
Culture and Recreation	2,734,313
Educational	2,013,660
Subtotal	<u>64,841,143</u>
Allocation Related to Internal Service Funds excluding stores	3,402,412
Total	<u>\$ 68,243,555</u>

CITY OF RICHMOND, VIRGINIA
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JUNE 30, 2025

Primary Government – Business-Type Activities

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Gas Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 219,200	\$ -	\$ -	\$ -	\$ 219,200
Construction in Progress	5,078,009	44,856,698	31,844,036	-	18,090,671
Total Capital Assets, not being depreciated	<u>5,297,209</u>	<u>44,856,698</u>	<u>31,844,036</u>	<u>-</u>	<u>18,309,871</u>
Capital Assets, Being Depreciated					
Plant-in-service	806,269,540	31,844,036	3,772,336	(135)	834,341,105
Total Capital Assets, being depreciated	<u>806,269,540</u>	<u>31,844,036</u>	<u>3,772,336</u>	<u>(135)</u>	<u>834,341,105</u>
Less Accumulated Depreciation For:					
Plant-in-service	388,478,637	26,040,955	3,695,211	-	410,824,381
Total Accumulated Depreciation	<u>388,478,637</u>	<u>26,040,955</u>	<u>3,695,211</u>	<u>-</u>	<u>410,824,381</u>
Total Capital Assets, Being Depreciated, Net	417,790,903	5,803,081	77,125	(135)	423,516,724
Gas Utility Capital Assets, Net	<u>\$ 423,088,112</u>	<u>\$ 50,659,779</u>	<u>\$ 31,921,161</u>	<u>\$ (135)</u>	<u>\$ 441,826,595</u>
Water Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 878,307	\$ -	\$ -	\$ -	\$ 878,307
Construction in Progress	12,359,397	69,027,209	67,419,534	-	13,967,072
Total Capital Assets, not being depreciated	<u>13,237,704</u>	<u>69,027,209</u>	<u>67,419,534</u>	<u>-</u>	<u>14,845,379</u>
Capital Assets, Being Depreciated					
Plant-in-service	751,126,653	67,419,534	4,884,754	69	813,661,502
Total Capital Assets, being depreciated	<u>751,126,653</u>	<u>67,419,534</u>	<u>4,884,754</u>	<u>69</u>	<u>813,661,502</u>
Less Accumulated Depreciation For:					
Plant-in-service	318,054,245	22,292,826	3,243,885	-	337,103,186
Total Accumulated Depreciation	<u>318,054,245</u>	<u>22,292,826</u>	<u>3,243,885</u>	<u>-</u>	<u>337,103,186</u>
Total Capital Assets, Being Depreciated, Net	433,072,408	45,126,708	1,640,869	69	476,558,316
Water Utility Capital Assets, Net	<u>\$ 446,310,112</u>	<u>\$ 114,153,917</u>	<u>\$ 69,060,403</u>	<u>\$ 69</u>	<u>\$ 491,403,695</u>
Wastewater Utility					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,101,261	\$ -	\$ -	\$ -	\$ 1,101,261
Construction in Progress	102,917,769	103,105,051	23,243,540	-	182,779,280
Total Capital Assets, not being depreciated	<u>104,019,030</u>	<u>103,105,051</u>	<u>23,243,540</u>	<u>-</u>	<u>183,880,541</u>
Capital Assets, Being Depreciated					
Plant-in-service	941,888,583	23,243,540	2,131,718	66	963,000,471
Total Capital Assets Being Depreciated	<u>941,888,583</u>	<u>23,243,540</u>	<u>2,131,718</u>	<u>66</u>	<u>963,000,471</u>
Less Accumulated Depreciation For:					
Plant-in-service	449,296,986	24,766,353	2,099,863	-	471,963,476
Total Accumulated Depreciation	<u>449,296,986</u>	<u>24,766,353</u>	<u>2,099,863</u>	<u>-</u>	<u>471,963,476</u>
Total Capital Assets, Being Depreciated, Net	492,591,597	(1,522,813)	31,855	66	491,036,995
Wastewater Utility Capital Assets, Net	<u>\$ 596,610,627</u>	<u>\$ 101,582,238</u>	<u>\$ 23,275,395</u>	<u>\$ 66</u>	<u>\$ 674,917,536</u>

CITY OF RICHMOND, VIRGINIA
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	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Stormwater Utility					
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 14,985,624	\$ -	\$ -	\$ -	\$ 14,985,624
Construction in Progress	5,819,869	28,240,000	10,704,801	-	23,355,068
Total Capital Assets, not being depreciated	<u>20,805,493</u>	<u>28,240,000</u>	<u>10,704,801</u>	<u>-</u>	<u>38,340,692</u>
Capital Assets, Being Depreciated					
Plant-in-service	105,344,468	10,704,801	64,980	-	115,984,289
Total Capital Assets, being depreciated	<u>105,344,468</u>	<u>10,704,801</u>	<u>64,980</u>	<u>-</u>	<u>115,984,289</u>
Less Accumulated Depreciation For:					
Plant-in-service	16,887,800	3,223,116	63,509	-	20,047,407
Total Accumulated Depreciation	<u>16,887,800</u>	<u>3,223,116</u>	<u>63,509</u>	<u>-</u>	<u>20,047,407</u>
Total Capital Assets, Being Depreciated, Net	88,456,668	7,481,685	1,471	-	95,936,882
Storm water Utility Capital Assets, Net	<u>\$ 109,262,161</u>	<u>\$ 35,721,685</u>	<u>\$ 10,706,272</u>	<u>\$ -</u>	<u>\$ 134,277,574</u>
Other Business-Type Activity:					
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 22,456,955	\$ -	\$ -	\$ -	\$ 22,456,955
Total Capital Assets, not being depreciated	<u>22,456,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,456,955</u>
Capital Assets, Being Depreciated/Amortized					
Buildings and Structures	36,131,729	98,840	-	-	36,230,569
Equipment and Other Capital Assets	3,818,791	-	-	-	3,818,791
Right of Use Land , Land Rights and SBITA Assets	16,162,750	148,267	-	-	16,311,017
Total Capital Assets, being depreciated/amortized	<u>56,113,270</u>	<u>247,107</u>	<u>-</u>	<u>-</u>	<u>56,360,377</u>
Less-Accumulated Depreciation/Amortization For:					
Buildings and Structures	17,126,263	954,664	39,833	-	18,041,094
Equipment and Other Capital Assets	2,955,976	104,102	-	-	3,099,911
Right of Use Land , Land Rights and SBITA Assets	976,880	417,947	-	-	1,394,827
Total Accumulated Depreciation/Amortization	<u>21,059,119</u>	<u>1,476,713</u>	<u>39,833</u>	<u>-</u>	<u>22,535,832</u>
Total Capital Assets, Being Depreciated/Amortized, Net	35,054,151	(1,229,606)	(39,833)	-	33,824,545
Other Business-Type Activity Capital Assets, Net	<u>\$ 57,511,106</u>	<u>\$ (1,229,606)</u>	<u>\$ (39,833)</u>	<u>\$ -</u>	<u>\$ 56,281,500</u>
Enterprise Funds Capital Assets, Net	<u>\$ 1,632,782,118</u>	<u>\$ 300,888,013</u>	<u>\$ 134,923,398</u>	<u>\$ -</u>	<u>\$ 1,798,706,900</u>
Internal Service Fund - Stores Utility, Net	<u>\$ 2,172,167</u>	<u>\$ (59,849)</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2,112,316</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 1,634,954,285</u>	<u>\$ 300,828,164</u>	<u>\$ 134,923,400</u>	<u>\$ -</u>	<u>\$ 1,800,819,216</u>

7. OBLIGATIONS

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 expenditure when due.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
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The following is a summary of the changes in the City's long-term liabilities, including net pension and other post-employment benefits ("OPEB") liabilities for the fiscal year ending on June 30, 2025:

Primary Government – Governmental Activities

	Balance		Deletions	Balance	Not Due Within	Due Within
	July 1, 2024 Restated	As					June 30, 2025	One Year	One Year
General Obligation Bonds	\$ 822,927,899	\$ 129,725,000	\$ 53,040,000	\$ 899,612,899	\$ 845,492,938	\$ 54,119,961
General Obligation Bond - Direct Borrowing	-	-	-	-	-	-
Total General Obligation Bonds	<u>822,927,899</u>	<u>129,725,000</u>	<u>53,040,000</u>	<u>899,612,899</u>	<u>845,492,938</u>	<u>54,119,961</u>
Line of Credit (BAN) - 2022A/B & 2023A/B	39,600,000	124,000,000	-	163,600,000	-	163,600,000
General Obligation Serial Equipment Notes	4,997,000	-	2,123,000	2,874,000	1,456,000	1,418,000
Total General Obligation Notes	<u>\$ 44,597,000</u>	<u>124,000,000</u>	<u>2,123,000</u>	<u>166,474,000</u>	<u>1,456,000</u>	<u>165,018,000</u>
HUD Section 108 Notes	7,715,000	-	725,000	6,990,000	6,250,000	740,000
Premium on Debt Issued	54,401,904	4,390,156	8,922,721	49,869,339	41,918,783	7,950,556
Total Obligations	<u>\$ 929,641,803</u>	<u>\$ 258,115,156</u>	<u>\$ 64,810,721</u>	<u>\$ 1,122,946,238</u>	<u>\$ 895,117,722</u>	<u>\$ 227,828,517</u>
Compensated Absences	26,061,703	(3,362,145)	-	22,699,558	15,001,478	7,698,080
Right of Use Liability	29,645,506	2,066,009	4,114,222	27,597,293	23,967,698	3,629,595
Net Other Post Employment Benefit Liability (Asset)	<u>\$ (1,413,040)</u>	<u>\$ 4,680,958</u>	<u>\$ 3,865,181</u>	<u>\$ (597,263)</u>	<u>\$ (597,263)</u>	<u>\$ -</u>
Net Pension Liability	<u>\$ 290,843,809</u>	<u>\$ 14,637,359</u>	<u>\$ 142,002,696</u>	<u>\$ 163,478,472</u>	<u>\$ 163,478,472</u>	<u>\$ -</u>

Note: Compensated Absences are shown on a net basis

As of June 30, 2025, the City's Primary Government has total outstanding general obligation bonds and notes of \$1,122,946,238 which consists of \$899,612,899 in general obligation bonds, \$166,474,000 in general obligation notes, \$6,990,000 HUD Section 108 Notes and \$49,869,339 in unamortized premiums. Total principal payments were \$53,040,000 for the General Obligation Bonds, \$2,123,000 for the General Obligation serial Equipment Notes and \$725,000 for the HUD Section 108 Notes.

Debt issued under governmental activities during the fiscal year ending on June 30, 2025

On July 30, 2024, the City issued its \$129,725,000 of General Obligation Public Improvement Bonds (Tax-Exempt), Series 2024C, dated July 30, 2024. Total premium received was \$4,390,156. The proceeds of the Series 2024C bonds, together with other available funds, will be used to (a) finance the cost of the design, acquisition, construction and equipping of a new baseball stadium to be developed in connection with the redevelopment of the area known as the "Diamond District" and (b) to pay the issuance and financing costs incurred in connection with the 2024C Bonds (including, but not limited to, certain capitalized interest on the 2024C Bonds). The Series 2024C Bonds have a coupon interest rate ranging from 4.00%-5.00% with a semi-annual interest payable on March 1 and September 1 of each year, commencing March 1, 2030, with a final maturity of March 1, 2057. At the time of the competitive sale, Moody's, Standard & Poor's ('S&P'), and Fitch affirmed their Aa1 ("Stable Outlook"), AA+ ("Positive Outlook"), and AAA ("Stable Outlook") credit ratings, respectively, for the City.

On December 20, 2023, the City established its \$250,000,000 General Obligation Line of Credit Bond Anticipation Note ("BAN"), Series 2023A, with a commercial bank. By the end of the fiscal year 2025, the City cumulatively drew \$191,900,000 on the Line of Credit to finance ongoing capital improvement projects, as outlined in the City's Five Year Adopted Capital Improvement Plan for both the City and the City's Stormwater Utility System. The City pays monthly variable rate interest on the Line of Credit borrowings priced with a SOFR index. The Line of Credit has a final maturity of December 18, 2026, and the City anticipates refinancing this debt into a long-term general obligation bond in the future.

On December 21, 2022, the City established its \$10,000,000 General Obligation Line of Credit Bond Anticipation Note (Tax-Exempt), Series 2022B, with a commercial bank. By the end of the fiscal year 2025, the City cumulatively drew \$5,000,000

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

on the Line of Credit to finance ongoing capital improvement projects within the City. The City pays monthly variable rate interest on the Line of Credit borrowings priced with a SOFR index. The Line of Credit has a final maturity of December 1, 2025 and the City anticipates refinancing this debt into a long-term general obligation bond in the future.

Primary Government – Business-Type Activities

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Not Due Within One Year	Due Within One Year
Utilities - General Obligation Bonds	\$ 36,588,313	\$ -	\$ 390,000	\$ 36,198,313	\$ 34,846,498	\$ 1,351,815
Utilities - General Obligation Bonds - Direct Borrowing	1,571,249	-	112,767	1,458,482	1,345,715	112,767
Utilities - General Obligation BAN - Direct Borrowing	-	16,588,200	-	16,588,200	16,588,200	-
Utilities- General Oblig Equip. Notes - Direct Borrowing	1,120,000	-	567,000	553,000	278,000	275,000
Utilities - Line of Credit (BAN) - Series 2023A - Direct Borrowing	31,200,000	2,100,000	-	33,300,000	-	33,300,000
Premium on General Obligation Bonds, Net	1,459,675	-	111,097	1,348,578	1,244,573	104,005
Total Utilities General Obligation Bonds & Notes	71,939,237	18,688,200	1,180,864	89,446,573	54,302,986	35,143,587
Non-Major Enterprise Funds Bonds	34,143,789	-	3,700,000	30,443,789	26,592,009	3,851,780
Premium on Non Major Debt, Net	602,084	-	140,652	461,432	338,036	123,396
Total Non-Major Enterprise Funds Bonds	34,745,873	-	3,840,652	30,905,221	26,930,045	3,975,176
Total Business-Type General Obligation Bonds	106,685,110	18,688,200	5,021,516	120,351,794	81,233,031	39,118,763
Public Utility Revenue Bonds	761,550,000	-	32,650,000	728,900,000	695,195,000	33,705,000
Public Utility Revenue Bond - Direct Borrowing	53,448,326	9,356,117	5,699,478	57,104,965	51,380,404	5,724,561
Public Utility Premium on Revenue Bond Debt, Net	53,157,363	-	5,131,499	48,025,864	43,133,707	4,892,157
Total Revenue Bonded Debt	868,155,689	9,356,117	43,480,977	834,030,829	789,709,111	44,321,718
Total Obligations	\$ 974,840,799	\$ 28,044,317	\$ 48,502,493	\$ 954,382,623	\$ 870,942,142	\$ 83,440,481
Compensated Absences						
Gas	\$ 1,332,298	\$ 277,467	-	\$ 1,609,765	\$ 1,108,492	\$ 501,273
Water	986,251	(330,510)	-	655,741	485,942	169,799
Wastewater	959,000	(417,026)	-	541,974	360,510	181,464
Stormwater	275,866	100,425	-	376,291	266,602	109,689
Stores Operating Fund	24,265	(4,276)	-	19,989	14,383	5,606
Cemeteries	59,029	(24,403)	-	34,626	23,272	11,354
Parking Garages	127,205	(35,181)	-	92,024	64,559	27,465
Total Compensated Absences	\$ 3,763,914	\$ (433,504)	\$ -	\$ 3,330,410	\$ 2,323,760	\$ 1,006,650
Right-of-Use Liabilities	\$ 14,413,474	\$ -	\$ 135,307	\$ 14,278,167	\$ 13,924,984	\$ 353,183
Pollution Remediation	\$ -	\$ 6,336,028	\$ 1,299,658	\$ 5,036,370	\$ -	\$ 5,036,370
Other Post Employment Benefit Liability	\$ (229,626)	\$ 134,797	\$ 356,184	\$ (451,013)	\$ (451,013)	\$ -
Net Pension Liability	\$ 48,823,334	\$ 13,234,627	\$ 37,645,308	\$ 24,412,653	\$ 24,412,653	\$ -

Note: Compensated Absences are shown on a net basis.

As of June 30, 2025, the outstanding debt of the City's Business-Type Activities (Enterprise Funds) totaled \$954,382,623 including \$845,377,976 of publicly issued bonds and premiums and \$109,004,647 of direct borrowings from the Commonwealth of Virginia's Virginia Resources Authority (VRA) and other commercial banks.

Debt issued under Business-Type Activities during the fiscal year ending on June 30, 2025

On June 24, 2025, the City's Department of Public Utilities ("DPU") established it's \$16,588,200 General Obligation Bond Anticipation Note, Series 2025A, to Atlantic Union Public Finance, Inc. to finance the costs of certain stormwater utility capital improvement projects. The Series 2025A BAN bears interest on the unpaid principal at a rate of 3.436% per year, payable semi-annually on each June 1 and December 1, commencing December 1, 2025, until final payment. Principal of the Series 2025A BAN is payable on June 1, 2027.

On March 30, 2023, the City has issued its \$14,693,793 Public Utility Revenue Bond, Series 2023A (the "Bonds") to evidence a loan made to the City by the Virginia Resources Authority. The proceeds of this Bond issue will be used to finance a capital project of the City's Department of Public Utilities' Wastewater Utility. The bond issue is priced with a zero percent interest rate, with semi-annual principal payments of \$367,344.83 due on July 15th and January 15th, with a final maturity on January 15, 2044. Total amount drawn in fiscal year 2025 is \$9,356,117.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

Details of Bonds and Notes Outstanding

	Interest Rates	Issue Date	Maturity Date	Original Issue	Balance at June 30, 2025		
					Governmental Activities	Enterprise Funds	
General Obligation Bonds							
Public Improvement Bonds 2010B (QSCB)	5.27%	11/16/2010	11/1/2029	\$ 14,980,000	\$ 14,980,000	\$ -	
Public Improvement Bonds 2011A (VRA)	0.00%	6/1/2011	1/15/2032	225,000	-	78,750	
Public Improvement Bonds 2012D (QSCB)	4.15%	6/28/2012	1/15/2033	7,500,000	7,500,000	-	
Public Improvement Bonds 2013B	3.00% - 4.80%	9/26/2013	3/1/2033	11,295,000	5,965,000	-	
Public Improvement Refunding Bonds 2014B	5.00%	12/23/2014	7/15/2026	25,605,000	13,260,000	-	
Public Improvement Bonds 2015B	3.00% - 5.00%	12/8/2015	3/1/2038	62,795,000	42,040,000	-	
Public Improvement Bonds 2015C	3.00% - 4.00%	12/8/2015	6/1/2041	23,000,000	16,860,000	-	
Public Improvement Bonds 2017A (VRA)	0.00%	3/30/2017	7/15/2037	1,310,278	-	665,234	
Public Improvement Refunding Bonds 2017B	3.00% - 5.00%	7/14/2017	7/15/2037	185,070,000	114,215,000	5,445,000	
Public Improvement Refunding Bonds 2017C	1.15% - 3.13%	7/14/2017	7/15/2031	43,965,000	-	24,040,000	
Public Improvement Refunding Bonds 2017D	4.00% - 5.00%	12/21/2017	3/1/2033	118,535,000	94,235,000	-	
Public Improvement Bonds 2018A	2.00% - 5.00%	8/15/2018	3/1/2041	46,890,000	37,005,000	-	
Public Improvement Refunding Bonds 2018B	3.45% - 3.75%	8/15/2018	3/1/2033	8,310,000	5,020,000	-	
Public Improvement Refunding Bonds 2019A	2.60% - 5.00%	10/23/2019	7/15/2039	132,885,000	98,955,000	-	
Public Improvement Refunding Bonds 2020A	2.00% - 5.00%	12/10/2020	7/15/2040	102,130,000	82,800,000	-	
Public Improvement Refunding Bonds 2020B	0.95% - 2.00%	12/10/2020	7/15/2034	51,020,000	40,450,000	-	
Public Improvement Bonds 2021A (VRA)	0.00%	6/24/2021	1/15/2040	874,400	-	714,499	
Public Improvement Bonds 2022A	4.00% - 5.00%	9/8/2022	3/1/2042	57,990,000	44,910,000	5,975,000	
Public Improvement Bonds 2024A	4.00% - 5.00%	2/1/2024	9/1/2053	63,500,000	47,910,000	14,135,000	
Public Improvement Bonds 2024B	4.55% - 5.12%	6/18/2024	7/15/2043	120,830,000	103,782,899	17,047,101	
Public Improvement Bonds 2024C	2.84% - 4.18%	7/30/2024	3/1/2057	129,725,000	129,725,000	-	
General Obligation Notes							
Equipment Note - Series 2020A	1.11%	6/17/2020	6/1/2025	4,960,000	572,000	553,000	
Equipment Note - Series 2021	0.99%	6/10/2021	6/1/2028	6,730,000	2,302,000	-	
Line of Credit BAN - Series 2022B	Variable	12/6/2022	12/1/2025	10,000,000	5,000,000	-	
Line of Credit BAN - Series 2023A	Variable	12/20/2023	12/20/2026	250,000,000	158,600,000	33,300,000	
Line of Credit BAN - Series 2023B	Variable	12/20/2023	12/20/2028	10,000,000	-	-	
Bond Anticipation Note - Series 2025A	3.44%	6/24/2025	6/1/2027	16,588,200	-	16,588,200	
HUD Section 108 Notes							
HUD Section 108 Note Series 2015A	0.83% - 3.60%	5/28/2015	8/1/2032	10,125,000	5,165,000	-	
HUD Section 108 Note Series 2019A	2.54% - 3.64%	3/28/2019	8/1/2038	2,607,000	1,825,000	-	
Revenue Bonds							
Public Utility Revenue Bonds 2006A (VRA)	2.20%	6/29/2006	1/15/2028	11,000,000	-	2,065,952	
Public Utility Revenue Bonds 2008A (VRA)	2.52%	6/27/2008	1/15/2029	6,900,000	-	1,657,541	
Public Utility Revenue Bonds 2009B (VRA)	0.00%	6/24/2009	7/15/2030	32,000,000	-	8,800,000	
Public Utility Revenue Bonds 2010A (VRA)	0.00%	2/3/2010	7/15/2040	188,218	-	97,526	
Public Utility Revenue Bonds 2012A (VRA)	0.00%	4/17/2012	1/15/2035	23,289,955	-	11,644,977	
Public Utility Revenue Bonds 2015A (VRA)	0.00%	3/5/2015	1/15/2036	2,600,000	-	787,716	
Public Utility Revenue Refunding Bonds 2016A	4.00% - 5.00%	12/7/2016	1/15/2046	502,260,000	-	174,020,000	
Public Utility Revenue Bonds 2020A	2.81% - 5.00%	4/15/2020	1/15/2050	135,445,000	-	127,725,000	
Public Utility Revenue Refunding Bonds 2020B	1.63% - 3.54%	4/15/2020	1/15/2043	180,000,000	-	107,825,000	
Public Utility Revenue Bonds 2021A (VRA)	0.00%	6/24/2021	7/15/2041	20,343,302	-	18,305,095	
Public Utility Revenue Bonds 2023A (VRA)	0.00%	3/30/2023	1/15/2044	14,693,793	-	13,746,158	
Public Utility Revenue Refunding Bonds 2023B	5.04%	9/28/2023	1/15/2035	209,705,000	-	209,705,000	
Public Utility Revenue Refunding Bonds 2023C	4.00% - 5.00%	9/28/2023	1/15/2023	110,970,000	-	109,625,000	
Premiums on Debt Issued						49,869,339	49,835,874
Total Bonds and Notes						<u>\$ 1,122,946,238</u>	<u>\$ 954,382,623</u>

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

A. General Obligation Bonds

The City has traditionally issued general obligation bonds to provide funds for the construction and acquisition of major capital facilities of the primary government and including those used by the School Board component unit. General obligation bonds are direct obligations and secured by the full faith and credit of the City and are payable from taxes levied on properties located within the City. General obligation bonds have been issued for both governmental and business-type activities.

From time to time, the City has borrowed directly from the Virginia Resources Authority (“VRA”) for qualifying capital projects of the Stormwater Utility System. The Stormwater Utility Fund was created on July 1, 2009 to maintain and operate the City’s stormwater infrastructure by charging user fees to property owners based on the impervious area of a parcel. While the stormwater utility is an enterprise fund managed by the Department of Public Utilities, it is not part of the System as defined by the Master Indenture of Trust dated April 1, 1998. As a result, the City has been issuing general obligation bonds to provide funding for stormwater utility capital projects.

Qualified School Construction Bonds (“QSCB”) was a program introduced by the American Recovery and Reinvestment Act of 2009. The act provides Federal Government funded cash rebates and tax credits to bond investors, designed to lower the “all-in” borrowing costs of qualifying bond issues and stimulate the United States economy. The QSCB program is targeted to finance school construction projects. As such, the bond proceeds must be spent on qualifying school projects within three years of issuance and can only be used for financing new construction or renovation. It cannot be used to refinance existing debts. Under this program, the City has issued general obligation bonds of \$14,980,000 in 2010 and \$7,500,000 in 2012. The bond proceeds from Series 2010B were used to finance the construction of Broad Rock Elementary School and Series 2012D were used to finance the expansion and renovation of Martin Luther King Jr. Middle School. As of June 30, 2025, the outstanding principal balance on the City’s QSCB bonds, Series 2010D and 2012B, is \$14,980,000 and \$7,500,000 respectively.

B. General Obligation Notes

The City utilizes general obligation notes to meet financing requirements for the acquisition, planning, and construction of current and ongoing major capital improvement projects for the benefit of the City and the City’s Stormwater Utility System. All general obligation notes are direct borrowings that pledge the full faith and credit of the City, payable from the City’s General Fund. Equipment Notes were issued to purchase vehicles for the fleet team. The City issued Equipment Notes to finance the acquisition of vehicles for the benefit of the Fleet Management Non-Major Enterprise Fund. Line of Credit Bond Anticipation Notes (“BAN”) meet the current financing requirements of capital projects, where the City will refund the outstanding principal of the issue with a general obligation bond issuance in the future.

C. Housing & Urban Development (“HUD”) Section 108 Notes

Housing & Urban Development (“HUD”) Section 108 Notes is a financing alternative to address gap financing for qualified projects of scale utilized by the City’s Department of Economic and Community Development.

On May 28, 2015, the City converted \$10,125,000 of outstanding HUD Section 108 variable rate notes to fixed rate notes, known as Series 2015A. The City had originally issued this debt on September 26, 2012 to fund an economic development loan program. The Series 2015A HUD Notes are repayable over 17 years with the final maturity due August 1, 2032. As of June 30, 2025, outstanding principal balance is \$5,165,000 for this issuance.

On March 28, 2018, 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 with the final maturity due August 1, 2038. As of June 30, 2025, outstanding principal balance is \$1,825,000 for this issuance.

D. Revenue Bonds

Revenue Bonds are limited liability obligations where revenues derived from the respective acquired or constructed assets are pledged to pay debt service. The City’s Department of Public Utilities utilizes revenue bonds to finance expenditures for

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

improvement and expansions of the Gas, Water and Wastewater Enterprise Funds. Additionally, the City's Economic Development Authority ("EDA") can also issue tax-exempt bonds to acquire, construct, lease, remodel, renovate and equip public infrastructure within the City.

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

Governmental Activities:

<u>Fiscal Year</u>	(In Thousands)					
	<u>General Obligation Bonds (Bonds)</u>		<u>General Obligation Bonds (Direct Borrowing)</u>		<u>General Obligation Equip Notes (Direct Borrowing)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	54,120	36,474	-	-	1,418	30
2027	53,292	33,852	-	-	869	15
2028	53,307	31,259	-	-	587	6
2029	55,498	28,644	-	-	-	-
2030	71,112	25,588	-	-	-	-
2031 - 2035	258,071	93,325	-	-	-	-
2036 - 2040	194,886	51,854	-	-	-	-
2041 - 2045	84,252	22,759	-	-	-	-
2046 - 2050	27,175	12,727	-	-	-	-
2051 - 2055	32,845	7,055	-	-	-	-
2056 - 2060	15,055	909	-	-	-	-
Subtotal	899,613	344,446	-	-	2,874	51
Premium	49,869	-	-	-	-	-
Total	<u>\$ 949,482</u>	<u>\$ 344,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,874</u>	<u>\$ 51</u>

<u>Fiscal Year</u>	(In Thousands)			
	<u>HUD Section 108 Notes (Direct borrowing)</u>		<u>Line of Credit Bond Anticipation Notes (Direct Borrowing)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	740	220	163,600	-
2027	751	198	-	-
2028	760	174	-	-
2029	771	150	-	-
2030	780	125	-	-
2031 - 2035	2,667	257	-	-
2036 - 2040	521	37	-	-
2041 - 2045	-	-	-	-
2046 - 2050	-	-	-	-
2051 - 2055	-	-	-	-
2056 - 2060	-	-	-	-
Total	<u>\$ 6,990</u>	<u>\$ 1,161</u>	<u>\$ 163,600</u>	<u>\$ -</u>

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

Business-Type Activities:

(In Thousands)

Fiscal Year	General Obligation Bonds (Bonds)		General Obligation Bonds & Notes (Direct Borrowing)		Line of Credit Bond Anticipation Notes (Direct Borrowing)	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	4,850	2,592	388	540	33,300	-
2027	5,023	2,419	16,979	573	-	-
2028	5,203	2,238	113	-	-	-
2029	5,397	2,048	113	-	-	-
2030	5,593	1,852	113	-	-	-
2031 - 2035	16,354	6,748	530	-	-	-
2036 - 2040	9,189	4,492	365	-	-	-
2041 - 2045	8,633	2,144	-	-	-	-
2046 - 2050	3,275	963	-	-	-	-
2051 - 2055	3,125	256	-	-	-	-
Subtotal	66,642	25,751	18,600	1,113	33,300	-
Premium	1,810	-	-	-	-	-
Total	<u>\$ 68,452</u>	<u>\$ 25,751</u>	<u>\$ 18,600</u>	<u>\$ 1,113</u>	<u>\$ 33,300</u>	<u>\$ -</u>

(In Thousands)

Fiscal Year	Utility Revenue Bonds (Bonds)		Utility Revenue Bonds (Direct Borrowing)	
	Principal	Interest	Principal	Interest
2026	33,705	31,593	5,725	83
2027	35,850	30,130	5,750	57
2028	36,535	28,556	5,777	31
2029	38,305	26,935	5,083	8
2030	39,715	25,226	4,653	-
2031 - 2035	199,845	96,680	15,551	-
2036 - 2040	124,335	56,199	8,791	-
2041 - 2045	150,760	30,699	5,777	-
2046 - 2050	57,185	9,247	-	-
2051 - 2055	12,665	1,091	-	-
Subtotal	728,900	336,356	57,105	179
Premium	48,026	-	-	-
Total	<u>\$ 776,926</u>	<u>\$ 336,356</u>	<u>\$ 57,105</u>	<u>\$ 179</u>

Defeasance of Debt

On September 28, 2023, the City had purchased US Government Securities with proceeds of the City's Public Utility Revenue Refunding Bonds, Series 2023B (Federally Taxable) to advance refund the stated maturities on January 15, 2028 through 2035 of the City's Public Utility Revenue and Refunding Bonds, Series 2016A on January 15, 2026. The related refunded bonds are still outstanding as of June 30, 2025.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>CUSIP</u>
1/15/2028	\$ 26,080,000	5.000%	765433KF3
1/15/2029	27,830,000	5.000%	765433KG1
1/15/2030	29,230,000	5.000%	765433KH9
1/15/2031	30,690,000	5.000%	765433KJ5
1/15/2032	32,225,000	5.000%	765433KK2
1/15/2033	33,835,000	5.000%	765433KL0
1/15/2034	13,980,000	5.000%	765433KM8
1/15/2035	14,685,000	5.000%	765433KN6

Also, on September 28, 2023, the City had purchased US Government Securities with proceeds of the City's Public Utility Revenue and Refunding Bonds, 2023C to advance refund a stated maturity on January 15, 2031 through 2035 of the City's Public Utility Revenue Refunding Bonds, 2020B (Federally Taxable). The related refunded bonds are still outstanding as of June 30, 2025.

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>CUSIP</u>
1/15/2028	\$ 26,080,000	5.000%	765433KF3
1/15/2029	27,830,000	5.000%	765433KG1
1/15/2030	29,230,000	5.000%	765433KH9
1/15/2031	30,690,000	5.000%	765433KJ5
1/15/2032	32,225,000	5.000%	765433KK2
1/15/2033	33,835,000	5.000%	765433KL0
1/15/2034	13,980,000	5.000%	765433KM8
1/15/2035	14,685,000	5.000%	765433KN6

These US Government Securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments due in the refunded bonds. Accordingly, the trust account's assets and liabilities for the defeasance of bonds are not included in the City's financial statements.

Legal Debt Limit

Article VII, Section 10 of the Constitution of Virginia provides that the legal debt limit for cities for issuing General Obligation debt is ten (10.0) percent of the last preceding assessment for real estate taxes. As of June 30, 2025, the City had a legal debt limit of \$4,122,752,200 (10.0 percent of the taxable real estate value in the City). The City's outstanding balance of debt applicable to the debt margin is \$1,191,618,683, leaving the statutory capacity to issue additional General Obligation debt of approximately \$2,931,133,517 (remaining legal debt margin).

Authority to Issue Debt

As of June 30, 2025, the City had a total of \$764,257,022 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, \$457,975,639 is earmarked for self-supporting Public Utility Revenue Bond funded projects; \$60,191,102 for Stormwater Utility capital improvement projects and acquisition of equipment; \$238,710,281 for various General Fund supported capital projects and \$7,380,000 for funding of equipment purchases.

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Bond Ratings

The City of Richmond periodically has three bond rating firms provide credit evaluations of the City's outstanding General Obligation and Public Utility Revenue bond debt.

The current bond rating of the City's outstanding bond debt by each firm is as follows:

General Obligation Bonds

Moody's	Aa1	(Stable Outlook)
Standard & Poor's ("S&P")	AA+	(Positive Outlook)
Fitch Ratings	AAA	(Stable Outlook)

Public Utility Revenue Bonds

Moody's	Aa1	(Stable Outlook)
Standard & Poor's ("S&P")	AA	(Stable Outlook)
Fitch Ratings	AA	(Stable Outlook)

Pollution Remediation

In fiscal year 2025, The City's Department of Public Utilities (DPU) began remediation of contaminated soil on a 8-acre parcel of land that was the former site of Fulton Gas Works. The City identified the contamination as heavy metals and residual petrochemicals, and while the City was not under an order to clean up the site by any federal, state, or local authorities, the City has voluntarily initiated remediation. This action establishes a legal obligation because the City has legally committed itself to begin cleanup activities.

The City's DPU, in consultation with an independent environmental consultant, developed a remediation plan. The estimated outlays for the cleanup were measured using an expected outlays technique, reflecting the current estimate to complete the remediation.

The liability for the remediation is currently estimated at \$5,000,000 and is reported in the government-wide statement of net position and the proprietary statement of net position. This estimate is based on existing regulations and current technology and is subject to potential change. Adjustments to the liability will be made if new information indicates increases or decreases in estimated costs. The remediation is expected to be completed within the next 12 months.

The city has not identified any potentially responsible parties for this contamination. No recoveries from insurance or other parties have been recognized to reduce the measurement of this liability.

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8. FUND BALANCES

Fund balances have been classified to reflect the limitations and restrictions placed on the respective funds. Fund balances at June 30, 2025, are composed of the following:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Non-Major Governmental Funds</u>
Nonspendable:				
Prepaid	\$ 1,139,074	\$ -	\$ -	\$ -
Total Nonspendable	<u>1,139,074</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted To:				
Capital Projects	-	19,423,429	175,040,916	-
NM Governmental Funds	-	-	-	62,098,249
Total Restricted	<u>-</u>	<u>19,423,429</u>	<u>175,040,916</u>	<u>62,098,249</u>
Committed To:				
Budget and Revenue Stabilization Contingency	34,021,864	-	-	-
School Board Operations	109,035	-	-	-
Total Committed	<u>34,130,899</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned To:				
Encumbrance Roll Forward	40,773,011	-	-	-
Capital Reserve	8,872,577	-	-	-
Percent for the Arts	254,396	-	-	-
School Facilities	9,762,339	-	-	-
Unspent Building Code Fees	6,909,995	-	-	-
COVID-19 Contingencies	547,557	-	-	-
Special Purpose	1,267,472	-	-	-
Employee Compensation Reserve	6,000,000	-	-	-
Unfunded Liability	1,796,612	-	-	-
Revolving Land Acquisition	1,750,000	-	-	-
Radio Shop Reserve	3,787,046	-	-	-
Risk Reserve	12,786,293	-	-	-
Total Assigned	<u>94,507,298</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned:				
Total Unassigned	140,678,915	-	(185,525,679)	(1,260,312)
Total Fund Balances	<u>\$ 270,456,186</u>	<u>\$ 19,423,429</u>	<u>\$ (10,484,763)</u>	<u>\$ 60,837,937</u>

9. RISK MANAGEMENT

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

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

For workers' compensation claims, the City assumes the first \$2,000,000 for Heart, Lung and Cancer presumptive claims for Public Safety Officer and \$2,000,000 for all other employees and non-presumptive claims for Public Safety Officers. The City pays claims filed directly from appropriations to various agencies. Excess workers' compensation coverage provides protection for accidents exceeding the self-insured retentions noted above. Claims for indemnity benefits may be paid over a maximum period of 500 weeks with the exception of certain legally defined cases, which may be paid for the lifetime of the claimant.

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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 \$20,000,000 in excess liability coverage over a \$1,500,000 self-insured retention from Virginia Association of Counties Risk Group (VACorp). Claims under the \$1,500,000 self-insured retention are paid by the Risk Management agency within the General Fund.

The City's Department of Public Utilities (DPU) is a member of the Associated Electric Gas and Insurance Services, Ltd., a member-owned company based in New Jersey. In exchange for an annual premium, the utilities are provided insurance coverage to a limit of \$35,000,000 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 \$100,000,000 in excess of the \$35,000,000 underlying coverage.

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

During the fiscal year ended June 30, 2025, premiums for excess coverage and claims paid for self-insured coverage were recognized as revenue and recorded as expenditures or expenses in the appropriate Governmental and Proprietary Funds, respectively.

The City's aggregate actuarially determined liability for uninsured workers' compensation, general liability, and automobile liability at June 30, 2025, was \$47,864,378 (undiscounted) and \$47,004,002 (discounted at 3.50 percent). Changes in the aggregate for these liabilities for FY2024 and FY2025 were:

<u>Fiscal Year</u>	<u>Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims and Premium Payments</u>	<u>Balance at Fiscal Year End</u>
2024	\$ 41,560,137	\$ 11,050,000	\$ (9,034,095)	\$ 43,576,042
2025	\$ 43,576,042	\$ 9,950,000	\$ (6,522,040)	\$ 47,004,002

Workers' compensation, general liability, and automobile liability future payment projections for fiscal period July 1, 2025, through June 30, 2026, are as follows:

<u>Probability Level</u>	<u>Discounted</u>	<u>Undiscounted</u>
90.00%	\$ 14,532,758	\$ 14,784,894
75.00%	\$ 12,956,315	\$ 13,181,100
Central Estimate	\$ 11,602,714	\$ 11,804,015

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 Richmond Retirement Plan's 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

**CITY OF RICHMOND, VIRGINIA
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- Have worked for the City for 10 or more years with 5 years of continuous participation on the health insurance program immediately prior to retirement

City Subsidy

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

<u>Years of Active Service</u>	<u>Monthly Health Assessment Subsidy</u>	<u>Monthly No Health Assessment Subsidy</u>
25 +	\$ 425.00	\$ 400.00
20 to 24	\$ 325.00	\$ 300.00
15 to 19	\$ 225.00	\$ 200.00
10 to 14	\$ 125.00	\$ 100.00
Less than 10	\$ 0.00	\$ 0.00

Benefits

CIGNA Healthcare is contracted as the third-party administrator for the medical plans. The City offers three medical plan options: Plan 1 HDHP, Plan 2 (formerly Classic) and Plan 3 (formerly Premier). In-network services for the Plan 1 HDHP are covered at 80 percent after the calendar year deductible is met. In-network services for the Plan 2 are covered at 80 percent with a \$25 office visit co-pay for Primary Care Physicians, and a \$50 office visit co-pay for Specialists. In-network services for the Plan 3 are covered at 90 percent with a \$20 office visit co-pay for Primary Care Physicians, and a \$40 office visit co-pay for Specialists. Out-of-network providers are covered at 50 percent. Wellness checkups and services are covered at 100 percent. Prescription drug coverage is included with all medical plans, utilizing a four-tier co-pay structure and optional mail order to refill prescriptions. Retirees are only allowed to enroll in the Plan 1 HDHP or Plan 2 as of January 2022. The City pays the full cost of the coverage for life for Line of Service Retirees.

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

	Health Insurance Primary Government	
	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2024</u>
Unpaid Claims Beginning of Fiscal Year	\$ 4,202,000	\$ 3,411,000
Incurred Claims (including IBNR)	57,600,803	50,358,338
Claim Payments	(57,529,803)	(49,567,338)
Unpaid Claims End of Fiscal Year	<u>\$ 4,273,000</u>	<u>\$ 4,202,000</u>

11. RETIREMENT PLANS

Richmond Retirement System (RRS)

Defined Benefit Plan

A. Plan Description

The RRS was established by action of the Richmond City Council on February 1, 1945. The City Council appoints five members and the Mayor appoints two members of the Board of Trustees to administer the RRS. However, City Council retains the authority to establish or amend benefit provisions. The RRS is currently not subject to the provisions of the Employee Retirement Income Security Act of 1974.

The RRS is a single-employer Defined Benefit Plan. The RRS has one participating employer, the City, including its component unit Richmond Behavioral Health Authority and a small portion of Richmond Public Schools. The plan covers all full-time permanent employees, with the exception of those elected officials and persons eligible for membership in the Judicial Retirement System and the Virginia Retirement System. A majority of the employees of the School Board participate in the Virginia Retirement System (VRS), which offers both agent and cost sharing multiple-employer retirement plan options to Virginia localities and acts as a common investment and administrative agent for certain political subdivisions in the Commonwealth of Virginia. Members are vested after five years of creditable service or at their normal retirement age (age 65 for General Employees; age 60 for Public Safety Employees). The plan is now closed to new hires with the exception of elected officials.

B. Contribution Policy

The City Code of 1993, as amended, requires the City to contribute to the RRS, annually, an amount as determined by the actuarial, expressed as a percentage of payroll, equal to the sum of the normal contribution and the actuarial determined contribution.

The actuarial determined contribution is the amount necessary to amortize the unfunded actuarial liability and any increase or decrease in the unfunded actuarial liability in future years due to changes in actuarial assumptions, changes in RRS provisions, including the granting of ad hoc COLA increases, or actuarial gains or losses amortized over a closed period not to exceed 30 years.

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

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

- Actuarial cost method – Entry Age Normal
- Amortization method – Level percent of pay over a closed period not to exceed 30 years for Police and Fire Employees; level dollar amount over a closed period, not to exceed 30 years for general members.
- Remaining amortization period – 6 years for remaining unfunded accrued liability as of July 1, 2025; Other new bases are amortized over 20 years.
- Asset valuation method – Five-year spread of actual over expected investment earnings with the restriction that the resulting value must be within 90%-110% of market value.
- Inflation rate - 2.5 percent.
- Salary increases General Employees – 3.50 percent to 5.00 percent.
- Salary Increases – Police and Fire Employees from 3.00 percent to 5.50 percent.
- Investment rate of return – 6.75 percent.
- For the fiscal year ended June 30, 2025 and 2024, the annual money-weighted rates of return was 10.5%. Annual money-weighted rate of return is calculated net of all investment management expenses and additional plan investment-related expenses that are reported by the Plan's custodian or were provided to the investment consultant by the RRS. The methodology used to determine the money-weighted rate of return is different from the calculation of the fiscal year rate of return. Cash flows have a larger impact on the money-weighted rate of return than the fiscal year rate of return, which uses a time-weighted calculation.
- For purposes of determining contribution rates, the difference between actual investment earnings and expected investment earnings is recognized over a five-year period, with the restriction that the actuarial asset value cannot be less than 90.00 percent or more than 110.00 percent of market value. This smoothing method is utilized in order to minimize the impact of short term market fluctuations on the RRS contribution rates and funded status. Fair market value of investments was used to determine NPL.

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D. Plan Membership

As of June 30, 2025, membership in the RRS was comprised as follows:

Active vested Plan members	1,000
Active Non-vested Plan members	55
401 (a) defined contribution plan members	97
Virginia Retirement System plan members	142
Terminated Vested Plan members	1,464
Retirees and beneficiaries receiving benefits	4,051
Total	6,809

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, 2025, for the RRS was as follows.

Total pension liability (TPL)	\$	1,005,143,217
Plan fiduciary net position		813,332,472
City's net pension liability (NPL)	\$	191,810,745
Plan fiduciary net position as a percentage of the total pension liability		80.92%
Covered payroll	\$	105,262,306
City's net pension liability as a percentage of covered payroll		182.22%

The City's net pension liability is calculated based on a measurement date of June 30, 2024.

Expected Rate of Return and Target allocation

The long-term expected rate of return on RRS investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (e.g., expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset percentage and by adding expected inflation. The target asset allocation identifies the optimal asset mix strategy for the RRS. To ensure compliance with the policy, a rebalancing strategy is used. RRS is in the multiyear process of phasing in its asset allocation. Best estimates of geometric return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 are summarized in the table below:

Asset Class	10-Yr. Assumptions Geometric Return	Target Asset Allocation
Broad U.S. equities	7.35%	24.00%
International equities	7.25%	16.00%
Diversifying assets	5.70%	6.00%
Private equity	8.50%	9.00%
Fixed income	4.75%	34.00%
Private Debt	7.25%	6.00%
Real estate (core)	6.25%	5.00%

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F. Sensitivity of the Net Pension Liability

Changes in the discount rate affect the measurement of pension liabilities; therefore, a small change in the discount rate could result in a significant change in the NPL. As an illustration, the following table present the NPL for the RRS, calculated using the discount rate of 7.00 percent, as well as, what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	Sensitivity of the NPL to Changes in the Discount Rate		
	1.00% Decrease	Current Discount Rate	1.00% Increase
	6.00%	7.00%	8.00%
Plan Net Pension Liability	\$ 286,181,248	\$ 191,810,745	\$ 110,378,259

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 makes 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	\$ -	\$ -
Net difference between expected and actual investment earnings	4,461,882	-
Change in assumptions	34,263,083	-
Employer contributions subsequent to the measurement date	186,341,015	-
Total	\$ 225,065,980	\$ -

Deferred outflows of resources for contributions subsequent to measurement date will be recognized in net pension liability in fiscal year ended 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over specific years and recognized in pension expense in future years as shown below:

Amortization Schedule of Deferred Outflows and Inflows of Resources		
Year Ended June 30,		
2026	\$	10,351,470
2027	\$	29,018,081
2028	\$	3,756,377
2029	\$	<u>(4,400,963)</u>
Total	\$	38,724,965

For the year ended June 30, 2025, the City recognized RRS pension expense of \$46,903,494.

CITY OF RICHMOND, VIRGINIA
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The components of this pension expense include the following:

PENSION EXPENSE - RRS	
Service Cost	\$ 12,131,222
Interest Cost	65,848,080
Benefit Changes	-
Experience Loss/(Gain)	3,851,080
Contribution Employee	(4,415,496)
Change in Assumption	2,709,125
Net Investment Income	
Expected Return on Investments	(44,247,444)
Investment Gain or Loss Expensed	(4,400,963)
Administrative Expense	1,747,478
Amortization	13,680,412
Pension Expense	<u>\$ 46,903,494</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 1,850 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 10 years of service 1.00 percent
- 10 to 15 years of service 3.00 percent
- 15 or more years of service 5.00 percent

The contribution to the RRS plan by the City is determined and approved annually by the RRS' Board of Trustees. RRS' Financial can be accessed at: www.rva.gov/retirementsystem/retirement-plan-information

Virginia Retirement System (VRS)

A. Plan Description

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

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- Members hired before July 1, 2010, and who were vested as of January 1, 2013, are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit as early as age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010, and who were not vested on January 1, 2013, are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Members hired on or after January 1, 2014, are covered under the Hybrid Plan. The VRS Hybrid Retirement Plan combines features of a defined benefit and a defined contribution plan. Employees covered under the VRS Hybrid Plan are eligible for an unreduced benefit when they reach their normal Social Security retirement age or when their age and service equal the sum of 90. Benefits are payable monthly for life in an amount equal to 1.00 percent of their Average Final Salary (AFS) for each year of credited service. Hybrid members make mandatory contributions to the defined contribution component of the plan and may make additional voluntary contributions to the plan, which the employer is required to match. Employees vest in the matching employer contributions based upon a tiered schedule. Employees are 100.00 percent vested in all matching employer contributions upon reaching 4 years of creditable service.

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

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

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

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

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B. Contribution Policy

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

The City's contractually required contribution rate for the year ended June 30, 2025, was 14.71 percent of covered employee compensation. This rate was based on an actuarial determined rate from an actuarial valuation of June 30, 2023. 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, 2025, were \$11,012,496.

C. Plan Membership

At June 30, 2023, the valuation date, City membership in the VRS was comprised as follows:

Active members	403
Long-Term Disability	1
Members and their beneficiaries receiving benefits	551
Members active elsewhere in VRS	285
Inactive Non-vested members	217
Inactive Vested members	150
Total	1,607

D. Net Pension Liability

For the City of Richmond, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of July 1, 2023. 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, 2025, was as follows:

Total Pension Liability	\$ 166,453,427
VRS Fiduciary Net Position	169,634,579
Net Pension Liability/Asset	<u>\$ (3,181,152)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.91%
Covered Payroll	\$ 58,834,023
City's Net Pension Liability as a Percentage of Covered Payroll	(5.41)%

E. Actuarial Methods and Assumptions

The City's net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all period included in the measurement and rolled forward to the measurement date of June 30, 2024.

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Actuarial Assumptions for General Employees

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

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

Actuarial Assumptions for Public Safety Employees

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

- Inflation 2.50 percent
- Salary Increase 3.50 percent to 4.75 percent
- Investment Rate of Return net of pension plan investment expense 6.75 percent
- PUB-2010 Mortality rate tables (amount weighted) with fully generational mortality improvements projected using 75% of the MP-2020 projected scale.

Long Term Expected Rate of Return

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

Long Term Expected Rate of Return			
	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP-Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00)%	3.50%	(0.11)%
	<u>100.00%</u>		<u>7.07%</u>
		*Expected arithmetic nominal return	7.07%

* The above allocation provides a one-year return of 7.07 percent (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS statutes, and the employer contribution will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. From July 1, 2024, on, participating VRS employers are assumed to contribute 100.00 percent of the actuarial determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

	Total Pension Liability (a)	Total Fiduciary Net Pension (b)	Net Pension Liability/(Asset) (a)-(b)
Balance as of June 30, 2023	155,141,231	153,368,291	1,772,940
Change for the year:			
Service Cost	3,498,397	-	3,498,397
Interest	10,386,727	-	10,386,727
Change in Benefit Terms	-	-	-
Change in Assumptions	-	-	-
Difference Between Expected and Actual Experience	6,951,452	-	6,951,452
Contributions - Employer	-	8,123,794	(8,123,794.00)
Contributions - Employee	-	2,888,702	(2,888,702)
Net Investment Income	-	14,871,596	(14,871,596)
Benefit Payments, Including Refunds of Employee Contributions	(9,524,380)	(9,524,380)	-
Pension Plan Administrative Expense	-	(96,485)	96,485
Other Changes	-	3,061	(3,061)
Net Changes	11,312,196	16,266,288	(4,954,092)
Balance as of June 30, 2024	166,453,427	169,634,579	(3,181,152)

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, 2023. 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 makes up of deferred inflows of resources and deferred outflows of resources is as follows:

Summary of Deferred Outflows and Inflows of Resources-VRS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,510,139	\$ 96,586
Changes in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	4,259,054
Employer contribution subsequent to the measurement date	11,012,496	-
Total	\$ 14,522,635	\$ 4,355,640

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The deferred inflows of the VRS are amortized over a period of 4 years and are presented below to show the amount to be recognized in pension expense in future years. The deferred outflows made subsequent to the measurement date are not amortized. The \$14,522,635 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Amortization Schedule of Deferred Outflows and Inflows of Resources		
Year Ended June 30,		
2026	\$	(447,371)
2027		1,310,045
2028		(813,742)
2029		(894,433)
Total	\$	(845,501)

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

	Sensitivity of the NPL to Changes in Discount Rate		
	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
Plan Net Pension Liability	\$ 16,242,291	\$ (3,181,152)	\$ (19,173,827)

For the year ended June 30, 2025, the City recognized VRS pension expense of \$872,404. The components of this pension expense include the following:

PENSION EXPENSE - VRS	
Service Costs	\$ 3,498,397
Interest on the total pension liability	10,386,727
Expensed portion of current-period difference between expected and actual experience in the total pension liability	3,441,313
Expensed portion of current period changes in assumptions	-
Member contributions	(2,888,702)
Projected earning on plan investments	(10,399,431)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(894,433)
Administrative expenses	96,485
Other	(3,061)
Recognition of beginning deferred outflows of resources as pension expense	3,323,050
Recognition of beginning deferred inflows of resources as pension expense	(5,687,941)
Pension Expense	<u>\$ 872,404</u>

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Aggregated Pension Expense

For the year ended June 30, 2025, the City recognized total pension expense of \$47,775,898 RRS accounted for \$46,903,494 of the total and VRS accounted for the remainder of \$872,404.

	Pension Plans			OPEB Plans		
	RRS	VRS	Total	City	VRS	Total
Net Pension/OPEB Liability	\$ 191,810,744	\$ (3,181,152)	\$ 188,629,592	\$ (3,610,321)	\$ 2,562,046	\$ (1,048,275)
Deferred Outflows of Resources	\$ 225,065,980	\$ 14,522,635	\$ 239,588,615	\$ 1,214,363	\$ 1,940,745	\$ 3,155,108
Deferred Inflows of Resources	\$ -	\$ 4,355,640	\$ 4,355,640	\$ 37,965,396	\$ 534,267	\$ 38,499,663
Pension/OPEB Expense	\$ 46,903,494	\$ 872,404	\$ 47,775,898	\$ (2,116,909)	\$ (248,752)	\$ (2,365,661)

12. OTHER POSTEMPLOYMENT BENEFITS

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

Other Post Employment Benefit Plans

A. City of Richmond OPEB Plan Description

The City provides continuous medical insurance coverage for some full-time employees who retire directly from the City, have continuously been enrolled in the health plans for 5 years prior to retirement, and are eligible to receive an early or regular retirement benefit from the City. In addition, they must be employed with the City for at least 10 years of creditable service at retirement. Dental insurance also continues after retirement at the retiree rate. The plan has been changed to only value participants who are currently retired and active members that were hired prior to July 1, 2006. Sworn Police, Sworn Fire, Sworn VRS, and Executives currently not in the defined contribution group are also able to participate in the post- retirement medical coverage even if they were hired after July 1, 2006. All other members hired after this date are assumed to pay the full cost of the program with no implicit rate subsidy and, therefore, have no liability reported under GAAP.

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

Currently the plans offered to retirees provided by the Connecticut General Life Insurance Co. are Choice Fund Open Access Plus HSA Plan Healthcare Plan 1 and the Open Access Plus Plan Healthcare Plan 2. Retirees that become Medicare Eligible are no longer eligible for the City of Richmond retiree medical plan..

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

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

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

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

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

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

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

The number of employee participants as of June 30, 2025, 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	1,285
Retired Employees	<u>60</u>
Total	1,345

Pre-Medicare retirees who participate in the plan pay the full active rate less the contribution from the City of Richmond if they are eligible for the subsidy. Below are the full cost of the monthly premium rates projected at 7.50% of the valuation year:

	OPEB Classic Plan	High Deductible Plan
Retiree Only	\$1,350	\$1,108
Retiree + Spouse	\$2,720	\$2,236

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 2025, there was not a contribution to this pooled investment trust and the assets of the trust have been segregated or restricted to provide for other post-retirement benefits in the future.

b. Actuarial Methods and Assumptions

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

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

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

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

The assumptions used in the basis of the June 30, 2025 valuation include:

- Salary Increases – Not applicable
- Discount Rate – The discount rate is 6.75 percent per annum as of June 30, 2025 compared to the prior discount rate of 6.75 percent as of June 30, 2024.
- Valuation Date - June 30, 2025
- Expected Long – Term Rate of Return on Plan Assets – Not applicable
- Plan Participation – 10.00 percent of employees will elect coverage at retirement.
- Dependent Coverage – 30.00 percent of retirees who elect coverage at retirement will also cover their spouse at retirement.
- Administrative Expenses - The weighted average admin expense based on current retiree enrollment between plan designs is \$76.00 per annum.
- Investment Policy - Not Applicable
- Coordination with Medicare - Not Applicable
- Age Variance - the medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.

Actuarial Methods:

- Actuarial Method - Retiree postemployment benefit expenses are determined under the Entry Age Normal cost method.
- Asset Valuation Method – Market Value of Assets
- Amortization Period - For Statement 75 contribution calculations: 20 years (closed) beginning July 1, 2017 For Statement No. 75: Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 9 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
- Mortality Rates - were based on the PUB-2010 General Government Healthy, Disabled and Contingent Survivor Headcount Weighted Tables. Future mortality improvement to be generational with 75% MP-2021 Improvement Scale. These Mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2021 Comprehensive Annual Financial Report for the Virginia Retirement System.
- The actuarial projections are based on established patterns of practice as promulgated by the Actuarial Standards Board.

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c. Annual Per Capita Healthcare Cost

Effective for the July 1, 2025 actuarial valuation, an analysis of the City's claims experience was performed for the purposes of setting the retiree medical claims cost. The main purpose is to project the expected annual claims cost for current retirees and future retirees who are currently active.

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

July 1 2025 annual per capita claim	<u>Medical/RX*</u>
Retiree Age 65 Pre-Medicare	\$24,260
Spouse Age 65 Pre-Medicare	\$24,260

This claim is for a male at age 65. Medical claims are assumed to increase at the medical health care cost trend. The cost trend if 7.50% in 2025 grading uniformly to 6.60% over 3 years and following the Getzen Model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

Net OPEB Liability

The cost trend rate which is 7.50% grading uniformly to 6.60% over a 3 year period. The following table shows the components of City's annual OPEB liability at June 30, 2025 using a measurement date as of June 30, 2025.

Total OPEB Liability	\$ 8,639,338
Plan Fiduciary Net Position	(12,249,659)
Net OPEB Liability - June 30	\$ (3,610,321)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	141.79%
Covered Payroll	\$ 112,341,226
Net OPEB Liability as a Percent of Covered Payroll	(3.21)%

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The table below shows the Net OPEB Liability measured as of June 30, 2025, which totals \$(3,610,321). The total OPEB Liability of \$8,639,338 when combined with the Fiduciary Net Position of the OPEB Pooled Trust Assets \$12,249,659 generates a \$(3,610,321) Net OPEB Liability. While the plan has been a pay-as-you-go plan, in 2019 the City began to invest Assets in a Pooled Investment Trust for the purpose of accumulating Assets to pay OPEB expenses.

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2024	\$ 8,294,048	\$ 11,265,793	\$ (2,971,745)
Changes for the Year			
Service Cost	192,586	-	192,586
Interest on Total OPEB Liability	523,915	-	523,915
Benefit changes	-	-	-
Experience Losses (Gains)	63,895	-	63,895
Changes in Assumptions	289,821	-	289,821
Contributions - Employer	-	724,927	(724,927)
Contributions - Members	-	-	-
Net Investment Income	-	992,689	(992,689)
Benefits Paid	(724,927)	(724,927)	-
Administrative Expenses	-	(8,823)	8,823
Recognition of Prior Post-measurement Contribution	-	-	-
Other Changes	-	-	-
Amortization of or Change in Beginning Balances	-	-	-
Net Changes	345,290	983,866	(638,576)
Balances as of June 30, 2025	<u>\$ 8,639,338</u>	<u>\$ 12,249,659</u>	<u>\$ (3,610,321)</u>

The Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

Sensitivity of NOL to Change in Discount Rate			
	1.00% Decrease	Current Discount Rate	1.00% Increase
Net OPEB Liability	\$ (4,222,996)	\$ (3,610,321)	\$ (2,898,118)

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

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

Sensitivity of NOL to Change in Healthcare Cost Trend Rate			
	1.00% Decrease	Current Trend Rate	1.00% Increase
	5.75%	6.75%	7.75%
Net OPEB Liability	\$ (2,876,611)	\$ (3,610,321)	\$ (4,264,570)

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

Summary of Deferred Outflows and Inflows of Resources - City of Richmond		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience Losses	\$ 631,044	\$ 22,098,162
Change of Assumptions	372,633	15,388,630
Investment Losses *	210,686	478,604
Total	\$ 1,214,363	\$ 37,965,396
* Added as a reduction in subsequent year to total deferred resources		

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

Amortization of Deferred Inflows & Deferred Outflows of Resources		
Year Ending June 30:		
2026	\$	(7,449,437)
2027		(7,449,436)
2028		(7,387,430)
2029		(7,331,242)
2030		(2,461,156)
Thereafter		(4,883,018)
Total	\$	(36,961,719)

Note: Investment losses of \$210,686 added as a reduction in subsequent year in above chart

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

For the year ended June 30, 2025 the City recognized OPEB expense of \$(2,116,909). The components of this OPEB expense include the following:

OPEB EXPENSE		
Service Cost	\$	192,586
Interest Cost		523,915
Benefit Changes		-
Experience Loss/(Gain)		7,099
Contribution Employee		-
Change in Assumptions		32,202
Net Investment Income		-
Expected Return on Investments		(760,148)
Current Expense of Asset (Gain/Loss)		(46,508)
Administrative Expense		8,823
Amortization		(2,074,878)
Pension Expense	\$	(2,116,909)

B. Virginia Retirement System Group Life Insurance Other Post-Employment Benefits (VRS GLI OPEB)

a. VRS Plan Description

The Virginia Retirement System (VRS) Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan and provides coverage to state employees, teachers, and employees of participating political subdivisions. For the City of Richmond these eligible employees include Constitutional Officer Employees only.

The Group Life Insurance Program was established in July 1, 1960 pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Eligible Employees

Basic group life insurance coverage is automatic upon employment for constitutional employees that elect the program. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

Benefit Amounts

The benefits payable under the Group Life Insurance Program have several components.

- Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit – The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
 - Accidental dismemberment benefit
 - Safety belt benefit
 - Repatriation benefit
 - Felonious assault benefit
 - Accelerated death benefit option

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25 percent on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25 percent on each subsequent January 1 until it reaches 25 percent of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$9,532 as of June 30, 2025.

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b. Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34 percent of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80 percent (1.34% X 60%) and the employer component was 0.54 percent (1.34% X 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. The City of Richmond's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54 percent of covered employee compensation. This rate was based on an actuarial determined rate from an actuarial valuation as of June 30, 2021. 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 \$318,335 for the year ended June 30, 2025.

c. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2024.

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

Net Group Life Insurance (GLI) OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date June 30, 2024, Net OPEB Liability (NOL) for the Group Life Insurance Program is as follows:

	Group Life Insurance
	<u>OPEB Program</u>
Total GLI OPEB Liability	\$ 9,633,722
Plan Fiduciary Net Position	<u>7,071,676</u>
Employers' Net GLI OPEB Liability	<u>\$ 2,562,046</u>
Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability	73.41%

At June 30, 2025, the City of Richmond reported a liability of \$ 2,562,046 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2023. 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, 2024 relative to the total of the actuarial determined employer contributions for all participating employers. At June 30, 2024, the City of Richmond proportion was 0.22959 percent as compared to 0.11082 percent at June 30, 2023.

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For the year ended June 30, 2025, the City recognized GLI OPEB expense of \$(248,752). 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, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB program from the following sources:

Summary of Deferred Outflows and Inflows of Resources - VRS GLI		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 404,093	\$ 62,582
Net difference between projected and actual earnings on GLI OPEB program investments	-	215,954
Change of assumptions	14,604	126,970
Changes in proportionate share	1,203,712	128,761
Employer Contributions subsequent to the measurement date	318,336	-
Total	\$ 1,940,745	\$ 534,267

The \$318,336 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Amortization of Deferred Inflows & Deferred Outflows of Resources		
Year ended June 30,		
2026	\$	84,848
2027		256,955
2028		224,510
2029		266,999
2030		254,831
Thereafter		-
Total	\$	1,088,143

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Discount Rate

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

Sensitivity of Net Group Life OPEB Liability to Changes in the Discount Rate

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

Sensitivity of NOL to Changes in Discount Rate			
	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
VRS Net Group Life OPEB Liability	\$ 3,984,313	\$ 2,562,045	\$ 1,413,040

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)	Long-Term Target Asset Allocation	Arithmetic Long Term Expected Rate of Return	Weighted Average Long Term Expected Rate of Return
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP-Private Investment Partnership	1.00%	8.00%	0.08%
Diversity Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00)%	3.50%	(0.11)%
Total	<u>100.00%</u>		<u>7.07%</u>
		* Expected arithmetic nominal return	<u>7.07%</u>

*The above allocation provides a one-year return of 7.07 percent (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

VRS issues a publicly available comprehensive annual report that includes financial statements and OPEB information for the VRS Plan. A copy of the report can be obtained from the VRS website at <http://www.varetire.org/publications/2022-annual-report.pdf> or by writing to VRS Chief Financial Officer at P.O. Box 2500 Richmond, VA 23218-2500.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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 \$23,500 for calendar year 2025, or \$31,000 for those ages 50 and over, whichever is less. The compensation deferred is not available to employees until termination, retirement, death, or an unforeseeable emergency. In accordance with the amended provisions of IRC Section 457, all assets and income of the plan were transferred to a trust and are held for the exclusive benefit of participants and their beneficiaries. Matrix Trust Company is the Trustee for the plan and the City has contracted with a nongovernmental third party administrator to administer the plan. This plan is reported in accordance with GAAP as an Other Employee Benefits Trust Fund.

The contributions to plan for the year ended June 30, 2025 and the fair value of the plan investments were \$9,712,539.55 and \$183,630,128, respectively.

Employees in the Virginia Retirement System Hybrid Plan have a deferred compensation component of their retirement plan. Employees contribute 1% of their base salary to that plan, and the City also contributes 1% of their salary to the plan. Employees have the option to contribute an additional 4% of their salary to a 457 account through Virginia Retirement System. When employees contribute to the 457 account, the City matches that contribution, up to 2.5%, based on the rates below.

Employee Voluntary Contribution	Employer Matching Contribution
0.00%	0.00%
0.50%	0.50%
1.00%	1.00%
1.50%	1.25%
2.00%	1.50%
2.50%	1.75%
3.00%	2.00%
3.50%	2.25%
4.00%	2.50%

14. RIGHT-OF-USE ASSETS

A. Leases

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

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

Total future lease payments under lease agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	Principal	Interest	Principal	Interest	
2026	\$ 1,130,812	\$ 415,586	\$ 77,275	\$ 424,795	2,048,468
2027	960,807	393,313	79,625	422,445	1,856,190
2028	1,012,604	375,574	82,047	420,023	1,890,248
2029	1,065,397	356,287	84,542	417,528	1,923,754
2030	1,073,571	335,396	87,114	414,956	1,911,037
2031-2035	2,778,069	1,376,520	476,963	2,033,387	6,664,939
2036 and thereafter	11,662,666	1,842,241	13,307,503	13,260,358	40,072,768
Total lease payments	\$ 19,683,926	\$ 5,094,917	\$ 14,195,069	\$ 17,393,492	\$ 56,367,404

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$ 2,008,929	\$ -
Buildings and structures	24,558,024	--
Land and land use	--	15,074,352
Less: accumulated amortization	9,381,618	879,289
	<u>\$ 17,185,335</u>	<u>\$ 14,195,069</u>

The City, acting as lessor, leases various land, buildings, and equipment under long-term, non-cancelable lease agreements. The leases expire at various dates through 2055, including any applicable renewal options. During the year ended June 30, 2025, the Entity recognized \$687,385 and \$216,646 in lease revenue and interest revenue, respectively, pursuant to these contracts.

	<u>Governmental Activities</u>		
	Principal	Interest	Total
2026	\$ 574,996	\$ 242,720	\$ 817,716
2027	484,411	224,317	708,728
2028	349,548	207,612	557,160
2029	305,963	196,741	502,704
2030	275,596	187,275	462,871
2031-2035	1,615,062	793,126	2,408,188
2036 and thereafter	4,178,843	1,142,696	5,321,539
Total lease payments	\$ 7,784,419	\$ 2,994,487	\$ 10,778,906

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

B. Subscription-Based Information Technology Arrangements

The entity has entered into subscription-based information technology arrangements (SBITA's) for various software applications. The SBITA arrangements expire at various dates through 2030 and provide for renewal options.

As of June 30, 2025, SBITA assets and the related accumulated amortization totaled \$15,476,933 and \$5,854,534, respectively, for Governmental Type Activities and \$1,236,665 and \$515,544, respectively, for Business Type Activities.

The future subscription payments under SBITA agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2026	\$ 2,498,783	\$ 279,647	\$ 127,486	\$ 23,765	2,929,681
2027	2,706,097	192,246	139,143	19,671	3,057,157
2028	2,700,964	81,326	151,552	15,203	2,949,045
2029	7,523	-	164,758	10,335	182,616
2030	-	-	159,588	5,043	164,631
2031 - 2035	-	-	-	-	-
2035 and thereafter	-	-	-	-	-
Total	\$ 7,913,367	\$ 553,219	\$ 742,527	\$ 74,017	9,283,130

15. CONTINGENCIES, COMMITMENTS AND OTHER MATTERS

A. Combined Sewer Overflow (CSO)

The City operates an advanced wastewater treatment facility with a service area of 81.3 square miles that collects and treats a dry weather flow up to 45 million gallons per day (MGD) and a combination of dry weather flow and combined storm water at flows up to 140 MGD. Within about 35% of the City's service area, the main lines and interceptor lines are combined sewers. A system of retention facilities, storage tunnels, intercepting and trunk sewers links the separate sanitary 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 treatment. Phases I and II of the City's CSO control plan are complete. Phase III began in 2006 and is currently being modified to comply with Acts of the Virginia General Assembly, Chpt. 634, 2020 Va. SB 1064, approved April 2, 2020 and made effective July 1, 2020 ("2020 CSO Law"). The 2020 CSO Law establishes specific timeframes for the development and implementation of Interim and Final Plans to address combined sewer overflows (CSOs). Also in 2020, the State Special Order by Consent issued in 2005 was amended to revise certain provisions of the 2005 Order to align with requirements in the 2020 CSO Law.

The City has been cooperating with the Virginia Department of Environmental Quality (DEQ) and the Virginia State Water Control Board (Board) since the mid-1970's to address combined sewer overflow impacts and the discharge of partially treated combined sewage on the James River during wet weather. The City developed a CSO control plan to meet CSO Policy in 1988 and updated that control plan in 2002 and again most recently in 2024. As noted earlier, the 2020 CSO Law requires the City to make changes to its CSO control program. Specifically, the City submitted, as required an Interim plan in July 2021 and the Plan included projects that can be initiated within one year and completed no later than July 2027. The City submitted a Final Plan to DEQ in June 2024 before the July 2024 deadline. The Final Plan includes projects that will be initiated by July 2025 and completed no later than July 2035 subject to sufficient available funding and financing. The Final Plan was approved by DEQ in August 2024.

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

The City CSO control plan was estimated at \$295 million in 1995 dollars. To date, the City has spent over \$350 million which inflated to today's costs would equate to roughly \$780 million. The new CSO Final Plan is estimated to cost \$575 million in future inflated dollars. Funding for the past and future CSO control plan implementation is a combination of ratepayer dollars, state revolving loan fund debt, utility revenue bond debt and state and federal grants. Under the 2005 agreement with the Board, the City is required to raise revenue for implementation of its CSO Control Plan by raising and maintaining sewer rates such that the annual sewer bill for a typical residential customer will be at least 1.25% of the median household income (MHI) supplemented by the availability of federal and state grants. The City's sewer rates have exceeded the 1.25% of MHI requirement since July 2009 and are at 1.66% of MHI as of July 2025.

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 2054. The aggregate commitments under these contracts amounted to approximately \$1.15 billion at June 30, 2025.

16. DISCONTINUED OPERATIONS

The City did not have any operations which were discontinued during Fiscal Year 2024-2025.

17. SUBSEQUENT EVENTS

On July 8, 2025, the City's Department of Public Utilities ("DPU") established its \$60,000,000 General Obligation Line of Credit Bond Anticipation Note ("BAN") (Tax Exempt), Series 2025B, to Wells Fargo Municipal Capital Strategies, LLC to finance ongoing stormwater utility capital improvement projects as outlined in the Fiscal Year 2025 Adopted Capital Improvement Plan. The BAN bears interest at a rate of 3.36% on the unpaid principal, payable semi-annually on each January 15 and July 15, beginning on January 15, 2026, until final payment. The BAN has a final maturity of July 14, 2028, and the City anticipates refinancing this debt into a long-term general obligation bond in the future.

On December 12, 2025, the City's Department of Public Utilities ("DPU") issued its \$28,500,000 Public Utility Revenue Bonds, Series 2025C, to the Virginia Resources Authority ("VRA") to finance capital projects of the City's Department of Public Utilities' Wastewater Utility. Interest on the Bonds is evaluated on the dispersed principal balance thereof from the date of each disbursement at the rate of 0.50% per year, due and payable on July 15, 2026. Commencing January 15, 2027, and continuing semi-annually thereafter on January 15 and July 15 in each year, principal and interest due on the Bond will be payable in equal installments of \$618,710.65 with a final installment due and payable on January 15, 2051.

On December 19, 2025, the City's Department of Public Utilities ("DPU") issued its \$2,622,500 Public Utility Revenue Bonds, Series 2025D, to the Virginia Resources Authority to finance capital projects of the City's Department of Public Utilities' Water Utility. Interest on the Bond is evaluated on the dispersed principal balance thereof from the date of each disbursement at the rate of 1.00% per year, due and payable on July 15, 2028. Commencing January 15, 2029, and continuing semi-annually thereafter on January 15 and July 15 in each year, principal and interest due on the Bond will be payable in equal installments of \$74,180.22 with a final installment due and payable on January 15, 2048.

On January 15, 2026, the City issued its \$209,705,000 Public Utility Revenue Refunding Bonds, Series 2026A, to evidence a loan made to the City by Wells Fargo Municipal Capital Strategies, LLC. The proceeds of the Bonds will be used to refund the

CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

City's \$209,705,000 Public Utility Revenue Refunding Bonds, Series 2023B (Federally Taxable), pursuant to a resolution adopted on July 24, 2023, by the City Council of the City of Richmond, Virginia.

18. RESTATEMENTS

A. Error Corrections

During fiscal year 2024, the City of Richmond recorded \$36,834,220 of bonds issued on behalf of the Richmond Economic Development Authority for projects related to the Diamond District. During fiscal year 2025, it was determined that these bonds should not have been recorded by the City, resulting in a cash overstatement in fiscal year 2024. The following table presents a reconciliation of the beginning fund balance as a result of the correction.

	Debt Fund	Custodial Fund
Fund balance as 6/30/24, as previously reported	\$ 56,257,649	\$ 116,705
Error correction	(36,834,220)	36,834,220
As of 6/30/24, as fully adjusted	<u>\$ 19,423,429</u>	<u>\$ 36,950,925</u>

Because the Government-wide statements report on the full accrual basis, some activities are recorded on the Government-wide statements that are not recorded on the Governmental Activity statements. Because of this, the Government-wide statements do not have a change in Net Position from the correction. The following table presents a reconciliation of the government-wide changes as a result of the correction.

	Amount at 6/30/24, as previously reported	Error Correction	Amount at 6/30/24, as fully adjusted
Assets and Deferred Outflows	\$ 2,452,843,096	\$ (36,834,220)	\$ 2,416,008,876
Liabilities and Deferred Inflows	1,737,787,993	(36,834,220)	1,700,953,773
Net Position	<u>\$ 715,055,103</u>	<u>\$ -</u>	<u>\$ 715,055,103</u>

B. Change in Accounting Principle

The City implemented GASB Statement No. 101, which did not have a material impact on the City's beginning Net Position.

The Richmond Public School Board implemented GASB Statement No. 101, *Compensated Absences*, effective June 30, 2024, requiring a restatement of net position as of June 30, 2024. Calculating the compensated absence liability as of June 30, 2024 resulted in a decrease of \$148,623 to net position at June 30, 2024. The following table presents a reconciliation of net position impacted by implementing the new accounting standard:

	School Board Total Net Position
Net position at June 30, 2024, as previously reported	\$ 22,479,257
Change in Accounting Principle (Implementation of GASB 101)	<u>(148,623)</u>
As of June 30, 2024, as fully adjusted	<u><u>\$ 22,330,634</u></u>

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REQUIRED SUPPLEMENTARY



INFORMATION

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CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
City Taxes				
Real Estate	\$ 463,274,543	\$ 475,274,543	\$ 470,100,109	\$ (5,174,434)
Sales Tax	54,290,500	54,290,500	53,791,456	(499,044)
Personal Property	69,775,479	72,173,910	90,676,870	18,502,960
Machinery and Tools	15,608,065	15,608,065	15,448,994	(159,071)
Utility Sales Tax Gas	5,337,500	5,337,500	5,162,697	(174,803)
Utility Sales Tax Electric	14,513,862	14,513,862	14,875,560	361,698
State Communication Taxes	10,411,000	10,411,000	9,982,147	(428,853)
Bank Stock	11,000,000	11,000,000	11,855,628	855,628
Prepared Food	57,107,208	57,849,208	58,726,635	877,427
Cigarette Tax	1,670,000	1,862,000	1,861,047	(953)
Lodging Tax	9,562,000	8,450,000	11,345,127	2,895,127
Admission	3,540,500	3,540,500	3,931,784	391,284
Real Estate Taxes - Delinquent	13,573,175	13,573,175	13,081,886	(491,289)
Personal Property Taxes - Delinquent	11,054,439	11,054,439	6,447,733	(4,606,706)
Penalties and Interest	7,084,447	7,084,447	5,163,967	(1,920,480)
Titling Tax-Mobile Home	7,850	7,850	-	(7,850)
Property Rental 1%	109,867	109,867	333,430	223,563
Vehicle Rental Tax	1,190,000	1,190,000	1,250,981	60,981
Telephone Commissions	300,000	300,000	281,607	(18,393)
Total City Taxes	<u>749,410,435</u>	<u>763,630,866</u>	<u>774,317,658</u>	<u>10,686,792</u>
Licenses, Permits, and Privilege Fees				
Business and Professional	42,555,070	42,555,070	43,975,970	1,420,900
Vehicle	6,900,000	6,900,000	4,812,876	(2,087,124)
Transfers, Penalties, Interest & Delinquent Collections	32,704	32,704	3,159	(29,545)
Utilities Right of Way Fees	900,000	900,000	883,357	(16,643)
Other Licenses, Permits and Fees	4,378,207	4,378,207	4,036,706	(341,501)
Total Licenses, Permits and Privilege Fees	<u>54,765,981</u>	<u>54,765,981</u>	<u>53,712,068</u>	<u>(1,053,913)</u>
Intergovernmental				
State Shared Expense	26,620,098	26,620,098	27,983,379	1,363,281
Total State Block Grant	3,347,683	3,347,683	3,149,307	(198,376)
Department of Social Services	19,939,682	20,069,782	15,790,220	(4,279,562)
Federal Revenues	23,581,291	23,581,291	84,449,157	60,867,866
State Aid to Localities	17,702,373	17,702,373	18,508,308	805,935
Service Charges on Tax Exempt Property (State PILOT)	3,969,871	3,969,871	3,828,388	(141,483)
All Other Intergovernmental Revenues	1,011,814	1,011,814	948,454	(63,360)
Total Intergovernmental	<u>\$ 96,172,812</u>	<u>\$ 96,302,912</u>	<u>\$ 154,657,213</u>	<u>\$ 58,354,301</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Charges				
Refuse Collection Fees	\$ 17,592,941	\$ 17,592,941	\$ 17,398,602	\$ (194,339)
Safety Related Charges	351,000	351,000	283,463	(67,537)
Rental of Property	1,358,790	1,358,790	2,430,370	1,071,580
Building Service Charges	728,000	728,000	840,114	112,114
Inspection Fees	11,960,000	11,960,000	12,526,795	566,795
Recycling Proceeds	2,054,092	2,054,092	1,905,248	(148,844)
Health Related Charges	125,000	125,000	169,045	44,045
Other Sales - Income	37,335	37,335	30,163	(7,172)
Printing and Telecom Charges	9,331	9,331	9,191	(140)
Other Service Charges	2,114,825	2,114,825	1,819,883	(294,942)
Total Service Charges	<u>36,331,314</u>	<u>36,331,314</u>	<u>37,412,874</u>	<u>1,081,560</u>
Fines and Forfeitures				
Richmond Public Library	7,594	7,594	30,473	22,879
Circuit Court	43,260	43,260	50,519	7,259
Juvenile and Domestic Relations District Court	6,026,712	6,026,712	7,307,460	1,280,748
Total Fines and Forfeitures	<u>6,077,566</u>	<u>6,077,566</u>	<u>7,388,452</u>	<u>1,310,886</u>
Utility Payments				
Utility Pilot Payment	21,954,066	21,954,066	21,826,567	(127,499)
Utility Payment - City Services	2,638,030	2,638,030	2,651,467	13,437
Utilities Payment for Collection Service	-	-	276,818	276,818
Total Utility Payments	<u>24,592,096</u>	<u>24,592,096</u>	<u>24,754,852</u>	<u>162,756</u>
Miscellaneous Revenues				
Reimbursement of Interest on Long-term Debt	-	-	171,709	171,709
Miscellaneous Revenues	19,766,202	23,506,202	25,628,667	2,122,465
Lease Revenue	1,400,000	1,400,000	-	(1,400,000)
Other Payments to General Fund	510,000	510,000	192,207	(317,793)
Total Miscellaneous Revenues	<u>21,676,202</u>	<u>25,416,202</u>	<u>25,992,583</u>	<u>576,381</u>
Total General Fund Revenues	<u>\$ 989,026,406</u>	<u>\$ 1,007,116,937</u>	<u>\$ 1,078,235,700</u>	<u>\$ 71,118,763</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Current				
General Government				
City Council	\$ 2,429,295	\$ 2,259,905	\$ 2,164,584	\$ 95,321
City Clerk	1,463,094	1,381,460	1,173,149	208,311
Planning and Development Review	15,558,669	18,736,651	15,922,074	2,814,577
Assessor of Real Estate	5,505,389	5,934,739	5,755,031	179,708
City Auditor	2,594,140	2,691,204	2,438,391	252,813
Department of Law	7,079,252	6,811,646	6,521,561	290,085
General Registrar	5,201,150	5,185,410	4,662,454	522,956
Inspector General	1,339,145	1,210,967	1,178,498	32,469
Chief Administrative Officer	7,064,426	6,896,442	6,609,107	287,335
Citizen Service and Response	3,515,803	3,409,892	3,088,529	321,363
Budget and Strategic Planning	2,502,068	2,431,257	2,156,316	274,941
Department of Human Resources	13,142,656	14,560,997	9,745,966	4,815,031
Department of Finance	18,410,456	27,465,939	21,422,677	6,043,262
Procurement Services	3,793,759	3,983,416	3,770,835	212,581
Office of Press Secretary to Mayor	-	-	86,457	(86,457)
City Treasurer	370,172	359,202	362,749	(3,547)
Economic/Community Development	5,722,405	7,814,862	5,730,446	2,084,416
Housing and Community Development	2,281,690	17,551,392	6,640,829	10,910,563
Council Chief of Staff	2,784,721	2,527,523	2,189,402	338,121
Minority Business Development	1,093,892	1,194,029	1,118,731	75,298
Office of Community Wealth Building	5,185,256	6,198,559	5,426,953	771,606
City Mayors Office	1,719,646	1,604,618	1,476,629	127,989
Total General Government	<u>108,757,084</u>	<u>140,210,110</u>	<u>109,641,368</u>	<u>30,568,742</u>
Public Safety and Judiciary				
Judiciary	15,646,304	15,743,557	15,825,643	(82,086)
Juvenile and Domestic Relations District Court	494,134	496,036	437,715	58,321
City Sheriff	47,959,844	49,714,517	49,649,845	64,672
Department of Police	116,800,030	121,637,281	119,920,562	1,716,719
Department of Emergency Communications	10,454,987	11,220,075	10,035,111	1,184,964
Department of Fire and Emergency Services	68,538,612	73,512,768	77,638,391	(4,125,623)
Animal Control	3,311,391	3,467,574	3,535,921	(68,347)
Total Public Safety and Judiciary	<u>263,205,302</u>	<u>275,791,808</u>	<u>277,043,188</u>	<u>(1,251,380)</u>
Highways, Streets, Sanitation and Refuse				
Department of Public Works	43,876,474	48,474,897	48,877,359	(402,462)
Human Services				
Office of DCAO for Human Services	7,986,520	8,728,843	6,981,566	1,747,277
Department of Social Services	57,736,510	57,147,361	50,396,782	6,750,579
Justice Services	11,764,335	12,263,734	12,247,317	16,417
Total Human Services	<u>77,487,365</u>	<u>78,139,938</u>	<u>69,625,665</u>	<u>8,514,273</u>
Culture and Recreation				
Richmond Public Library	8,924,201	9,773,785	9,802,465	(28,680)
Department of Parks, Recreation and Community Facilities	27,997,931	31,479,284	31,433,696	45,588
Total Culture and Recreation	<u>36,922,132</u>	<u>41,253,069</u>	<u>41,236,161</u>	<u>16,908</u>
Education				
Richmond Public Schools	239,280,792	239,280,792	239,280,792	-
Total Education	<u>\$ 239,280,792</u>	<u>\$ 239,280,792</u>	<u>\$ 239,280,792</u>	<u>\$ -</u>

CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Non-Departmental				
Payments to Other Government Agencies	\$ 681,608	\$ 681,608	\$ 595,424	\$ 86,184
Tax Relief	5,750,000	5,750,000	5,354,777	395,223
GRTC	9,275,625	9,275,625	9,271,982	3,643
RRS Contributions/Retiree's Health Care Program	1,000,000	1,000,000	259,875	740,125
Contributions	62,608,890	101,498,355	81,954,152	19,544,203
Total Non-Departmental	<u>79,316,123</u>	<u>118,205,588</u>	<u>97,436,210</u>	<u>20,769,378</u>
Total General Fund Expenditures	<u>848,845,272</u>	<u>941,356,202</u>	<u>883,140,743</u>	<u>58,215,459</u>
City Facility Maintenance & Improvements	1,724,399	1,383,535	1,218,178	165,357
Excess of Revenues Over Expenditures	<u>138,456,735</u>	<u>64,377,200</u>	<u>193,876,779</u>	<u>129,499,579</u>
Other Financing Sources				
Transfers In - Other Funds	12,862,263	28,862,263	11,562,263	(17,300,000)
Transfers Out - Other Funds	(151,318,998)	(151,606,881)	(203,607,899)	(52,001,018)
Total Other Financing Sources, Net	<u>(138,456,735)</u>	<u>(122,744,618)</u>	<u>(192,045,636)</u>	<u>(69,301,018)</u>
Change in fund balance before obligations	<u>-</u>	<u>(58,367,418)</u>	<u>1,831,143</u>	<u>60,198,561</u>
Fund Balance - Beginning of Year	<u>166,430,641</u>	<u>22,456,087</u>	<u>268,625,043</u>	<u>246,168,956</u>
Fund Balance - End of Year	<u>\$ 166,430,641</u>	<u>\$ (35,911,331)</u>	<u>\$ 270,456,186</u>	<u>\$ 306,367,517</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, 2025

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, 2025:

Office of Press Secretary to Mayor	86,457
City Treasurer	3,547
Judiciary	82,086
Department of Fire and Emergency Services	4,125,623
Animal Control	68,347
Department of Public Works	402,462
Richmond Public Library	28,680

Richmond Retirement System

Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

For The Last Ten Fiscal Years*

	2016	2017	2018	2019
Total pension liability				
Service cost	\$ 9,243,126	\$ 10,158,640	\$ 9,996,926	\$ 10,079,515
Interest	60,070,179	59,552,622	60,018,265	60,860,936
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(5,985,740)	1,248,504	6,436,861	7,857,057
Changes of assumptions	-	-	-	-
Benefit Payments, including refunds of member contributions	<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	(3,291,205)	3,852,284	8,888,876	10,558,833
Total pension liability - beginning	831,809,634	828,518,429	833,414,411	842,303,287
Total pension liability - ending (a)	<u>\$ 828,518,429</u>	<u>\$ 832,370,713</u>	<u>\$ 842,303,287</u>	<u>\$ 852,862,120</u>
Plan fiduciary net position				
Contributions - employer	\$ 45,556,509	\$ 43,662,633	\$ 41,833,836	\$ 45,524,623
Contributions - member	2,290,451	1,920,452	2,096,642	1,919,758
Net investment income	15,263,407	(1,456,427)	61,263,751	37,988,323
Benefit payments, including refunds of member contributions	(66,618,770)	(67,107,482)	(67,563,176)	(68,238,657)
Administrative expense	(1,218,004)	(1,128,623)	(1,112,650)	(1,181,564)
Other	<u>(663,929)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	(5,390,336)	(24,109,447)	36,518,403	16,012,483
Plan fiduciary net position - beginning	530,568,957	526,409,589	502,318,862	538,837,265
Plan fiduciary net position - ending (b)	<u>\$ 525,178,621</u>	<u>\$ 502,300,142</u>	<u>\$ 538,837,265</u>	<u>\$ 554,849,748</u>
City's net pension liability - ending (a) - (b)	\$ 303,339,808	\$ 330,070,571	\$ 303,466,022	\$ 298,012,372
Plan fiduciary net position as a percentage of the total pension liability	63.39%	60.35%	63.97%	65.06%
Covered payroll	\$ 109,038,530	\$ 104,977,759	\$ 104,668,019	\$ 105,442,140
City's net pension liability as a percentage of covered payroll	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.

	2020	2021	2022	2023	2024	2025
\$	10,463,956	\$ 11,953,421	\$ 11,422,056	\$ 10,740,313	\$ 10,664,621	\$ 12,131,222
	61,669,092	61,913,034	62,362,814	62,432,160	63,163,836	65,848,080
	-	14,745,118	465,126	-	-	-
	(1,093,201)	(1,054,083)	(1,634,203)	4,485,254	26,485,111	15,404,321
	60,156,926	-	-	-	-	10,836,501
	(69,249,672)	(70,847,439)	(72,431,409)	(73,170,570)	(74,115,540)	(78,204,854)
	61,947,101	16,710,051	184,384	4,487,157	26,198,028	26,015,270
	852,862,120	914,809,221	914,809,221	927,854,522	938,771,529	979,127,947
\$	914,809,221	\$ 931,519,272	\$ 926,684,922	\$ 932,341,679	\$ 964,969,557	\$ 1,005,143,217
\$	47,511,140	54,149,754	\$ 54,012,452	\$ 53,387,872	\$ 60,831,881	\$ 186,341,016
	1,894,851	1,941,132	1,751,556	1,727,540	1,995,910	4,415,496
	24,568,402	9,556,654	134,618,905	(44,808,582)	34,089,063	66,252,256
	(69,249,672)	(71,375,503)	(72,431,409)	(73,170,570)	(74,115,540)	(78,204,854)
	(1,250,142)	(1,309,142)	(1,511,623)	(1,536,064)	(1,575,248)	(1,747,478)
	(1,214,119)	-	-	-	-	-
	2,260,460	(7,037,105)	116,439,881	(64,399,804)	21,226,066	177,056,437
	538,837,265	557,110,208	548,819,972	666,099,499	605,849,289	636,276,035
\$	541,097,725	\$ 550,073,103	\$ 665,259,853	\$ 601,699,695	\$ 627,075,355	\$ 813,332,472
\$	373,711,496	\$ 381,446,168	\$ 261,425,069	\$ 330,641,984	\$ 337,894,202	\$ 191,810,745
	59.15%	59.05%	71.79%	64.54%	64.98%	80.92%
\$	106,031,020	\$ 101,964,037	\$ 93,295,563	\$ 93,869,387	\$ 92,777,107	\$ 101,438,654
	352.45%	374.10%	280.21%	352.24%	364.20%	189.09%

Richmond Retirement System Pension Plan

Schedule of Contributions

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined employer contribution	\$ 45,556,509	\$ 43,662,633	\$ 41,833,836	\$ 48,432,034	\$ 47,511,140
Employer contributions in relation to the actuary determined contribution	<u>45,556,509</u>	<u>43,662,633</u>	<u>41,833,836</u>	<u>45,524,623</u>	<u>48,394,653</u>
Excess (Deficiency)	-	-	-	(2,907,411)	883,513

Covered payroll	104,977,759	104,668,019	105,442,140	106,031,020	101,964,037
Contributions as a percentage of covered payroll	43.4%	41.7%	39.7%	45.7%	46.6%

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Actuarially determined employer contribution	\$ 54,149,781	\$ 54,012,445	\$ 53,387,868	\$ 60,831,906	\$ 186,341,015
Employer contributions in relation to the actuary determined contribution	<u>54,149,781</u>	<u>54,012,445</u>	<u>53,387,868</u>	<u>60,831,906</u>	<u>186,341,015</u>
Excess (Deficiency)	-	-	-	-	-

Covered payroll	93,539,093	93,869,387	92,777,107	101,438,654	105,262,306
Contributions as a percentage of covered payroll	57.9%	57.5%	57.5%	60.0%	177.0%

**Richmond Retirement System
Schedule of Investment Returns**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return net of investment expense	(0.3)%	12.2%	7.1%	5.1%	-1.0%

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Annual money-weighted rate of return net of investment expense	24.0%	-6.0%	5.8%	9.9%	10.5%

Notes to the Required Supplementary Pension Information

Richmond Retirement System Pension Plan

For the Year Ended June 30, 2025

Methods and Assumptions Used to Determine Contribution Rates:

The following changes were made to assumptions:

Remaining Amortization Period - Re-amortize unfunded liability over 6 years as of July 1, 2025. Cost of VRIP is amortized over 3 years. Other new bases are amortized over 20 years.

Inflation - 2.50%

Salary Increases - General Employees - 3.00% to 5.00%

Salary Increases - Police and Fire Employees - 3.00% to 5.50%

Investment Rate of Return - 7.00%

Retirement Age - General Employees - 20.00% in 1st year of unreduced retirement eligibility; 6.0% at age 55 increasing to 100.00% at age 75.

Retirement Age - Police and Fire Employees - 45.00% up to age 50, 40% after age 51 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

Measurement date: June 30,	2016	2017	2018	2019
Total pension liability				
Service cost	\$ 3,421,683	\$ 3,583,801	\$ 3,589,830	\$ 3,421,014
Interest	7,689,675	8,037,966	8,348,430	8,446,921
Differences between expected and actual expenses	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	(6,085,126)	(6,407,155)	(6,581,717)	(6,875,986)
Changes in assumptions	-	-	-	-
Net change in total pension liability	<u>5,136,599</u>	<u>4,522,484</u>	<u>1,554,149</u>	<u>4,603,665</u>
Total pension liability - beginning	<u>112,895,060</u>	<u>118,031,659</u>	<u>122,554,143</u>	<u>124,108,292</u>
Total pension liability - ending (a)	<u>\$ 118,031,659</u>	<u>\$ 122,554,143</u>	<u>\$ 124,108,292</u>	<u>\$ 128,711,957</u>
Plan fiduciary net position				
Contributions - employer	\$ 3,471,373	\$ 3,621,503	\$ 3,219,694	\$ 3,176,521
Contributions - member	1,258,265	1,393,001	1,401,096	1,346,018
Net investment income	4,552,450	1,793,841	12,562,007	8,403,155
Benefit payments, including refunds of member contributions	(6,085,126)	(6,407,155)	(6,581,717)	(6,875,986)
Administrative expense	(62,657)	(64,054)	(72,905)	(72,921)
Other	(962)	(759)	(11,180)	(7,471)
Net change in plan fiduciary net position	<u>3,133,343</u>	<u>336,377</u>	<u>10,516,995</u>	<u>5,969,316</u>
Plan fiduciary net position - beginning	<u>100,409,862</u>	<u>103,543,205</u>	<u>103,879,582</u>	<u>114,396,577</u>
Plan fiduciary net position - ending (b)	<u>\$ 103,543,205</u>	<u>\$ 103,879,582</u>	<u>\$ 114,396,577</u>	<u>\$ 120,365,893</u>
City's net pension liability / (asset) - ending (a) minus (b)	<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	87.7%	84.8%	92.2%	93.5%
Covered payroll	\$ 25,093,420	\$ 25,652,406	\$ 25,351,280	\$ 26,179,060
City's net pension liability as a percentage of covered payroll	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.

	2020	2021	2022	2023	2024	2025
\$	3,595,008	\$ 3,579,068	\$ 3,642,964	\$ 3,251,586	\$ 3,344,450	\$ 3,498,397
	8,750,975	9,045,496	9,285,395	9,947,561	10,152,900	10,386,727
	540,139	(733,288)	(1,930,566)	(1,341,387)	(869,276)	6,951,452
	3,837,631	-	4,218,199	-	-	-
	-	-	-	-	-	-
	(7,396,048)	(8,064,640)	(8,609,767)	(8,705,671)	(9,111,455)	(9,524,380)
	-	-	-	-	-	-
	9,327,705	3,826,636	6,606,225	3,152,089	3,516,619	11,312,196
	128,711,957	138,039,662	141,866,298	148,472,523	151,624,612	155,141,231
\$	138,039,662	\$ 141,866,298	\$ 148,472,523	\$ 151,624,612	\$ 155,141,231	\$ 166,453,427
\$	2,948,781	\$ 2,939,040	\$ 3,248,868	\$ 3,151,757	\$ 3,495,728	\$ 8,123,794
	1,301,296	1,312,202	1,282,683	1,336,414	1,321,631	2,888,702
	7,924,514	2,372,966	33,364,323	(111,554)	9,458,475	14,871,596
	(7,396,048)	(8,064,640)	(8,609,767)	(8,705,671)	(9,111,455)	(9,524,380)
	(79,792)	(82,204)	(84,660)	(95,550)	(95,632)	(96,485)
	(4,992)	(2,785)	(9,898)	(5,428)	3,796	3,061
	4,693,759	(1,525,421)	29,191,549	(4,430,032)	5,072,543	16,266,288
	120,365,893	125,059,652	123,534,231	152,725,780	148,295,748	153,368,291
\$	125,059,652	\$ 123,534,231	\$ 152,725,780	\$ 148,295,748	\$ 153,368,291	\$ 169,634,579
\$	12,980,010	\$ 18,332,067	\$ (4,253,257)	\$ 3,328,864	\$ 1,772,940	\$ (3,181,152)
	90.6%	87.1%	102.9%	97.8%	98.9%	101.9%
	26,924,568	\$ 27,187,437	\$ 24,088,930	\$ 26,194,267	\$ 25,970,460	\$ 58,834,023
	48.2%	67.4%	-17.7%	12.7%	6.8%	-5.4%

VRS Pension Plan
Schedule of Contributions
For the Last Ten Fiscal Years

VRS	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actual and Contractually Required Contribution	\$ 3,471,373	\$ 4,547,035	\$ 4,807,272	\$ 4,702,343	\$ 4,555,329
Actuarially Determined Contribution	<u>3,471,373</u>	<u>3,621,503</u>	<u>3,219,694</u>	<u>3,176,521</u>	<u>3,027,531</u>
Excess (Deficiency)		925,532.00	1,587,578.00	1,525,822.00	1,527,797.71
 Covered Payroll	 \$ 25,093,420	 \$ 25,652,406	 \$ 25,351,280	 \$ 26,179,060	 \$ 26,924,568
Contributions as a percentage of covered payroll	13.8%	17.7%	12.7%	12.1%	11.2%
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually Required Contribution	\$ 4,538,543	\$ 4,531,551	\$ 4,488,171	\$ 4,817,359	\$ 11,012,496
Actuarially Determined Contribution	<u>3,301,487</u>	<u>3,331,911</u>	<u>3,493,027</u>	<u>8,652,252</u>	<u>21,451,753</u>
Excess (Deficiency)	\$ 1,237,056	\$ 1,199,640	\$ 995,144	\$ (3,834,893)	\$ (10,439,257)
 Covered Payroll	 \$ 27,187,437	 \$ 26,321,947	 \$ 26,194,267	 \$ 24,830,316	 \$ 25,970,460
Contributions as a percentage of covered payroll	12.1%	12.7%	13.3%	34.8%	82.6%

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.

The years noted are the City's Fiscal Year. The Plan Year is one year earlier.

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REQUIRED SUPPLEMENTARY INFORMATION

NET OPEB LIABILITY

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

For The Last Ten Fiscal Years*

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

*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 seven years are presented until a full ten years trend is compiled.

REQUIRED SUPPLEMENTARY INFORMATION

	2021	2022	2023	2024	2025
\$	5,702,876	\$ 5,854,572	\$ 2,653,431	\$ 219,802	\$ 192,586
	3,058,492	3,188,970	1,315,796	468,412	523,915
	-	(53,566,193)	-	-	-
	-	(28,201,247)	(1,773,421)	738,320	63,895
	-	(10,387,390)	(11,645,592)	147,876	289,821
	(6,313,741)	(4,007,890)	(1,402,608)	(777,970)	(724,927)
	2,447,627	(87,119,178)	(10,852,394)	796,440	345,290
	115,591,786	118,039,413	30,920,236	7,497,608	8,294,048
\$	118,039,413	\$ 30,920,235	\$ 20,067,842	\$ 8,294,048	\$ 8,639,338
\$	6,313,741	\$ 5,407,890	\$ 2,802,608	\$ 777,970	\$ 724,927
	-	(830,909)	675,005	975,860	992,689
	(6,313,741)	(4,007,890)	(1,402,608)	(777,970)	(724,927)
	-	(8,971)	(9,120)	(10,729)	(8,823)
	6,313,741	560,120	2,065,885	965,131	983,866
	-	7,674,657	8,234,777	10,300,662	11,265,793
	-	8,234,777	10,300,662	11,265,793	12,249,659
\$	118,039,413	\$ 22,685,458	\$ 9,767,180	\$ (2,971,745)	\$ (3,610,321)
	0.00%	36.30%	51.33%	135.83%	141.79%
\$	115,756,485	\$ 102,167,580	\$ 127,355,724	\$ 125,533,400	\$ 112,341,226
	101.97%	22.20%	7.67%	-2.37%	-3.21%

REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year Ending June 30:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 9,228,017	\$ 8,371,014	\$ 13,670,345	\$ 14,207,750
Contributions in relation to the actuarially determined contribution	2,958,026	3,194,668	6,313,741	6,313,741
Contribution deficiency (excess)	\$ 6,269,991	\$ 5,176,346	\$ 7,356,604	\$ 7,894,009
Covered payroll	\$ -	\$ 100,320,588	\$ 99,822,621	\$ 115,756,485
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Actuarially determined contribution	\$ 14,379,755	\$ 3,752,830	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	5,407,890	2,802,608	777,970	724,927
Contribution deficiency (excess)	\$ 8,971,865	\$ 950,222	\$ (777,970)	\$ (724,927)
Covered payroll	\$ 102,167,580	\$ 87,509,297	\$ 127,355,724	\$ 125,533,400

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%	0.00%	0.00%	-10.19%	7.77%	9.78%	8.81%

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

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information - City of Richmond OPEB Plan

Changes in plan actuarial assumptions and actuarial methods:

The discount rate stayed the same at 6.75% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2024.

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

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

VRS Group Life OPEB Plan

SCHEDULE OF CITY OF RICHMOND SHARE OF NET OPEB LIABILITY

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City of Richmond's Proportion % of the Net GLI OPEB Liability	0.14%	0.13%	0.13%	0.13%
City of Richmond's Proportionate Share of the NET GLI OPEB Liability	\$ 2,083,000	\$ 2,061,000	\$ 2,124,000	\$ 2,103,902
Covered Payroll	\$ 25,351,280	\$ 25,589,505	\$ 25,944,554	\$ 25,944,554
Employer's Proportionate Share of the NET GLI OPEB Liability as a Percentage of Covered Payroll	8.22%	8.05%	8.19%	8.11%
Plan Fiduciary Net Position as a Percentage of the total GLI OPEB Liability	48.86%	51.22%	51.22%	52.64%

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City of Richmond's Proportion % of the Net GLI OPEB Liability	0.12%	0.11%	0.11%	0.23%
City of Richmond's Proportionate Share of the NET GLI OPEB Liability	\$ 1,442,415	\$ 1,384,109	\$ 1,329,079	\$ 2,562,045
Covered Payroll	\$ 25,577,974	\$ 25,577,974	\$ 25,045,181	\$ 26,145,647
Employer's Proportionate Share of the NET GLI OPEB Liability as a Percentage of Covered Payroll	5.64%	5.41%	5.31%	9.80%
Plan Fiduciary Net Position as a Percentage of the total GLI OPEB Liability	67.45%	67.21%	69.30%	73.41%

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

REQUIRED SUPPLEMENTARY INFORMATION

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

Date	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency/(Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2025	\$ 318,336	\$ 318,336	\$ -	\$ 59,048,593	0.54%
2024	140,965	140,965	-	26,145,647	0.54%
2023	135,019	135,019	-	25,045,181	0.54%
2022	138,121	138,121	-	25,577,974	0.54%
2021	138,121	138,121	-	25,577,974	0.54%
2020	134,912	134,912	-	25,944,554	0.52%
2019	133,065	133,065	-	25,589,505	0.52%
2018	133,566	132,787	779	25,351,280	0.52%
2017	131,119	130,880	239	25,215,255	0.52%
2016	120,448	121,276	(828)	25,093,420	0.48%

**Notes to Required Supplemental Information - VRS Group Life OPEB Plan
For the Year Ended June 30, 2025**

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

Changes in assumptions - Except for the discount rate, there have been no significant changes in actuarial assumptions made since June 30, 2016 the date of the most recent experience study of the VRS. On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14, including expected inflation of 2.50%.

SUPPLEMENTARY INFORMATION SCHEDULES



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COMBINING FINANCIAL STATEMENTS

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Non-Major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. Each fund is established on a functional basis and may include one or more grants or other funding sources.

Grant Revenue Funds

These funds are used to account for federal and state grants, private donations and other program revenue.

Consolidated HUD Funds

These funds account for activities for the Community Development Block Grant (CDBG), Emergency Shelter (ESG), Home Investment Partnerships Programs (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and Section 108 Loan Program administered by the Department of Community Development.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City programs.

Memorial

These bequests provide specific reservation of the principal and use of the income by the City for specific memorial purposes.

Recreation

A gift to be used to maintain cemeteries. The principal of the gift is carried as a nonexpendable trust and the accumulated net revenue is the expendable trust.

Richmond Public Library

Certain bequests compose the nonexpendable trust, and the net revenue accumulated is classified as the expendable trust.

Major Governmental Funds

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets approved by City Council. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. Its principal source of funding is the sale of General Obligation Bonds.

Debt Service Fund

The Debt Service Fund accounts for and reports the accumulation of resources for and the payment of principal and interest and fiscal charges not being financed by proprietary funds or financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The Debt Service Fund reports resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also are reported in the Debt Service Fund.

**CITY OF RICHMOND, VIRGINIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2025**

EXHIBIT I-1

	Special Revenue		Permanent Funds			Total
	Grants Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	
Assets						
Cash and Cash Equivalents	\$ 62,510,072	\$ (2,571,371)	\$ -	\$ -	\$ -	\$ 59,938,701
Accounts Receivable, Net	2,021,468	5,102,012	-	-	-	7,123,480
Due From Other Funds	3,804,791	-	-	-	-	3,804,791
Due From Other Governments	1,327,862	2,724,076	-	-	-	4,051,938
Restricted Assets	-	-	6,482	28,287	29,250	64,019
Total Assets	69,664,193	5,254,717	6,482	28,287	29,250	74,982,929
Liabilities:						
Accounts Payable	5,307,867	1,383,896	-	-	-	6,691,763
Accrued Wages	1,415,812	29,121	-	-	-	1,444,933
Due To Other Funds	589,981	-	-	-	-	589,981
Unearned Revenue	180,982	5,102,012	-	-	-	5,282,994
Total Liabilities	7,494,642	6,515,029	-	-	-	14,009,671
Deferred Inflows of Resources:						
Unavailable Revenue - Opioid Settlement	135,321	-	-	-	-	135,321
Total Deferred Inflows of Resources	135,321	-	-	-	-	135,321
Fund Balances:						
Restricted	62,034,230	-	6,482	28,287	29,250	62,098,249
Unassigned	-	(1,260,312)	-	-	-	(1,260,312)
Total Fund Balances	62,034,230	(1,260,312)	6,482	28,287	29,250	60,837,937
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 69,664,193	\$ 5,254,717	\$ 6,482	\$ 28,287	\$ 29,250	\$ 74,982,929

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, 2025

EXHIBIT I-2

	Special Revenue		Permanent Funds			Total
	Grant Revenue Funds	Consolidated HUD Funds	Memorial	Recreation	Richmond Public Library	
Revenues						
Intergovernmental	\$ 95,344,947	\$ 6,737,754	\$ -	\$ -	\$ -	\$ 102,082,701
Service Charges	3,298,103	-	-	-	-	3,298,103
Fines and Forfeitures	264,329	-	-	-	-	264,329
Investment Income	357,359	-	-	-	7	357,366
Lease Revenue	745,701	-	-	-	-	745,701
Miscellaneous	10,288,649	155,683	-	-	-	10,444,332
Total Revenues	110,299,088	6,893,437	-	-	7	117,192,532
Expenditures						
Current:						
General Government	14,144,453	5,903,707	-	-	-	20,048,160
Public Safety and Judiciary	18,103,832	-	-	-	-	18,103,832
Highways, Streets, Sanitation and Refuse	63,457,094	-	-	-	-	63,457,094
Human Services	26,664,931	8,005	-	-	-	26,672,936
Culture and Recreation	1,960,013	-	-	-	4,324	1,964,337
Total Expenditures	124,330,323	5,911,712	-	-	4,324	130,246,359
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,031,235)	981,725	-	-	(4,317)	(13,053,827)
Other Financing Sources						
Transfers In - Other Funds	14,253,074	25,751	-	-	-	14,278,825
Transfers Out - Other Funds	(456,105)	(965,773)	-	-	-	(1,421,878)
Total Other Financing Sources, Net	13,796,969	(940,022)	-	-	-	12,856,947
Net Change in Fund Balances	(234,266)	41,703	-	-	(4,317)	(196,880)
Fund Balance - Beginning of Year	62,268,496	(1,302,015)	6,482	28,287	33,567	61,034,817
Fund Balance - End of Year	\$ 62,034,230	\$ (1,260,312)	\$ 6,482	\$ 28,287	\$ 29,250	\$ 60,837,937

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2025**

EXHIBIT I-3

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental Revenue	\$ 113,993,579	\$ 119,425,053	\$ 102,082,701	\$ 17,342,352
Investment Earnings and Contributions	-	-	357,366	(357,366)
Miscellaneous Revenue	50,426,598	53,381,598	14,752,465	38,629,133
Total Revenues	164,420,177	172,806,651	117,192,532	55,614,119
Expenditures				
General Government	52,210,704	55,273,204	20,048,160	35,225,044
Public Safety and Judiciary	21,771,096	22,082,670	18,103,832	3,978,838
Highways, Streets, Sanitation and Refuse	61,079,031	63,450,263	63,457,094	(6,831)
Human Services	25,002,006	27,493,174	26,672,936	820,238
Culture and Recreation	4,357,340	4,507,340	1,964,337	2,543,003
Total Expenditures	164,420,177	172,806,651	130,246,359	42,560,292
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(13,053,827)	13,053,827
Other Financing Sources (Uses)				
Transfers In - Other Funds	-	-	14,278,825	14,278,825
Transfers Out - Other Funds	-	-	(1,421,878)	(1,421,878)
Total Other Financing Sources, Net	-	-	12,856,947	12,856,947
Net Change in Fund Balance	-	-	(196,880)	(196,880)
Fund Balance - Beginning of Year	61,034,817	61,034,817	61,034,817	-
Fund Balance - End of Year	\$ 61,034,817	\$ 61,034,817	\$ 60,837,937	\$ (196,880)

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2025**

EXHIBIT I-4

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental Revenues and Service Charges	\$ 42,039,818	\$ 73,742,628	\$ 21,385,670	\$ (52,356,958)
Total Intergovernmental Revenues	<u>42,039,818</u>	<u>73,742,628</u>	<u>21,385,670</u>	<u>(52,356,958)</u>
Investment Earnings and Contributions				
Interest Earned on Restricted Funds	-	-	4,861,494	4,861,494
Total Investment Earnings	<u>-</u>	<u>-</u>	<u>4,861,494</u>	<u>4,861,494</u>
Miscellaneous Revenues				
Miscellaneous	19,404,212	19,404,212	72,393	(19,331,819)
Total Miscellaneous Revenues	<u>19,404,212</u>	<u>19,404,212</u>	<u>72,393</u>	<u>(19,331,819)</u>
Total Revenues	<u>61,444,030</u>	<u>93,146,840</u>	<u>26,319,557</u>	<u>(66,827,283)</u>
Expenditures				
Capital Outlay:				
Capital Investment Opportunities	58,773,694	60,773,694	49,739,404	11,034,290
Economic & Community Development	20,102,384	20,102,384	18,600,694	1,501,690
Education	2,500,000	2,500,000	67,734,823	(65,234,823)
Public Safety	-	-	-	-
Transportation	82,281,209	111,984,019	111,419,551	564,468
Capital Vehicle & Equipment	10,000,000	10,977,721	10,954,486	23,235
Total Expenditures	<u>173,657,287</u>	<u>206,337,818</u>	<u>258,448,958</u>	<u>(52,111,140)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(112,213,257)</u>	<u>(113,190,978)</u>	<u>(232,129,401)</u>	<u>(118,938,423)</u>
Other Financing Sources (Uses)				
Proceeds of Bonds and Notes	112,213,257	112,213,257	124,000,000	(11,786,743)
Premium Rec'd on Bonds	-	-	-	-
Transfers In - Other Funds	-	977,721	117,799,716	116,821,995
Total Other Financing Sources, Net	<u>112,213,257</u>	<u>113,190,978</u>	<u>241,799,716</u>	<u>105,035,252</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>9,670,315</u>	<u>(13,903,171)</u>
Fund Balance - Beginning of Year, as restated	<u>(51,331,832)</u>	<u>(51,331,832)</u>	<u>(20,155,078)</u>	<u>31,176,754</u>
Fund Balance - End of Year	<u>\$ (31,226,668)</u>	<u>\$ (31,226,668)</u>	<u>\$ (10,484,763)</u>	<u>\$ 17,273,583</u>

**CITY OF RICHMOND, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2025**

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

	Original Budget	Final Budget	Actual	EXHIBIT I-5 Variance with Final Budget Positive (Negative)
Revenues				
Transfer in From General Fund - Debt Service	\$ 90,918,819	\$ 90,918,819	\$ 86,578,260	\$ (4,340,559)
Transfer in From General Fund - Non-Departmental	-	-	-	-
Reimbursement from Federal Government	990,626	990,626	496,521	(494,105)
Payments from EDA (Stone Brewing Project)	1,440,713	1,440,713	1,836,935	396,222
Transfer from CDBG to pay HUD Notes	965,774	965,774	965,773	(1)
Other Revenue	-	-	1,063,289	1,063,289
Total Revenue	\$ 94,315,932	\$ 94,315,932	\$ 90,940,778	\$ (3,375,154)
Expenditures				
Principal Payments				
General Government Projects	\$ 20,704,795	\$ 20,704,795	\$ 19,124,322	\$ 1,580,473
Justice Center Project	6,615,076	6,615,076	6,615,076	-
Carpenter Center Project	1,431,661	1,431,661	1,431,661	-
Transportation Projects	6,792,561	6,792,561	6,910,088	(117,527)
School Capital Improvement Projects	17,558,907	17,558,907	17,758,853	(199,946)
Stone Brewing Project	775,000	775,000	775,000	-
Coliseum	-	-	-	-
HUD Section 108 Notes	725,000	725,000	725,000	-
2024 GO Bond - General Government Projects	1,285,000	1,285,000	-	1,285,000
Total Principal Payments	55,888,000	55,888,000	53,340,000	2,548,000
Interest Payments				
General Government Projects	8,451,198	8,451,198	9,114,683	(663,485)
Justice Center Project	2,770,626	2,770,626	2,770,626	-
Carpenter Center Project	417,297	417,297	484,188	(66,891)
Transportation Projects	3,706,604	3,706,604	4,768,920	(1,062,316)
Schools Capital Improvement Projects	10,092,535	10,092,535	10,484,046	(391,511)
730 Theater Row Bldg Project	-	-	-	-
Stone Brewing Project	665,713	665,713	665,713	-
Coliseum	-	-	-	-
HUD Section 108 Notes	240,774	240,774	240,773	1
2024 GO Bond - General Government Projects	2,516,146	2,516,146	3,435,964	(919,818)
2024B Pension Obligation Bonds	3,922,618	3,922,618	2,891,413	1,031,205
Total Interest Payments on Bonds	32,783,511	32,783,511	34,856,326	(2,072,815)
Interest - Short Term Debt				
GO Bond Anticipation Notes -City	4,501,000	4,501,000	2,542,630	1,958,370
Total Interest Payments on Short Term Debt	4,501,000	4,501,000	2,542,630	1,958,370
Total Interest Payments	37,284,511	37,284,511	37,398,956	(114,445)
Cost of Issuance				
	-	-	1,370,193	(1,370,193)
Total Expenditures	\$ 93,172,511	\$ 93,172,511	\$ 92,109,149	\$ 1,063,362
Excess of Revenues Over Expenditures	1,143,421	1,143,421	(1,168,371)	(2,311,792)
Proceeds of GO Bonds	-	-	134,051,652	134,051,652
Premium received on issuance of GO Bonds	-	-	-	-
Transfer to other fund	-	-	(132,851,652)	(132,851,652)
Payment to Refunding Escrow	-	-	-	-
	\$ -	\$ -	\$ 1,200,000	\$ 134,051,652
Net Change in Fund Balance	1,143,421	1,143,421	31,629	131,739,860
Beginning Fund Balance As Restated	17,087,700	17,087,700	19,391,800	(2,304,100)
Ending Fund Balance	\$ 18,231,121	\$ 18,231,121	\$ 19,423,429	\$ 129,435,760

Non-Major Proprietary Funds

Non-Major Proprietary Funds are used for operations (a) that are financed and operated in a manner similar to private business enterprise – when the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Cemeteries

Maintains and operates cemeteries.

Parking Enterprise

Maintains parking related revenue streams, operations and maintenance, and existing debt service.

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
June 30, 2025

EXHIBIT J-1

	Cemeteries	Parking Enterprise	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ (3,461,338)	\$ 22,250,227	\$ 18,788,889
Total Current Assets	<u>(3,461,338)</u>	<u>22,250,227</u>	<u>18,788,889</u>
Noncurrent Assets:			
Capital Assets:			
Land	8,188,700	14,268,255	22,456,955
Buildings and Structures	611,771	35,618,798	36,230,569
Equipment	157,317	3,661,474	3,818,791
Less Accumulated Depreciation	(688,039)	(20,452,966)	(21,141,005)
ROU Assets Land & Land Rights	-	15,344,991	15,344,991
ROU Assets-Equip & Other Assets	-	966,026	966,026
Less: Accumulated amortization	-	(1,394,827)	(1,394,827)
Total Noncurrent Assets	<u>8,269,749</u>	<u>48,011,751</u>	<u>56,281,500</u>
Total Assets	<u>4,808,411</u>	<u>70,261,978</u>	<u>75,070,389</u>
Deferred Outflow of Resources			
Employer Contributions to Pension			
Pension /OPEB Related Activities (Note 11 and 12)	286,450	403,232	689,682
Total Deferred Outflows of Resources	<u>286,450</u>	<u>403,232</u>	<u>689,682</u>
Liabilities			
Current Liabilities:			
Accounts Payable	\$ 298,950	\$ 568,123	\$ 867,073
Accrued Liabilities	32,815	46,495	79,310
Right of Use Liability	-	353,183	353,183
Due To Other Funds	2,692,112	-	2,692,112
Accrued Interest on Bonds	9,864	443,880	453,744
General Obligation Bonds	14,585	3,960,591	3,975,176
Compensated Absences	11,354	27,465	38,819
Other Liabilities & Claims Payable	22,389	-	22,389
Total Current Liabilities	<u>3,082,069</u>	<u>5,399,737</u>	<u>8,481,806</u>
Noncurrent Liabilities:			
Right of Use Liability	-	13,924,984	13,924,984
General Obligation Bonds	425,455	26,504,590	26,930,045
Compensated Absences	23,272	64,559	87,831
Net Pension and OPEB Liability	627,621	676,473	1,304,094
Total Noncurrent Liabilities	<u>1,076,348</u>	<u>41,170,606</u>	<u>42,246,954</u>
Total Liabilities	<u>4,158,417</u>	<u>46,570,343</u>	<u>50,728,760</u>
Deferred Inflow of Resources			
Pension & OPEB Related Activities (Note 11)	107,626	161,259	268,885
Total Deferred Inflows of Resources	<u>107,626</u>	<u>161,259</u>	<u>268,885</u>
Net Position			
Net Investment in Capital Assets	8,269,749	3,008,522	11,278,271
Unrestricted	(7,440,931)	20,925,086	13,484,155
Total Net Position	<u>\$ 828,818</u>	<u>\$ 23,933,608</u>	<u>\$ 24,762,426</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, 2025

EXHIBIT J-2

	Cemeteries	Parking Enterprise	Total
Operating Revenues			
Charges for Goods and Services	\$ 1,545,685	\$ 19,569,622	\$ 21,115,307
Operating Expenses			
Salaries and Wages and Benefits	642,107	455,469	1,097,576
Data Processing	-	147,237	147,237
Materials and Supplies	32,711	48,993	81,704
Rents and Utilities	44,270	722,687	766,957
Maintenance and Repairs	182,439	934,761	1,117,200
Depreciation and Amortization	7,297	1,469,416	1,476,713
Claims and Settlements	5,082	16,260	21,342
Miscellaneous Operating Expenses	1,613,227	6,147,224	7,760,451
Total Operating Expenses	<u>2,527,133</u>	<u>9,942,047</u>	<u>12,469,180</u>
Operating Income (Loss)	<u>(981,448)</u>	<u>9,627,575</u>	<u>8,646,127</u>
Non-Operating Revenues (Expenses)			
Interest and Fiscal Charges	<u>(21,531)</u>	<u>(833,278)</u>	<u>(854,809)</u>
Total Non-Operating Revenues (Expenses), Net	<u>(21,531)</u>	<u>(833,278)</u>	<u>(854,809)</u>
Change In Net Position	(1,002,979)	8,794,297	7,791,318
Net Position - Beginning of Year	<u>1,831,797</u>	<u>15,139,311</u>	<u>16,971,108</u>
Net Position - End of Year	<u>\$ 828,818</u>	<u>\$ 23,933,608</u>	<u>\$ 24,762,426</u>

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2025

EXHIBIT J-3

	Cemeteries	Parking Enterprise	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$ 1,545,684	\$ 19,569,621	\$ 21,115,305
Payments to Suppliers	(2,197,741)	(9,338,028)	(11,535,769)
Payments to Employees	(1,212,755)	(1,196,079)	(2,408,834)
Net Cash Provided by (Used in) Operating Activities	<u>(1,864,812)</u>	<u>9,035,514</u>	<u>7,170,702</u>
Cash Flows from Noncapital Financing Activities			
Payments to Other Funds	-	-	-
Receipts From Other Funds	(1,584,181)	-	(1,584,181)
Net Cash Provided by Noncapital Financing Activities	<u>(1,584,181)</u>	<u>-</u>	<u>(1,584,181)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets/ ROU Assets	-	(98,840)	(98,840)
Proceeds/(Repayments) of GO Bonds	-	(3,700,000)	(3,700,000)
Interest Paid on Long-Term Debt	(12,375)	(1,013,096)	(1,025,471)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(12,375)</u>	<u>(4,811,936)</u>	<u>(4,824,311)</u>
Net Increase in Cash and Cash Equivalents	(3,461,368)	4,223,578	762,210
Cash and Cash Equivalents at July 1, 2024	30	18,026,649	18,026,679
Cash and Cash Equivalents at June 30, 2025	<u>\$ (3,461,338)</u>	<u>\$ 22,250,227</u>	<u>\$ 18,788,889</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Operating Income (Loss)	\$ (981,448)	\$ 9,627,575	\$ 8,646,127
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:			
Depreciation	7,297	1,469,416	1,476,713
Gain/(Loss) on Disposal of Capital Assets	-	-	-
Pension Expense	(544,351)	(1,660,713)	(2,205,064)
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:			
Prepaid Assets	-	-	-
Accounts Receivable	-	-	-
Accounts Payable	(320,004)	(372,284)	(692,288)
Accrued Liabilities	(1,901)	6,698	4,797
Compensated Absences	(24,405)	(35,178)	(59,583)
Total Adjustments	<u>(883,364)</u>	<u>(592,061)</u>	<u>(1,475,425)</u>
Net Cash Provided by Operating Activities	<u>\$ (1,864,812)</u>	<u>\$ 9,035,514</u>	<u>\$ 7,170,702</u>

Internal Service Funds

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

Fleet Management

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

Radio Maintenance

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

Health Self-Insurance

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

Advantage Richmond Corporation

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

Information Technology

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

Risk Management

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

Electric Utility

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

Stores and Transportation Division

Provides supplies and vehicle related services exclusively to utility departments.

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025

EXHIBIT K-1

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Assets								
Current Assets:								
Cash and Cash Equivalents	\$ 6,372,575	\$ 250,993	\$ 37,301,811	\$ 5,453,837	\$ 13,377,613	\$ 531,995	\$ -	\$ 63,288,824
Accounts Receivables, Net	-	-	-	367	620,000	2,874,419	-	3,494,786
Due From Other Funds (Note 4)	-	-	-	-	27,441,832	-	-	27,441,832
Inventory	-	287,769	-	-	-	-	13,701,724	13,989,493
Prepaid Expenses	-	-	-	-	-	-	267,094	267,094
Total Current Assets	6,372,575	538,762	37,301,811	5,454,204	41,439,445	3,406,414	13,968,818	108,482,029
Noncurrent Assets:								
Capital Assets:								
Land	98,000	-	-	-	-	265,389	1,686,532	2,049,921
Buildings and Structures	1,211,217	23,521	-	-	-	55,776,205	3,478,431	60,489,374
Equipment	70,554,468	895,591	-	5,086,393	-	16,111,235	16,730,541	109,378,228
Construction in Progress	-	-	-	-	-	413,626	-	413,626
Less Accumulated Depreciation	(66,129,497)	(505,721)	-	(3,971,025)	-	(53,505,190)	(19,783,188)	(143,894,621)
ROU Assets-Equip & Other Assets	-	-	-	1,567,894	-	-	-	1,567,894
Less: Accumulated amortization	-	-	-	(356,813)	-	-	-	(356,813)
Total Noncurrent Assets	5,734,188	413,391	-	2,326,449	-	19,061,265	2,112,316	29,647,609
Total Assets	12,106,763	952,153	37,301,811	7,780,653	41,439,445	22,467,679	16,081,134	138,129,638
Deferred Outflows of Resources								
Pension /OPEB Related Activities (Note 11 and 12)	1,659,402	29,255	-	3,595,174	32,153	1,600,969	284,048	7,201,001
Total Deferred Outflows of Resources	1,659,402	29,255	-	3,595,174	32,153	1,600,969	284,048	7,201,001
Liabilities								
Current Liabilities:								
Combined RPS City Withholding	-	-	5,259,136	-	-	-	-	5,259,136
Accounts Payable	1,254,675	63,572	4,386,533	1,400,116	577,222	3,138,221	481,582	11,301,921
Accrued Liabilities	135,826	24,779	4,273,000	398,363	13,998	108,901	47,450	5,002,317
Right of Use Liability	-	-	-	1,232,923	-	-	-	1,232,923
Due To Other Funds	-	4,629,099	-	-	-	-	7,308,483	11,937,582
Accrued Interest on Bonds and Notes Payable	56,272	-	-	-	-	-	-	56,272
General Obligation Bonds	1,895,122	-	-	-	-	-	-	1,895,122
Compensated Absences	42,638	14,937	-	186,861	15,047	34,329	5,605	299,417
Other Liabilities & Claims Payable	-	-	-	-	15,014,742	-	-	15,014,742
Total Current Liabilities	3,384,533	4,732,387	13,918,669	3,218,263	15,621,009	3,281,451	7,843,120	51,999,432
Noncurrent Liabilities								
General Obligation Bonds Payable	3,872,992	-	-	-	-	-	-	3,872,992
Compensated Absences	113,451	17,209	-	451,851	21,948	104,605	14,383	723,447
Net Pension and OPEB Liability	1,427,642	7,886	-	2,913,780	7,022	1,575,177	287,455	6,218,962
Other Liabilities & Claims Payable	-	-	-	-	33,595,353	-	-	33,595,353
Total Noncurrent Liabilities	5,414,085	25,095	-	3,365,631	33,624,323	1,679,782	301,838	44,410,754
Total Liabilities	8,798,618	4,757,482	13,918,669	6,583,894	49,245,332	4,961,233	8,144,958	96,410,186
Deferred Inflows of Resources								
Pension & OPEB Related Activities (Note 11)	282,889	10,972	-	664,217	12,559	205,656	-	1,176,293
Total Deferred Inflows of Resources	282,889	10,972	-	664,217	12,559	205,656	-	1,176,293
Net Position								
Net Investment in Capital Assets	935,188	1,382,505	-	2,084,482	-	19,057,207	2,112,316	25,571,698
Unrestricted	3,749,470	(5,169,551)	23,383,142	2,043,234	(7,786,293)	(155,448)	6,107,908	22,172,462
Total Net Position	\$ 4,684,658	\$ (3,787,046)	\$ 23,383,142	\$ 4,127,716	\$ (7,786,293)	\$ 18,901,759	\$ 8,220,224	\$ 47,744,160

Internal Service Funds' negative Net Position will be alleviated by increases in user fees.

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2025

EXHIBIT K-2

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Operating Revenues								
Charges for Goods and Services	\$ 18,679,787	\$ 3,222,586	\$ 66,049,845	\$ 32,610,058	\$ 22,296,139	\$ 10,159,169	\$ 1,734,859	\$ 154,752,443
Operating Expenses								
Cost of Goods and Services Sold	11,282,952	1,570,920	-	-	-	-	-	12,853,872
Salaries and Wages and Benefits	(1,290,393)	676,105	-	7,179,393	515,895	1,080,082	121,658	8,282,740
Data Processing	25,771	-	-	14,204,285	-	-	-	14,230,056
Materials and Supplies	76,025	7,299	-	1,132,342	309	675,027	11,004	1,902,006
Rents and Utilities	44,839	69,405	-	-	-	3,198,083	103,703	3,416,030
Maintenance and Repairs	55,603	387,835	-	259,867	2,739	2,230,796	-	2,936,840
Depreciation and Amortization	1,528,938	61,363	-	192,237	-	1,619,874	59,849	3,462,261
Claims and Settlements	580,271	-	65,898,817	221,329	22,369,616	-	-	89,070,033
Uncollectible Expense	-	-	-	-	-	16,374	-	16,374
Miscellaneous Operating Expenses	(412,562)	(158,081)	4,549,044	8,651,719	479,001	1,205,198	630,349	14,944,668
Total Operating Expenses	11,891,444	2,614,846	70,447,861	31,841,172	23,367,560	10,025,434	926,563	151,114,880
Operating Income (Loss)	6,788,343	607,740	(4,398,016)	768,886	(1,071,421)	133,735	808,296	3,637,563
Non-Operating Revenues (Expenses)								
Interest and Fiscal Charges	(209,457)	-	-	-	-	-	-	(209,457)
Miscellaneous Revenue (Expenses)	-	-	-	-	-	8,323	1,841	10,164
Total Non-Operating Revenues (Expenses), Net	(209,457)	-	-	-	-	8,323	1,841	(199,293)
Other Financing Sources								
Capital Contributions	-	-	-	-	27,441,832	631,194	-	28,073,026
Total Other Financing Sources, Net	-	-	-	-	27,441,832	631,194	-	28,073,026
Change In Net Position	6,578,886	607,740	(4,398,016)	768,886	26,370,411	773,252	810,137	31,511,296
Net Position - Beginning of Year	(1,894,228)	(4,394,786)	27,781,158	3,358,830	(34,156,704)	18,128,507	7,410,087	16,232,864
Net Position - End of Year	\$ 4,684,658	\$ (3,787,046)	\$ 23,383,142	\$ 4,127,716	\$ (7,786,293)	\$ 18,901,759	\$ 8,220,224	\$ 47,744,160

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

For the Fiscal Year Ended June 30, 2025

EXHIBIT K-3

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Cash Flows from Operating Activities								
Receipts from Customers	\$ 18,679,788	\$ 3,222,586	\$ 66,049,844	\$ 32,610,060	\$ 22,296,139	\$ 10,166,601	\$ 1,734,859	\$ 154,759,877
Payments to Suppliers	(8,856,945)	(1,875,434)	(68,216,748)	(25,622,102)	(22,652,126)	(8,320,241)	(3,437,509)	(138,981,105)
Payments to Employees	(4,380,178)	(699,163)	-	(11,911,234)	(542,416)	(3,014,265)	(502,608)	(21,049,864)
Receipts From Other Funds	-	-	-	-	-	-	(472,850)	(472,850)
Other Receipts or (Payments)	-	-	-	-	-	9,061	1,840	10,901
Net Cash Provided by (Used In) Operating Activities	<u>5,442,665</u>	<u>647,989</u>	<u>(2,166,904)</u>	<u>(4,923,276)</u>	<u>(898,403)</u>	<u>(1,158,844)</u>	<u>(2,676,268)</u>	<u>(5,733,041)</u>
Cash Flows from Non-Capital Financing Activities								
Cash Received From Other Funds	-	-	651,043	-	-	-	2,676,268	3,327,311
Cash To Be Paid Other Funds	-	-	-	-	(259,945)	-	-	(259,945)
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>651,043</u>	<u>-</u>	<u>(259,945)</u>	<u>-</u>	<u>2,676,268</u>	<u>3,067,366</u>
Cash Flows from Capital and Related Financing Activities								
Acquisition/Acquisition of Capital Assets	-	(396,996)	-	-	-	(953,053)	-	(1,350,049)
Proceeds and Repayments of GO Bonds/Notes (Net)	(2,548,000)	-	-	-	-	-	-	(2,548,000)
Capital Grants and Contributions	-	-	-	-	-	631,194	-	631,194
Interest Paid on Long-Term Debt	(209,458)	-	-	-	-	-	-	(209,458)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(2,757,458)</u>	<u>(396,996)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(321,859)</u>	<u>-</u>	<u>(3,476,313)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,685,207	250,993	(1,515,861)	(4,923,276)	(1,158,348)	(1,480,703)	-	(6,141,988)
Cash and Cash Equivalents at July 1, 2024	3,687,368	-	38,817,672	10,377,113	14,535,961	2,012,698	-	69,430,812
Cash and Cash Equivalents at June 30, 2025	<u>\$ 6,372,575</u>	<u>\$ 250,993</u>	<u>\$ 37,301,811</u>	<u>\$ 5,453,837</u>	<u>\$ 13,377,613</u>	<u>\$ 531,995</u>	<u>\$ -</u>	<u>\$ 63,288,824</u>
Reconciliation of Operating Income (Loss)								
To Net Cash Provided by (Used In) Operating Activities								
Operating Income (Loss)	\$ 6,788,343	\$ 607,740	\$ (4,398,016)	\$ 768,886	\$ (1,071,421)	\$ 133,735	\$ 808,296	\$ 3,637,563
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:								
Depreciation	\$ 1,528,938	61,363	-	192,237	-	1,619,874	59,849	3,462,261
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-
Pension Expense	(3,744,746)	(42,077)	-	(4,795,536)	(47,937)	(1,947,966)	(375,785)	(10,954,047)
Miscellaneous Income/(Expense)	209,458	-	-	-	-	9,061	1,840	220,359
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:								
Accounts Receivable	-	-	-	-	-	23,807	-	23,807
Due From General Fund	-	-	-	-	-	-	-	-
Due From Component Unit	-	-	-	-	-	-	-	-
Inventories of Material and Supplies	-	-	-	-	-	-	(3,356,926)	(3,356,926)
Prepaid Expenses	-	-	-	-	-	-	(61,338)	(61,338)
Accounts Payable	661,863	1,937	2,160,112	(1,152,539)	199,533	(1,011,142)	252,960	1,112,724
Accrued Liabilities	24,702	4,744	71,000	91,163	(1,052)	30,144	(891)	219,810
Compensated Absences	(25,893)	\$ 14,282	-	(27,487)	22,474	(16,357)	(4,273)	(37,254)
Total Adjustments	<u>(1,345,678)</u>	<u>40,249</u>	<u>2,231,112</u>	<u>(5,692,162)</u>	<u>173,018</u>	<u>(1,292,579)</u>	<u>(3,484,564)</u>	<u>(9,370,604)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 5,442,665</u>	<u>\$ 647,989</u>	<u>\$ (2,166,904)</u>	<u>\$ (4,923,276)</u>	<u>\$ (898,403)</u>	<u>\$ (1,158,844)</u>	<u>\$ (2,676,268)</u>	<u>\$ (5,733,041)</u>

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The City maintains three types of Fiduciary Funds: 1) Trust Funds 2) Private-Purpose Trust Funds and 3) Custodial Funds. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs

Trust Funds

Pension Trust Fund

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

Pooled OPEB Trust

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

Private-Purpose Funds

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

Custodial Funds

The Custodial Funds reports fiduciary activity resources that are not held in a trust agreement or equivalent arrangement that meets specific criteria. It consists of the assets and liabilities of several organizations for which the City serves as fiscal agent, such as the Department of Welfare, the Department of Recreation and Parks, the Department of Public Works and the Law Department.

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025

EXHIBIT L-1

	Trust Funds			Social Welfare Private-Purpose	
	Pension Trust Fund	OPEB Pooled Investment Trust	Total	Trust Fund	Custodial Funds
Assets					
Cash and Cash Equivalents	\$ 4,274,609	\$ -	\$ 4,274,609	\$ 2,746,113	\$ 33,617,997
Receivables:					
Accounts Receivable	2,118,590	-	2,118,590	-	-
Total Cash and Receivables	6,393,199	-	6,393,199	2,746,113	33,617,997
Investments at fair value:					
US Equities	200,134,893	-	200,134,893	-	-
International Equities	162,312,217	-	162,312,217	-	-
Fixed Income	280,694,161	-	280,694,161	-	-
Real Estate	57,876,997	-	57,876,997	-	-
Diversifying Assets	59,629,250	-	59,629,250	-	-
Private Debt	56,552,382	-	56,552,382	-	-
Private Equity	79,791,628	-	79,791,628	-	-
Pooled Investment Funds	-	12,249,659	12,249,659	-	-
Total Investments	896,991,528	12,249,659	909,241,187	-	-
Other Assets	11,294	-	11,294	-	-
Total Assets	\$ 903,396,021	\$ 12,249,659	\$ 915,645,680	\$ 2,746,113	\$ 33,617,997
Liabilities					
DROP Payable	\$ 16,344,851	\$ -	\$ 16,344,851	\$ -	\$ -
Accounts Payable	2,456,758	-	2,456,758	-	280,610
Investment Expense Payable	330,000	-	330,000	-	-
Retirement & Death Benefit Payable	414,867	-	414,867	-	-
Due to Other Governments	-	-	-	-	39,497
Due to Others	-	-	-	2,746,113	478,900
Total Liabilities	\$ 19,546,476	\$ -	\$ 19,546,476	\$ 2,746,113	\$ 799,007
Net Position					
Restricted for:					
Pensions	883,849,545	-	883,849,545	-	-
Postemployment Benefits, Other Than Pensions	-	12,249,659	12,249,659	-	-
Individuals, Organizations, Other governments	-	-	-	-	32,818,990
Total Net Position	\$ 883,849,545	\$ 12,249,659	\$ 896,099,204	\$ -	\$ 32,818,990

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2025

EXHIBIT L-2

	Trust Funds			Social Welfare Private-Purpose Trust Fund	Custodial Funds
	Pension Trust Fund	OPEB Pooled Investment Trust	Total		
Additions					
Contributions:					
Individuals	\$ 6,111,922	\$ -	\$ 6,111,922	\$ -	\$ 562,727
City of Richmond	50,258,713	724,927	50,983,640	-	-
RBHA	1,038,933	-	1,038,933	-	-
Other	-	-	-	-	-
Total Contributions	<u>57,409,568</u>	<u>724,927</u>	<u>58,134,495</u>	<u>-</u>	<u>562,727</u>
Investment earnings:					
Net increase in fair value of investments	73,314,154	992,689	74,306,843	-	-
Interest, dividends, other	14,900,276	-	14,900,276	-	-
Total Investment Earnings	<u>88,214,430</u>	<u>992,689</u>	<u>89,207,119</u>	<u>-</u>	<u>-</u>
Less Investment Costs					
Investment activity costs	1,558,977	-	1,558,977	-	-
Net Investment Earnings	<u>86,655,453</u>	<u>992,689</u>	<u>87,648,142</u>	<u>-</u>	<u>-</u>
License and fees collected for State	-	-	-	-	14,849
Miscellaneous	-	-	-	134,050	-
Total Additions	<u>144,065,021</u>	<u>1,717,616</u>	<u>145,782,637</u>	<u>134,050</u>	<u>577,576</u>
Deductions					
Benefits paid to participants or beneficiaries	77,232,715	724,927	77,957,642	-	4,709,511
Refunds of member contributions	358,109	-	358,109	-	-
Payments to state	-	-	-	-	-
Administrative expense	1,737,469	8,823	1,746,292	134,050	-
Other	66,135	-	66,135	-	-
Total Deductions	<u>79,394,428</u>	<u>733,750</u>	<u>80,128,178</u>	<u>134,050</u>	<u>4,709,511</u>
Change in net position	64,670,593	983,866	65,654,459	-	(4,131,935)
Net Position – July 1, 2024, as originally reported	<u>819,178,952</u>	<u>11,265,793</u>	<u>830,444,745</u>	<u>-</u>	<u>116,705</u>
Error Correction	-	-	-	-	36,834,220
Net Position – July 1, 2024, as fully adjusted	<u>819,178,952</u>	<u>11,265,793</u>	<u>830,444,745</u>	<u>-</u>	<u>36,950,925</u>
Net Position – June 30, 2025	<u>\$ 883,849,545</u>	<u>\$ 12,249,659</u>	<u>\$ 896,099,204</u>	<u>\$ -</u>	<u>\$ 32,818,990</u>

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STATISTICAL



SECTION

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Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

**CITY OF RICHMOND, VIRGINIA
MISCELLANEOUS STATISTICAL DATA
June 30, 2025**

DATE OF INCORPORATION

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

AREA OF CITY

The area of the City consists of 62.5 square miles.

POPULATION

United States Census 2010	.....	204,214
United States Census 2011	.....	205,533
United States Census 2012	.....	210,309
United States Census 2013	.....	214,114
United States Census 2014	.....	217,853
United States Census 2015	.....	220,289
United States Census 2016	.....	223,170
United States Census 2017	.....	227,032
United States Census 2018	.....	228,783
United States Census 2019	.....	230,436
United States Census 2020	.....	226,610
United States Census 2021	.....	226,604
United States Census 2022	.....	229,395
United States Census 2023	.....	229,247
United States Census 2024	.....	230,127
United States Census 2025	.....	230,787

Source: U.S. Department of Commerce. U.S. Census Bureau.

FORM OF GOVERNMENT

The City is organized under the Strong Mayoral-Council form of government. The mayoral form consists of a City Mayor, elected at-large, and a City Council which serves as the municipality's legislative body. The Council is composed of nine members elected on a single member district basis. The President of Council and Vice President are chosen by a majority vote of all members of Council from their own members. The Mayor appoints, with the consent of Council, a Chief Administrative Officer to act as the chief administrator of the City. The Chief Administrative Officer serves at the pleasure of the Mayor, carries out the City's administrative and policy-related duties, directs business procedures, and has the power of appointment and removal of the heads of all administrative departments as well as certain other officers and employees of the administration.

SEGREGATION OF TAXABLE SUBJECTS FOR LOCAL TAXATION ONLY

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

ASSESSMENTS

The City Assessor of Real Estate assesses real estate annually at “fair market value”. The assessment to sales ratio is estimated to be 95.0%. The real estate assessments for the semi-annual real estate billing were based on an effective valuation date of January 1, 2025. The due dates for the semi-annual billing were January 15 and June 15 in the 2025 tax year. New construction and renovations will be added to the land book through December 31, 2025.

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

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

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

TAX RATES

Real Estate:

- \$1.20 per \$100 of Assessed Value: 2008-2025
- \$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: 1992-2025

Machinery and Tools Used for Manufacturing and Mining:

- \$2.30 per \$100 of Assessed Value: 1992-2025

Utility Consumers' Tax:

- Monthly Residential Billing:
 - Electricity - \$1.40 plus .015116 per kilowatt-hour and the amount of tax shall not exceed \$4.00 per month.
 - Gas - \$1.78 plus .010091 per 100 CCF delivered per month and the amount of tax shall not exceed \$4.00 per month
- Monthly Commercial and Industrial Billing:
 - Commercial Metered Electricity - \$2.75 plus .016462 per kilowatt-hour (kWh) first 8,945kWh and .002160 per kWh in excess of 8,945kWh
 - Industrial Metered Electricity - \$2.75 plus .0119521 per kilowatt-hour (kWh) first 1,242kWh .001837 per kWh in excess of 1,242kWh
 - Commercial Gas - \$2.88 plus \$.01739027 per CCF delivered (small volume)
 - Commercial Gas - \$24.00 plus \$.07163081 per CCF delivered (large volume)
 - Industrial Metered Gas - \$120.00 plus \$.011835 per CCF delivered
 - Commercial Telephone – 5% Communication Tax*

- Electric Utility Consumption Tax:
 - Less than 2,500kWh per month .00038 per kWh.
 - Excess of 2,501kWh per month but not in excess of 50,000kWh per month .00024 per kWh.
 - All excess of 50,000kWh per month .00018 per kWh.

Business, Professional, and Occupational Licenses:

For Business with Gross Receipts Exceeding Threshold:

- Wholesale Merchants - \$.22 per \$100 of gross purchases
- Retail Merchants - \$.20 per \$100 of gross receipts
- Professional Occupations - \$.58 per \$100 of gross receipts
- Contractors - \$.19 per \$100 gross contracts and/or 1.50% of fees from contracts on a fee basis
- Personal Service Contracts - \$.36 per \$100 gross receipts

Thresholds:

- Receipts less than \$5,000-the license costs \$0.00 + flat rate fees
- Receipts between \$5,001 to \$250,000=the license cost is \$30.00 + flat rate fees
- Receipts greater than than \$250,000 - gross receipts X business type rate + flat rate fees

Motor Vehicle License:

- Private passenger vehicles - \$40.74 on 4,000lbs. or less; \$45.74 on 4,001lbs. or more
- Trucks - Rates graduated in accordance with gross weight; maximum rate \$250
- Motorcycles - \$28.74

Admission Tax:

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

Bank Franchise Tax:

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

Sales and Use Tax:

- 5.0% State and 1% Local

Prepared Meals Tax:

- A tax of 7.5% on prepared meals sold in the City in addition to the Sales Tax, effective July 1, 2018

Lodging Tax:

- A tax of 8% of the charge made for each room rented by a transient in a hotel or motel
- 100% of the City's transient lodging tax revenue is allocated to the Greater Richmond Convention Center Authority

Cable TV Tax:

- 5% Communications Tax*

*Effective January 1, 2007, the local consumer tax on communications services, including the 5% Cable TV service tax was replaced with a 5% Communications Tax collected and administered by the Virginia Department of Taxation and distributed to the City on a pro-rata basis as determined by the Auditor of Public Accounts in October 2006.

Cigarette Tax:

- A tax of \$0.025 is placed on each cigarette sold, effective July 1, 2019.

Other Taxes and Fees:

- *PILOT (Payment In Lieu of Taxes)*: companies that do not pay taxes but instead pay a fee for trash collections and disposal, police protection and fire protection. PILOT is billed twice a year in June and December. The PILOT rate is computed based on several different figures from the Annual Comprehensive Financial Report, Assessor's Office and other financial reports. Certain companies (e.g. Commonwealth of Virginia) have rates set by the General Assembly.
- *PSC (Public Service Corporation)*: companies that deliver public services considered essential to the public interest. These companies are assessed based on the Virginia State Corporation Commission. PSC is billed twice a year June and December. The tax rate for all companies is the same as regular real state and personal property accounts.

TAXES DUE

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

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

DELINQUENT TAXES

As of tax year 2011, real estate taxes are billed semi-annually with due dates of January 14 and June 14. Taxes will be reported as delinquent on January 15 and June 15, respective of the tax year for which assessed. Personal property taxes are reported as delinquent on June 6 of the tax year for which assessed or 61 days after acquiring taxable situs. There is a 10% penalty and 10% annual interest when taxes are not paid on or before the due date. In FY 2025, the interest rate for unpaid taxes was 10%. Business personal property taxes incur an additional 10% late payment penalty if not paid within 60 days of the due date.

OVERLAPPING AREAS AND DEBT

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

CITY INDEBTEDNESS

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

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

There are no special assessments or special revenue bonds issued or outstanding. Bonds of the City are legal investments for savings banks and trust funds in New York.

DEBT MANAGEMENT POLICIES

The City Council adopted a resolution in 1989 that was amended in 1991, 2012, and again in 2017 (Resolution No. 2017-R088), establishing guidelines for the planning, issuance, and management of debt, for and on behalf of, the City of Richmond. The City will issue long-term debt for the purpose of planning, designing, purchasing, and constructing capital projects and for making major renovations to existing City infrastructure. The City may also incur debt for acquiring vehicles, machinery and equipment with the maturity of any debt offering not exceeding the expected useful life of the acquired asset. It will be the policy of the City to budget annual operating funds for expenditures that are primarily of an on-going maintenance type activity.

It is the policy of the City that tax supported debt shall include all general obligation, moral obligation, and subject to appropriation debt (i.e., capital leases), collectively referred to as total debt, which are paid from the general revenues of the City. The tax supported debt policies listed will not include any self-supporting general obligation or revenue bond debt issued on behalf of a City Enterprise Fund (e.g., Utilities and Parking). It will be the policy of the City that tax supported debt, including bonds and notes authorized but unissued, will be limited by any one of the following:

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

FUND BALANCE POLICIES

The City Council adopted a Fund Balance Policy on March 14, 1988, which established major policy goals. On October 26, 1992, the City Council amended the Fund Balance Policy, raising the required level of the unassigned fund balance from 3% to 5% and again November 26, 2001, from 5% to 7% of budgeted General Fund expenditures over a period of years. In 2012, City Council adopted RES. 2012-R042-72, which further increased the required level of unassigned fund balance to 10% of budgeted General Fund expenditures.

On December 11, 2017, the City Council adopted Ordinance No. 2017-215 amending the prior Fund Balance Policies. The Ordinance establishes goals for the Unassigned Fund Balance and the Budget and Revenue Stabilization Contingency Reserve.

Unassigned Fund Balance Policy

- It is the goal of the City that the General Fund's Unassigned Fund Balance be equal to at least 13.67% of budgeted General Fund operating expenses for the latest fiscal year for which City Council has adopted a General Fund Budget.
- It is the policy of the City that appropriations from the Unassigned Fund Balance will be made (i) only in the event of unusual, unanticipated, and seemingly insurmountable hardship, and (ii) only after all other reserves or contingency funds have been exhausted.
- To the extent that the Unassigned Fund Balance is ever drawn upon, the Mayor shall submit to City Council, within 90 days after the date on which such funds have been expended, a plan to restore the amount expended within three years. As of June 30, 2025, the Unassigned Fund Balance was \$140.7 million, which is 14.8% of annual adopted FY 2024 budgeted expenditures and transfers out.

Budget and Revenue Stabilization Contingency Reserve

- It is the goal of the City that the Budget and Revenue Stabilization Contingency Reserve be equal to at least 3.0% of budgeted General Fund operating expenses for the latest fiscal year in which City Council has adopted a General Fund Budget.
- To the extent that the Budget and Revenue Stabilization Contingency Reserve is ever drawn upon, the Mayor shall submit to City Council, within 90 days after the date on which such funds were expended, a plan to restore the amount expended within three years. As of June 30, 2025, the Budget and Revenue Stabilization Contingency Reserve balance was \$34.0 million, which is 3.6% of annual adopted budgeted FY 2024 expenditures and transfers out.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 335,442,017	\$ 338,407,031	\$ 410,990,285	\$ 377,074,230	\$ 416,448,551
Restricted	19,843,817	29,302,519	32,520,120	97,217,724	66,034,135
Unrestricted	<u>(270,779,486)</u>	<u>(205,662,515)</u>	<u>(296,817,160)</u>	<u>(253,111,485)</u>	<u>(231,367,452)</u>
Total Governmental Activities' Net Position	<u>\$ 84,506,348</u>	<u>\$ 162,047,035</u>	<u>\$ 146,693,245</u>	<u>\$ 221,180,469</u>	<u>\$ 251,115,234</u>
Business-type Activities					
Net Investment in Capital Assets	\$ 487,293,137	\$ 523,105,159	\$ 530,202,221	\$ 568,905,631	\$ 403,895,298
Restricted	-	25,602,020	28,962,996	27,326,143	31,683,153
Unrestricted	<u>182,038,024</u>	<u>161,296,665</u>	<u>191,993,283</u>	<u>222,325,753</u>	<u>430,507,067</u>
Total Business-type Activities' Net Position	<u>\$ 669,331,161</u>	<u>\$ 710,003,844</u>	<u>\$ 751,158,500</u>	<u>\$ 818,557,527</u>	<u>\$ 866,085,518</u>
Primary Government					
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	61,483,116	124,543,867	66,034,135
Unrestricted	<u>(88,741,462)</u>	<u>(44,365,850)</u>	<u>(104,823,877)</u>	<u>(30,785,732)</u>	<u>199,139,615</u>
Total Primary Government Activities' Net Position	<u>\$ 753,837,509</u>	<u>\$ 872,050,879</u>	<u>\$ 897,851,745</u>	<u>\$ 1,039,737,996</u>	<u>\$ 1,085,517,599</u>

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 418,000,007	\$ 456,762,911	\$ 543,284,125	\$ 585,613,372	\$ 593,490,321
73,695,004	77,063,140	93,994,844	283,933,409	254,494,140
(206,730,129)	(98,252,361)	(44,088,297)	(155,902,564)	(13,318,226)
<u>\$ 284,964,882</u>	<u>\$ 435,573,690</u>	<u>\$ 593,190,672</u>	<u>\$ 713,644,217</u>	<u>\$ 834,666,235</u>
\$ 590,026,715	\$ 616,561,763	\$ 666,087,708	\$ 734,823,595	\$ 898,896,313
31,683,153	31,543,651	31,003,119	35,944,345	35,775,451
256,888,978	277,444,371	285,211,799	285,211,799	210,680,488
<u>\$ 878,598,846</u>	<u>\$ 925,549,785</u>	<u>\$ 982,302,626</u>	<u>\$ 1,055,979,739</u>	<u>\$ 1,145,352,252</u>
\$ 1,008,026,722	\$ 1,073,324,674	\$ 1,209,371,833	\$ 1,320,436,967	\$ 1,492,386,634
105,378,157	108,606,791	124,997,963	319,877,754	290,269,591
50,158,849	179,192,010	241,123,502	141,609,067	197,362,262
<u>\$ 1,163,563,728</u>	<u>\$ 1,361,123,475</u>	<u>\$ 1,575,493,298</u>	<u>\$ 1,781,923,788</u>	<u>\$ 1,980,018,487</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses					
Governmental Activities:					
General Government	\$ 134,946,876	\$ 125,878,780	\$ 137,501,073	\$ 146,968,353	\$ 101,875,696
Public Safety and Judiciary	190,970,196	186,133,476	199,718,107	216,008,150	279,586,631
Highways, Streets, Sanitation and Refuse	87,187,508	80,927,188	83,664,060	88,264,777	94,247,378
Human Services	81,057,222	81,512,645	80,387,107	76,067,291	86,812,754
Culture and Recreation	24,601,851	24,328,301	24,936,175	27,405,258	33,089,503
Education	175,157,363	180,714,967	160,582,780	154,040,146	181,367,280
Transportation	13,045,156	13,045,157	14,694,681	15,461,739	16,205,159
Interest and Fiscal Changes	26,591,694	27,522,522	28,919,030	22,979,915	24,298,185
Total Governmental Activities Expenses	<u>733,557,866</u>	<u>720,063,036</u>	<u>730,403,013</u>	<u>747,195,629</u>	<u>817,482,586</u>
Business-type Activities:					
Gas	119,137,386	127,316,121	136,490,923	143,171,010	137,916,117
Water	51,634,764	53,402,794	62,606,233	65,703,398	62,305,376
Wastewater	64,768,064	65,175,833	64,961,045	69,299,012	72,276,266
Stormwater	7,208,967	8,002,822	9,296,824	10,699,516	11,297,361
Coliseum	2,260,443	2,661,938	1,769,739	1,385,541	-
Cemeteries	1,588,932	1,751,891	1,785,430	1,729,131	1,730,660
Parking	11,329,861	10,734,673	14,435,223	11,907,060	14,339,019
Total Business-type Activities Expenses	<u>257,928,417</u>	<u>269,046,072</u>	<u>291,345,417</u>	<u>303,894,668</u>	<u>299,864,799</u>
Total Primary Government Expenses	<u>\$ 991,486,283</u>	<u>\$ 989,109,108</u>	<u>\$ 1,021,748,430</u>	<u>\$ 1,051,090,297</u>	<u>\$ 1,117,347,385</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 55,269,092	\$ 66,432,831	\$ 56,529,913	\$ 82,999,462	\$ 85,631,515
Culture and Recreation	1,024,289	365,656	1,712,264	981,298	1,074,941
Other Activities	24,626,836	121,526,052	125,957,970	108,651,189	107,972,495
Operating Grants and Contributions	137,190,859	32,906,250	38,494,867	33,541,166	39,154,918
Capital Grants and Contributions	41,047,136	34,862,903	11,315,940	15,341,009	16,852,304
Total Governmental Activities Program Revenues	<u>\$ 259,158,212</u>	<u>\$ 256,093,692</u>	<u>\$ 234,010,954</u>	<u>\$ 241,514,124</u>	<u>\$ 250,686,173</u>
Business-type Activities:					
Charges for Services:					
Gas	\$ 128,478,137	\$ 135,691,059	\$ 155,118,968	\$ 159,843,381	\$ 150,940,718
Water	65,836,889	68,181,546	70,249,766	74,872,623	77,341,658
Wastewater	79,101,386	83,251,997	86,934,435	85,644,746	86,822,228
Stormwater	10,997,422	11,208,637	11,559,933	11,744,339	12,192,869
Coliseum	1,379,423	2,034,341	2,744,389	611,442	-
Cemeteries	1,559,770	1,261,806	1,618,075	1,454,188	1,617,007
Parking	15,273,141	18,091,685	19,067,327	19,725,671	16,948,365
Operating Grants and Contributions	17,401,151	20,591,436	18,825,861	34,231,028	19,325,402
Total Business-type Activities Program Revenues	<u>320,027,319</u>	<u>340,312,507</u>	<u>366,118,754</u>	<u>388,127,418</u>	<u>365,188,247</u>
Total Primary Government Program Revenues	<u>\$ 579,185,531</u>	<u>\$ 596,406,199</u>	<u>\$ 600,129,708</u>	<u>\$ 629,641,542</u>	<u>\$ 615,874,420</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (474,399,654)	\$ (463,969,344)	\$ (496,392,059)	\$ (505,681,505)	\$ (566,796,413)
Business-type Activities	62,098,902	71,266,435	74,773,337	84,232,750	65,323,448
Total Primary Government Net Expense	<u>\$ (412,300,752)</u>	<u>\$ (392,702,909)</u>	<u>\$ (421,618,722)</u>	<u>\$ (421,448,755)</u>	<u>\$ (501,472,965)</u>

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	106,688,602	\$ 104,797,108	\$ 119,436,563	\$ 189,042,845	\$ 193,115,960
	287,470,371	225,465,586	312,086,781	326,002,767	301,810,945
	84,536,398	110,098,816	109,716,400	121,911,514	116,354,421
	116,253,338	73,714,517	93,607,244	97,157,018	101,597,604
	51,317,493	32,233,479	41,240,794	43,630,504	43,603,340
	186,561,208	188,514,656	220,622,729	232,744,259	246,402,831
	7,275,051	8,319,090	8,619,754	8,910,461	9,271,982
	30,105,012	30,709,686	33,074,979	47,210,677	100,840,957
	<u>870,207,473</u>	<u>773,852,938</u>	<u>938,405,244</u>	<u>1,066,610,045</u>	<u>1,112,998,040</u>
	149,291,751	205,625,040	207,645,244	156,435,660	190,463,515
	58,843,561	61,101,221	71,442,087	73,588,145	91,723,192
	77,423,701	-	81,639,278	93,762,832	94,600,073
	11,876,330	11,263,483	12,441,815	18,090,721	21,241,169
	-	-	-	-	-
	2,484,155	2,081,530	2,323,839	3,879,229	2,548,664
	11,622,763	10,517,294	14,256,958	13,705,999	10,775,325
	<u>311,542,261</u>	<u>290,588,568</u>	<u>389,749,221</u>	<u>359,462,586</u>	<u>411,351,938</u>
\$	<u>1,181,749,734</u>	<u>\$ 1,064,441,506</u>	<u>\$ 1,328,154,465</u>	<u>\$ 1,426,072,631</u>	<u>\$ 1,524,349,978</u>
\$	75,887,419	\$ 95,005,747	\$ 118,323,363	\$ 140,004,753	\$ 164,564,912
	526,016	2,231,900	2,762,926	1,336,906	1,646,206
	160,365,743	130,933,657	137,303,956	196,100,015	194,093,342
	44,063,379	34,201,350	53,928,963	57,397,239	51,709,815
	14,575,742	12,687,152	15,744,457	32,876,827	21,882,191
	<u>295,418,299</u>	<u>\$ 275,059,806</u>	<u>\$ 328,063,665</u>	<u>\$ 427,715,740</u>	<u>\$ 433,896,466</u>
\$	163,913,235	\$ 218,631,706	\$ 218,573,161	\$ 166,916,530	\$ 206,522,153
	73,268,978	75,808,208	84,162,374	86,022,848	89,504,888
	84,031,376	-	102,062,493	123,301,148	109,952,620
	11,943,076	13,096,189	14,334,996	18,472,163	17,626,895
	-	-	-	-	-
	2,095,658	1,979,309	1,751,063	1,663,949	1,545,685
	16,545,438	15,431,613	19,077,194	17,109,612	19,569,622
	14,063,039	21,036,607	15,607,723	36,907,051	72,444,060
	<u>365,860,800</u>	<u>345,983,632</u>	<u>455,569,004</u>	<u>450,393,301</u>	<u>517,165,923</u>
\$	<u>661,279,099</u>	<u>\$ 621,043,438</u>	<u>\$ 783,632,669</u>	<u>\$ 878,109,041</u>	<u>\$ 951,062,389</u>
\$	(574,789,155)	\$ (498,784,433)	\$ (610,341,579)	\$ (638,894,305)	\$ (675,632,903)
	54,338,539	77,589,900	65,819,783	90,930,715	105,813,985
	<u>(520,450,616)</u>	<u>(421,194,533)</u>	<u>(544,521,796)</u>	<u>(547,963,590)</u>	<u>(569,818,918)</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Real Estate	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447	\$ 301,191,413
Sales Tax	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051
Sales Tax for Education	24,997,524	25,661,559	-	-	-
Personal Property	48,222,257	59,223,115	62,393,129	65,657,356	67,470,336
Machinery and Tools	14,454,966	12,758,274	14,095,200	15,459,814	15,375,569
General Utility Sales	17,659,169	18,455,308	19,351,132	18,269,540	18,858,085
State Communication Taxes	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289
Bank Stock	9,936,805	8,364,990	8,842,901	8,812,735	8,951,709
Prepared Food	33,206,090	36,002,917	37,009,033	47,860,645	40,470,943
Cigarette Tax	-	-	-	-	3,856,544
Lodging Tax	7,504,354	8,025,516	8,888,653	9,141,366	6,537,135
Admissions	3,036,088	2,747,268	2,775,821	2,900,367	2,561,066
Real Estate Taxes - Delinquent	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420
Personal property Taxes - Delinquent	6,378,267	9,836,983	9,542,459	6,513,004	8,715,611
Private Utility Poles and Conduits	68,699	260,117	163,837	157,378	99,758
Penalties and Interest	7,892,982	5,023,749	8,538,569	4,509,826	4,839,234
Titling Tax-Mobile Home	8,266	9,474	14,583	9,267	8,206
State Recordation	1,156,543	942,127	1,001,665	1,058,973	809,327
Property Rental 1%	79,202	154,115	122,066	171,168	71,218
Vehicle Rental Tax	1,067,535	845,652	905,346	1,204,155	1,320,598
Telephone Commissions	628,014	196,579	198,990	210,793	418,395
Investment Earnings	53,281	114,158	221,163	829,719	824,899
Miscellaneous	19,083,117	20,034,985	18,452,974	27,257,144	23,481,934
Transfers	32,669,758	33,908,419	30,764,389	26,928,463	30,828,438
Special Item	-	2,215,826	2,720,280	2,220,055	-
Extraordinary Item	-	-	-	-	-
Total Governmental Activities	<u>512,891,832</u>	<u>541,510,031</u>	<u>522,607,629</u>	<u>577,842,079</u>	<u>596,731,178</u>
Business-type Activities:					
Investment Earnings	\$ 695,117	\$ 1,937,972	\$ 4,297,491	\$ 7,214,006	\$ 5,965,690
Miscellaneous	922,473	1,019,326	102,671	5,207,384	3,073,871
Transfers	<u>(32,669,758)</u>	<u>(33,551,050)</u>	<u>(30,764,389)</u>	<u>(26,928,463)</u>	<u>(30,828,438)</u>
Total Business-type Activities	<u>(31,052,168)</u>	<u>(30,593,752)</u>	<u>(26,364,227)</u>	<u>(14,507,073)</u>	<u>(21,788,877)</u>
Total Primary Government	<u>\$ 481,839,664</u>	<u>\$ 510,916,279</u>	<u>\$ 496,243,402</u>	<u>\$ 563,335,006</u>	<u>\$ 574,942,301</u>
Change in Net Position					
Governmental Activities	\$ 38,492,178	\$ 77,540,687	\$ 26,215,570	\$ 72,160,574	\$ 29,934,765
Business-type Activities	31,046,734	40,672,683	48,409,110	69,725,677	43,534,571
Total Primary Government	<u>\$ 69,538,912</u>	<u>\$ 118,213,370</u>	<u>\$ 74,624,680</u>	<u>\$ 141,886,251</u>	<u>\$ 73,469,336</u>

Special Item:

Fiscal Year 2013 - Gain on Sale of Land

Fiscal Year 2015 - Bargain Purchase of Property-Diamond

Fiscal Years 2017 to 2019 - Proceeds from Sect 108 and EDA which starting in FY 2020 were included in Transfers in accordance with GFOA

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	313,510,367	\$ 364,450,861	\$ 424,771,551	\$ 415,169,292	\$ 437,735,197
	33,165,952	44,689,387	50,865,941	52,168,005	53,791,456
	-	-	-	-	-
	64,517,810	61,582,798	70,822,467	75,436,175	84,576,011
	13,719,545	14,313,100	17,228,901	12,933,098	14,409,565
	17,124,936	17,898,426	18,699,801	18,887,097	19,234,925
	12,616,557	11,017,266	11,740,138	12,010,546	9,982,147
	11,649,226	4,278,305	10,744,703	11,922,598	11,855,628
	34,201,334	45,762,510	55,399,485	53,930,592	54,775,430
	3,087,283	2,579,506	2,483,993	2,110,436	1,861,047
	4,907,209	8,130,205	9,678,534	10,061,651	10,581,812
	244,726	1,909,783	3,646,975	3,642,044	3,667,248
	12,904,616	5,712,148	10,824,712	10,751,534	13,081,886
	6,074,682	7,591,720	18,648,863	14,967,748	6,447,733
	100,896	-	-	-	-
	6,722,385	5,286,509	6,181,051	4,521,174	3,722,549
	5,235	-	-	-	-
	-	-	-	-	-
	95,085	99,631	265,561	155,673	333,430
	1,001,954	1,298,495	1,233,191	1,184,542	1,250,981
	481,556	350,057	325,784	290,146	281,607
	282,753	83,342	1,339,250	1,960,573	6,211,397
	44,509,573	19,361,204	30,012,707	27,830,846	29,104,435
	37,922,671	32,997,988	23,067,377	29,614,287	32,339,551
	-	-	-	-	-
	-	-	-	-	-
	<u>618,846,351</u>	<u>649,393,241</u>	<u>767,980,985</u>	<u>759,548,057</u>	<u>795,244,035</u>
\$	956,970	\$ 985,279	\$ 14,879,358	\$ 24,321,292	\$ 10,529,788
	2,040,401	1,373,748	(670,422)	193,693	(5,882,262)
	<u>(37,922,671)</u>	<u>(32,997,988)</u>	<u>(23,067,612)</u>	<u>(29,614,287)</u>	<u>(33,388,830)</u>
	<u>(34,925,300)</u>	<u>(30,638,961)</u>	<u>(8,858,676)</u>	<u>(5,099,302)</u>	<u>(28,741,304)</u>
\$	<u>583,921,051</u>	<u>618,754,280</u>	<u>759,122,309</u>	<u>754,448,755</u>	<u>766,502,731</u>
\$	43,057,206	\$ 150,608,808	\$ 158,827,661	\$ 120,653,752	\$ 119,611,132
	19,413,239	46,950,939	56,961,107	85,768,679	77,072,681
\$	<u>62,470,445</u>	<u>197,559,747</u>	<u>215,788,768</u>	<u>206,422,431</u>	<u>196,683,813</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City Taxes					
Real Estate	\$ 224,785,116	\$ 237,853,883	\$ 237,888,652	\$ 274,413,447	\$ 301,191,413
Sales-1% Local	33,773,371	34,176,816	30,282,657	36,953,797	36,859,051
Sales Tax for Education	24,997,524	25,661,559	-	-	-
Personal Property	48,222,257	59,223,115	62,393,129	65,657,356	67,470,336
Machinery and Tools	14,454,966	12,758,274	14,095,200	15,459,814	15,375,569
General Utility Sales	17,659,169	18,455,308	19,351,132	18,269,540	18,858,085
State Communication Taxes	16,527,290	15,760,395	14,138,781	14,413,205	13,881,289
Bank Stock	9,936,805	8,364,990	8,842,901	8,812,735	8,951,709
Prepared Food	33,206,090	36,002,917	37,009,033	47,860,645	40,470,943
Transient Lodging	7,504,354	8,025,516	8,888,653	9,141,366	6,537,135
Admissions	3,036,088	2,747,268	2,775,821	2,900,367	2,561,066
Cigarette Tax	-	-	-	-	3,856,544
Real Estate Taxes - Delinquent	9,703,138	8,937,806	14,295,349	12,889,862	9,300,420
Personal Property Taxes -Delinquent	6,378,267	9,836,983	9,542,459	6,513,004	8,715,611
Private Utility Poles and Conduits	68,699	260,117	163,837	157,378	99,758
Penalties and Interest	7,892,982	5,023,749	8,538,569	4,509,826	4,839,234
Titling Tax-Mobile Home	8,266	9,474	14,583	9,267	8,206
State Recordation	1,156,543	942,127	1,001,665	1,058,973	809,327
Property Rental 1%	79,202	154,115	122,066	171,168	71,218
Vehicle Rental Tax	1,067,535	845,652	905,346	1,204,155	1,320,598
Telephone Commissions	628,014	196,579	198,990	210,793	418,395
Total Primary Government	<u>\$ 461,085,676</u>	<u>\$ 485,236,643</u>	<u>\$ 470,448,823</u>	<u>\$ 520,606,698</u>	<u>\$ 541,595,907</u>

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	313,510,367	\$ 364,450,861	\$ 424,771,551	\$ 415,169,292	\$ 437,735,197
	33,165,952	44,689,387	50,865,941	52,168,005	53,791,456
	-	-	-	-	-
	64,517,810	61,582,798	70,822,467	75,436,175	84,576,011
	13,719,545	14,313,100	17,228,901	12,933,098	14,409,565
	17,124,936	17,898,426	18,699,801	18,887,097	19,234,925
	12,616,557	11,017,266	11,740,138	12,010,546	9,982,147
	11,649,226	4,278,305	10,744,703	11,922,598	11,855,628
	34,201,334	45,762,510	55,399,485	53,930,592	54,775,430
	4,907,209	8,130,205	9,678,534	10,061,651	10,581,812
	244,726	1,909,783	3,646,975	3,642,044	3,667,248
	3,087,283	2,579,506	2,483,993	2,110,436	1,861,047
	12,904,616	5,712,148	10,824,712	10,751,534	13,081,886
	6,074,682	7,591,720	18,648,863	14,967,748	6,447,733
	100,896	-	-	-	-
	5,722,385	5,286,509	6,181,051	4,521,174	3,722,549
	5,235	-	-	-	-
	-	-	-	-	-
	95,085	99,631	265,561	155,673	333,430
	1,001,964	1,298,495	1,233,191	1,184,542	1,250,981
	481,556	350,057	325,784	290,146	281,607
\$	<u>535,131,364</u>	<u>\$ 596,950,707</u>	<u>\$ 713,561,651</u>	<u>\$ 700,142,351</u>	<u>\$ 727,588,652</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:					
Nonspendable	\$ 383,338	\$ 399,742	\$ 9,953	\$ -	\$ 8,822
Committed	10,000,000	12,019,176	14,047,172	14,068,892	20,090,612
Assigned	5,850,728	15,219,451	13,597,476	26,278,802	33,685,155
Unassigned	<u>98,210,321</u>	<u>107,729,940</u>	<u>108,511,921</u>	<u>111,580,122</u>	<u>112,767,905</u>
Total General Fund	<u>\$ 114,444,387</u>	<u>\$ 135,368,309</u>	<u>\$ 136,166,522</u>	<u>\$ 151,927,816</u>	<u>\$ 166,552,494</u>
All Other Governmental Funds:					
Nonspendable	\$ -	\$ -	\$ 38,925	\$ -	\$ -
Restricted	19,857,793	29,302,519	32,471,242	56,860,588	66,025,313
Committed	745,000	-	-	-	-
Assigned	3,312,542	-	-	-	-
Unassigned	<u>(83,439,150)</u>	<u>(57,853,866)</u>	<u>(103,646,117)</u>	<u>(69,278,805)</u>	<u>(99,213,840)</u>
Total All Other Governmental Funds	<u>\$ (59,523,815)</u>	<u>\$ (28,551,347)</u>	<u>\$ (71,135,950)</u>	<u>\$ (12,418,217)</u>	<u>\$ (33,188,527)</u>

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

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	13,822	\$ 11,496	\$ 14,170	\$ 14,170	\$ 1,139,074
	23,969,210	25,329,469	29,794,892	29,694,745	34,130,899
	37,729,147	73,045,704	92,828,230	99,013,517	94,507,298
	<u>100,458,026</u>	<u>107,862,492</u>	<u>139,902,611</u>	<u>139,902,611</u>	<u>140,678,915</u>
\$	<u>162,170,205</u>	<u>\$ 206,249,161</u>	<u>\$ 262,539,903</u>	<u>\$ 268,625,043</u>	<u>\$ 270,456,186</u>
\$	-	\$ -	\$ -	\$ -	\$ -
	73,681,182	77,063,140	93,994,844	118,562,852	256,562,594
	-	-	-	-	-
	-	-	-	-	-
	<u>(46,226,506)</u>	<u>(52,750,324)</u>	<u>(74,025,721)</u>	<u>(23,480,215)</u>	<u>(185,525,679)</u>
\$	<u>27,454,676</u>	<u>\$ 24,312,816</u>	<u>\$ 19,969,123</u>	<u>\$ 95,082,637</u>	<u>\$ 71,036,915</u>

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

	2016	2017	2018	2019	2020
Revenues:					
Taxes	\$ 450,712,602	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869
Licenses, Permits and Privilege Fees	39,403,545	39,552,169	37,131,444	43,521,211	44,298,799
Intergovernmental	144,718,110	215,446,474	179,177,023	156,446,068	153,924,075
Service Charges	23,437,359	24,702,348	33,085,235	28,041,105	29,982,993
Fines and Forfeitures	5,822,882	7,543,881	6,586,811	5,972,902	6,857,701
Utility Payments	28,848,885	32,000,694	31,162,094	30,470,118	26,245,139
Investment Income	38,344	53,281	114,158	221,141	829,723
Lease Revenues					
Miscellaneous	15,345,228	19,302,223	18,080,483	14,097,621	21,074,188
Total Revenues	<u>708,326,955</u>	<u>811,934,510</u>	<u>786,625,669</u>	<u>757,513,934</u>	<u>800,764,487</u>
Expenditures:					
General Government	91,170,260	88,378,032	84,393,859	65,355,730	73,844,016
Public Safety and Judiciary	190,291,231	191,072,187	192,552,805	209,315,536	215,041,275
Highways, Streets, Sanitation and Refuse	61,720,615	61,691,779	61,226,383	65,685,371	65,147,686
Human Services	81,890,683	81,456,560	83,890,504	83,549,468	76,303,161
Culture and Recreation	26,212,041	23,153,407	23,606,485	24,410,469	24,589,800
Education	162,170,840	170,833,592	176,983,321	155,175,684	156,721,265
Non-Departmental	52,352,720	54,638,951	46,901,510	75,498,843	84,171,652
Capital Outlay	106,538,511	115,975,232	97,879,286	64,920,024	62,975,872
Debt Service:					
Principal Retirement	31,040,730	64,113,008	35,149,119	37,079,297	40,892,796
Interest Payments	24,077,465	27,633,704	28,505,952	25,138,282	29,385,791
Issuance Costs	1,324,747	827,439	556,713	2,583,813	1,054,023
Total Expenditures	<u>828,789,843</u>	<u>879,773,891</u>	<u>831,645,937</u>	<u>808,712,517</u>	<u>830,127,337</u>
Other Financing Sources (Uses):					
Transfers In	69,642,441	109,294,954	79,998,362	86,243,332	92,114,489
Transfers Out	(66,809,741)	(104,614,669)	(75,297,532)	(82,551,009)	(87,543,943)
Proceeds from Refunding Bonds	-	21,865,202	-	294,315,000	-
Payment to Escrow Agent	-	-	-	(251,080,703)	(8,300,000)
Payoff Line of Credit BAN	-	-	-	-	-
Proceeds from Section 108	-	-	786,418	786,818	-
Receipts from EDA	-	-	1,429,408	1,933,462	1,833,891
Payments for Refunding Bonds	(141,723,901)	(21,721,208)	-	(95,000,000)	-
Proceeds from Issuance of Bonds	183,106,648	94,240,683	90,000,000	-	103,585,134
Premium on Issuance of Bonds	-	-	-	54,765,293	85,098
Total Other Financing Sources, Net	<u>44,215,447</u>	<u>99,064,962</u>	<u>96,916,656</u>	<u>9,412,193</u>	<u>101,774,669</u>
Net Change in Fund Balances	<u>\$ (17,407,792)</u>	<u>\$ 31,225,581</u>	<u>\$ 51,896,388</u>	<u>\$ (41,786,390)</u>	<u>\$ 72,161,819</u>
Debt Service as a Percentage of Non-Capital Expenditures	7.6%	12.0%	8.7%	8.4%	9.2%

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

	2021	2022	2023	2024	2025
\$	545,617,448	\$ 602,055,396	\$ 683,128,523	\$ 738,181,419	\$ 774,317,658
	44,821,666	50,681,523	49,045,577	50,476,672	53,712,068
	191,053,585	204,553,325	97,544,027	125,938,875	154,656,973
	30,464,977	38,270,974	35,227,612	33,875,140	37,412,874
	9,320,553	7,978,989	7,628,767	6,025,811	7,388,452
	20,762,997	22,869,605	22,869,605	23,948,567	24,754,852
	282,861	11,018,581	9,679,243	15,606,555	13,634,751
		432,031			
	35,852,389	23,798,838	13,352,773	11,962,475	12,358,072
	<u>878,176,476</u>	<u>961,659,262</u>	<u>918,476,127</u>	<u>1,006,015,514</u>	<u>1,078,235,700</u>
	74,967,777	77,596,969	92,355,824	123,842,926	131,457,727
	254,530,281	217,139,079	251,540,711	275,830,071	289,623,419
	77,463,186	94,731,038	99,415,433	104,579,818	111,581,488
	76,244,738	72,087,586	78,957,084	83,524,055	100,353,512
	24,629,021	29,116,980	33,638,533	37,846,904	43,105,465
	187,522,399	187,142,096	200,307,625	221,460,106	239,280,792
	75,245,104	88,151,311	102,395,790	206,110,624	127,425,959
	97,368,807	50,708,011	85,550,165	133,814,099	262,326,569
	50,135,816	56,157,819	111,562,232	56,909,701	53,340,000
	30,872,732	31,805,500	30,427,920	30,088,759	37,398,956
	-	833	795,287	2,836,345	1,370,193
	<u>948,979,861</u>	<u>904,637,222</u>	<u>1,086,946,604</u>	<u>1,276,843,408</u>	<u>1,397,264,080</u>
	95,355,877	117,545,674	121,365,853	177,355,142	287,359,839
	(87,870,996)	(108,274,010)	(118,551,252)	(168,895,384)	(358,275,601)
	-	-	53,037,814	55,328,635	134,051,652
	(14,118,982)	-	-	-	-
	(45,000,000)	-	-	-	-
	-	-	-	-	-
	1,433,945	1,437,262	1,436,083	1,434,306	1,836,935
	-	-	-	-	-
	166,930,991	28,651,791	37,500,000	55,328,635	134,051,652
	-	-	-	-	-
	<u>116,730,835</u>	<u>39,360,717</u>	<u>94,788,498</u>	<u>120,551,334</u>	<u>199,024,477</u>
\$	<u>65,468,472</u>	<u>\$ 40,937,093</u>	<u>\$ 50,650,517</u>	<u>\$ 81,193,141</u>	<u>\$ 14,661,344</u>
	9.5%	10.3%	14.2%	7.6%	8.0%

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

	2016	2017	2018	2019
Real Estate	\$ 234,445,036	\$ 234,294,879	\$ 247,700,125	\$ 273,627,368
Sales-1% Local	33,773,371	34,176,816	30,282,657	36,953,797
Sales Tax for Education	24,997,524	25,661,559	-	-
Personal Property	48,531,320	57,603,912	60,801,789	63,646,292
Machinery and Tools	14,060,308	13,828,602	13,996,708	14,917,609
Utility Sales Tax Gas	4,467,916	4,711,342	4,600,765	5,039,881
Utility Sales Tax Electric	12,707,360	13,494,359	14,517,989	13,630,830
Utility Sales Tax Tele	483,893	249,607	232,377	222,609
State Communication Taxes	16,527,290	15,760,395	14,138,781	14,413,205
Bank Stock	9,936,805	8,364,990	8,842,900	8,812,736
Prepared Food	35,455,141	35,605,363	36,948,484	45,740,073
Lodging Tax	8,079,083	8,042,016	8,823,693	9,009,423
Admission	2,885,747	3,287,979	3,074,924	2,848,979
Cigarette Tax	-	-	-	-
Real Estate Taxes - Delinquent	9,703,138	8,937,806	14,295,349	12,889,862
Personal Property Taxes - Delinquent	6,378,267	9,836,983	9,542,460	6,513,005
Private Utility Poles and Conduits	68,699	260,117	163,837	157,378
Penalties and Interest	7,892,982	5,023,749	8,538,280	6,474,466
Titling Tax-Mobile Home	8,266	9,474	14,583	9,267
State Recordation	1,156,543	942,127	1,001,665	1,058,973
Property Rental 1%	79,202	154,115	122,066	171,168
Vehicle Rental Tax	1,067,535	845,652	905,346	1,204,155
Telephone Commissions	628,014	196,579	198,990	210,793
Total General Governmental Tax Revenues	\$ 473,333,440	\$ 481,288,421	\$ 478,743,768	\$ 517,551,869

	2020	2021	2022	2023	2024	2025
\$	300,312,274	\$ 314,554,821	\$ 364,442,735	400,399,011	442,158,105	470,100,109
	36,859,051	33,165,952	44,689,387	50,865,941	52,168,005	53,791,456
	-	-	-	-	-	-
	65,221,194	67,189,886	64,524,543	66,758,816	80,340,037	90,676,870
	14,769,176	14,439,966	14,313,100	16,240,341	13,773,837	15,448,994
	5,037,801	5,306,763	5,016,694	5,301,303	5,359,359	5,162,697
	14,520,162	12,279,000	13,600,827	14,818,687	14,281,617	14,875,560
	8,723	196,468	776	-	-	-
	13,881,289	12,616,557	11,017,266	11,740,138	12,010,546	9,982,147
	8,951,709	11,649,226	4,278,305	10,744,703	11,922,598	11,855,628
	38,099,329	37,018,912	45,762,510	52,216,109	57,436,445	58,726,635
	6,389,571	5,082,521	8,130,205	9,123,199	10,715,726	11,345,127
	2,503,594	313,005	1,909,783	3,437,719	3,878,801	3,931,784
	3,856,544	3,087,283	2,579,506	2,483,993	2,110,436	1,861,047
	9,300,420	12,902,394	5,714,370	10,824,712	10,751,534	13,081,886
	8,715,611	6,074,682	7,591,720	18,648,863	14,967,748	6,447,733
	99,758	100,896	-	-	-	-
	7,059,151	8,055,276	6,735,486	7,700,452	4,676,264	5,163,967
	8,206	5,235	-	-	-	-
	809,327	-	-	-	-	-
	71,218	95,085	99,631	265,561	155,673	333,430
	1,320,598	1,001,964	1,298,495	1,233,191	1,184,542	1,250,981
	418,395	481,556	350,057	325,784	290,146	281,607
<u>\$</u>	<u>538,213,101</u>	<u>\$ 545,617,448</u>	<u>\$ 602,055,396</u>	<u>\$ 683,128,523</u>	<u>\$ 738,181,419</u>	<u>\$ 774,317,658</u>

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

Real Property

<u>Calendar Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Machinery & Tools</u>	<u>Less: Tax Exempt Real Property</u>
2016	\$ 14,986,306,000	\$ 12,803,864,000	\$ 1,955,517,305	\$ 577,169,740	\$ 6,908,330,000
2017	\$ 15,650,193,000	\$ 13,250,426,000	\$ 2,391,005,104	\$ 599,972,231	\$ 7,304,849,000
2018	\$ 16,632,993,000	\$ 13,536,643,000	\$ 1,628,651,058	\$ 613,217,909	\$ 7,458,753,000
2019	\$ 18,219,437,000	\$ 14,252,708,000	\$ 1,663,501,784	\$ 730,399,166	\$ 7,749,103,000
2020	\$ 20,122,594,000	\$ 15,118,810,000	\$ 1,690,546,253	\$ 647,154,332	\$ 8,178,760,000
2021	\$ 21,328,512,000	\$ 15,295,611,691	\$ 1,838,971,775	\$ 636,822,212	\$ 8,606,625,691
2022	\$ 25,503,343,000	\$ 15,927,280,027	\$ 2,192,733,292	\$ 615,324,140	\$ 9,397,823,000
2023	\$ 29,604,554,000	\$ 16,905,208,773	\$ 2,576,774,949	\$ 656,115,902	\$ 10,282,529,000
2024	\$ 32,145,616,000	\$ 17,898,394,769	\$ 1,981,734,777	\$ 629,757,300	\$ 11,075,261,000
2025	\$ 34,461,905,000	\$ 18,530,580,155	\$ 2,334,209,271	\$ 673,765,203	\$ 11,419,995,000

Source: Assessor's Office (Real Property)
Department of Finance (Personal Property and Machinery & Tools) - accurate as of 06/30/2025

Total Taxable Assessed Value	Tax Rate per \$100 of Assessed Value			Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Machinery & Tools		
\$ 23,414,527,045	\$ 1.20	\$ 3.70	\$ 2.30	\$ 23,414,527,045	100.00%
\$ 24,586,747,335	\$ 1.20	\$ 3.70	\$ 2.30	\$ 24,586,747,335	100.00%
\$ 24,952,751,967	\$ 1.20	\$ 3.70	\$ 2.30	\$ 24,952,751,967	100.00%
\$ 27,116,942,950	\$ 1.20	\$ 3.70	\$ 2.30	\$ 27,116,942,950	100.00%
\$ 29,400,344,585	\$ 1.20	\$ 3.70	\$ 2.30	\$ 29,400,344,585	100.00%
\$ 30,493,291,987	\$ 1.20	\$ 3.70	\$ 2.30	\$ 30,493,291,987	100.00%
\$ 34,840,857,459	\$ 1.20	\$ 3.70	\$ 2.30	\$ 34,840,857,459	100.00%
\$ 39,460,124,624	\$ 1.20	\$ 3.70	\$ 2.30	\$ 39,460,124,624	100.00%
\$ 41,580,241,846	\$ 1.20	\$ 3.70	\$ 2.30	\$ 41,580,241,846	100.00%
\$ 44,580,464,629	\$ 1.20	\$ 3.70	\$ 2.30	\$ 44,580,464,629	100.00%

CITY OF RICHMOND, VIRGINIA
REAL ESTATE ASSESSED VALUES OF LARGEST TAXPAYERS
As of June 30, 2025 and 2016

Taxpayer	2025			Taxpayer	2016		
	Taxable Assessed Value	Rank	Total Taxable Assessed Value		Taxable Assessed Value	Rank	Total Taxable Assessed Value
Philip Morris Inc.	\$ 369,445,000	1	0.90%	Philip Morris Inc.	\$ 317,984,000	1	1.52%
Dominion Resources Services Inc.	307,141,000	2	0.74%	Philip Morris USA Inc.	314,977,000	2	1.51%
Philip Morris USA Inc.	304,265,000	3	0.74%	Hines Riverfront Plaza LP	214,517,000	3	1.03%
Richmond Riverfront Plaza LP	187,589,000	4	0.46%	James Center Property LLC	171,325,000	4	0.82%
Costar Realty Information Inc.	179,785,000	5	0.44%	CRG-Richmond LLC	117,223,000	5	0.56%
RP James Center LLC	157,280,000	6	0.38%	Federal Reserve Bank of Richmond	116,436,000	6	0.56%
Chippenham Hospital Inc.	131,796,000	7	0.32%	Sir Properties Trust	112,610,000	7	0.54%
M D Coastal 21 LLC	128,297,000	8	0.31%	Chippenham Hospital Inc	110,596,000	8	0.53%
Gateway Plaza Realty LLC	123,557,000	9	0.30%	Dominion Resources Inc.	100,428,000	9	0.48%
Southwood Apartments LLC	123,540,000	10	0.30%	TM Stony Point Park LP	70,328,000	10	0.34%
SJW II LLC	111,111,000	11	0.27%	Parameters 919 Main Street LP	67,885,000	11	0.33%
GS Rosenesth Owner LLC	92,449,000	12	0.22%	HRIP Miller & Rhoads	67,208,000	12	0.32%
Kireland South 10th Street LLC	91,842,000	13	0.22%	AREP Riverside I LLC	66,779,000	13	0.32%
Scotts View LLC	91,165,000	14	0.22%	American Retirement Corp	65,161,000	14	0.31%
Logistics Park 95 LLC	87,258,000	15	0.21%	Biotech 8 LLC	63,087,000	15	0.30%
Federal Reserve Bank of Richmond	84,480,000	16	0.20%	Crestar Bank	61,218,000	16	0.29%
CS1031 Canopy at Ginter Park	79,844,000	17	0.19%	At Main Street Richmond LLC	58,068,000	17	0.28%
LS Biotech Eight LLC	78,161,000	18	0.19%	AH Richmond Tower I LLC	56,494,000	18	0.27%
AP Aden Park LLC & AP Aden TIC	77,764,000	19	0.19%	Dominion Resources Serv Inc.	52,478,000	19	0.25%
Imperial Propco LLC	77,173,000	20	0.19%	Robins A H Co Inc	48,490,000	20	0.23%
3200 Broad LLC	76,899,000	21	0.19%	Southwood Apartments LLC	47,718,000	21	0.23%
Malvern Manor Apartments LLC	75,999,000	22	0.18%	John Marshall Building LLC	41,996,000	22	0.20%
CC Scotts Addition LP	73,133,000	23	0.18%	Eck Enterprises Inc.	41,996,000	23	0.20%
Stratford Hills Associates LLC	72,475,000	24	0.18%	Apple Seven SPE Richmond Inc.	39,631,000	24	0.19%
AREP Riverside I LLC	71,233,000	25	0.17%	Gambles Hill Lab LLC	34,972,000	25	0.17%
Total of 25 Taxpayers	3,253,681,000		7.89%	Total of 25 Taxpayers	2,459,605,000		11.78%
All Other Properties	37,973,841,000		92.11%	All Other Properties	18,422,235,000		88.22%
Total	41,227,522,000		100.00%	Total	\$ 20,881,840,000		100.00%

Source: City's Office of Real Estate Assessor

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

2025				2016		
Rank	Employer	Business Category	Approximate Number of Employees	Employer	Business Category	Approximate Number of Employees
1	Capital One Financial Corp.	Financial Services, Call Center	14,000	Capital One Financial Corp.	Financial Services, Call Center	11,262
2	VCU Health System	Health Care	13,500	VCU Health System	Health Care	9,313
3	Fort Gregg-Adams	Military Base	12,344	HCA Virginia Health System	Health Care	7,628
4	HCA Virginia Health System	Health Care	11,200	Bon Secours Richmond	Health Care	7,136
5	Bon Secours Richmond	Health Care	8,516	Walmart	Retail	5,605
6	Virginia Commonwealth University	Public four-year University	7,832	Dominion Resources, Inc.	Energy	5,433
7	Dominion Energy	Corporate HQ and energy	5,433	Food Lion	Grocer	3,963
8	Amazon	Online Retail	5,100	SunTrust Bank Inc	Banking	3,810
9	Truist	Banking	4,549	Altria Group	Corporate HQ, tobacco products, R&D	3,800
10	Altria Group	Corporate HQ, tobacco products, R&D	3,850	Amazon	Online Retail	3,800

Source: 2025 - Greater Richmond Partnership Largest Employers (Richmond, VA MSA)
2016 - Richmond Times Dispatch Largest Employers (Richmond, VA MSA)

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

Tax Year	Tax Rate	Total Tax Levy	Current Tax Collections		Delinquent Tax Collections	Total Tax Collections	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2016	1.20	\$ 233,675,912	\$ 220,474,082	94.4%	\$ 9,702,731	\$ 230,176,813	98.5%
2017	1.20	\$ 246,301,342	\$ 234,294,879	95.1%	\$ 8,937,806	\$ 243,232,685	98.8%
2018	1.20	\$ 255,951,747	\$ 245,246,847	95.8%	\$ 14,295,349	\$ 259,542,196	101.4%
2019	1.20	\$ 276,074,812	\$ 268,901,538	97.4%	\$ 12,889,862	\$ 281,791,400	102.1%
2020	1.20	\$ 324,751,725	\$ 300,312,274	92.5%	\$ 9,300,420	\$ 309,612,694	95.3%
2021	1.20	\$ 336,209,976	\$ 314,554,821	93.6%	\$ 12,902,394	\$ 327,457,215	97.4%
2022	1.20	\$ 372,078,029	\$ 364,442,735	97.9%	\$ 5,714,370	\$ 370,157,105	99.5%
2023	1.20	\$ 414,255,842	\$ 442,158,105	106.7%	\$ 10,751,534	\$ 452,909,639	109.3%
2024	1.20	\$ 453,742,374	\$ 430,546,660	94.9%	\$ 1,969,587	\$ 432,516,247	95.3%
2025	1.20	\$ 485,701,484	\$ 478,995,342	98.6%	\$ 6,706,443	\$ 485,701,785	100.0%

Source: City of Richmond Department of Finance
 Figures accurate as of 06/30/2025

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

Tax Year	Tax Rate	Total Tax Levy	Current Tax Collections		Delinquent Tax Collections	Total Tax Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2016	3.70	\$ 66,205,914	\$ 57,262,094	86.5%	\$ 6,378,170	\$ 63,640,264	96.1%
2017	3.70	\$ 67,884,998	\$ 57,603,912	84.9%	\$ 9,836,983	\$ 67,440,895	99.3%
2018	3.70	\$ 70,750,402	\$ 59,861,884	84.6%	\$ 9,542,459	\$ 69,404,343	98.1%
2019	3.70	\$ 72,238,643	\$ 61,366,394	84.9%	\$ 6,513,005	\$ 67,879,399	94.0%
2020	3.70	\$ 73,823,208	\$ 65,221,194	88.3%	\$ 8,715,611	\$ 73,936,805	100.2%
2021	3.70	\$ 74,726,366	\$ 67,189,886	89.9%	\$ 6,074,682	\$ 73,264,568	98.0%
2022	3.70	\$ 80,808,148	\$ 64,524,543	79.8%	\$ 7,591,720	\$ 72,116,263	89.2%
2023	3.70	\$ 79,249,981	\$ 66,758,816	84.2%	\$ 18,648,863	\$ 85,407,679	107.8%
2024	3.70	\$ 67,225,684	\$ 78,498,731	116.8%	\$ 6,806,630	\$ 85,305,361	126.9%
2025	3.70	\$ 80,066,742	\$ 90,676,868	113.3%	\$ 6,223,973	\$ 96,900,841	121.0%

Source: City of Richmond Department of Finance
 Figures accurate as of 06/30/2025

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

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government		
	General Obligation Bonds	Virginia Public School Authority Bonds	General Obligation Notes	HUD Section 108 Notes	Lease Revenue Bond	General Obligation Bonds & Notes	Utility Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
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	13.02%	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	13.04%	7,107
2018	653,984,975	-	625,000	9,080,000	3,235,406	107,283,878	738,777,749	1,512,987,008	11.94%	6,613
2019	659,768,748	-	42,200,000	11,157,000	2,213,049	90,607,029	714,818,325	1,520,764,151	11.67%	6,600
2020	738,474,526	-	19,662,000	10,487,000	1,135,571	74,807,449	846,577,564	1,691,144,110	12.31%	7,463
2021	789,671,007	-	35,181,209	9,811,000	-	63,250,159	820,746,072	1,718,659,447	11.15%	7,584
2022	734,132,077	-	61,775,000	9,126,000	-	58,553,470	794,084,478	1,657,671,025	10.59%	7,226
2023	723,813,027	-	47,352,000	8,426,000	-	66,061,792	776,022,944	1,621,675,763	9.20%	7074
2024	822,927,899	-	44,597,000	7,715,000	-	104,623,352	814,998,325	1,794,861,576	10.37%	7,799
2025	899,612,899	-	166,474,000	6,990,000	-	118,541,785	786,004,967	1,977,623,651	11.41%	8,569

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

Balances do not include Premiums on Bonds Issued.

See Demographic and Economic Statistics chart for personal income and population data. These ratios are calculated using personal income and population for the most current year available.

N/A: Related data is currently unavailable.

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

Fiscal Year	General Obligation Bonds	Virginia Public School Authority Bonds	General Obligation Notes	HUD Section 108 Notes	Lease Revenue Bond	Total	Percentage of Estimated Actual Taxable Value of Property	Debt Per Cap
2016	807,060,288	494,107	6,875,000	10,125,000	5,125,893	829,680,288	3.97%	3,718
2017	747,581,589	248,508	96,250,000	9,605,000	4,205,462	857,890,559	3.97%	3,779
2018	761,268,853	-	625,000	9,080,000	3,235,406	774,209,259	3.41%	3,384
2019	750,375,777	-	42,200,000	11,157,000	2,213,049	805,945,826	3.26%	3,497
2020	809,957,974	-	22,986,000	10,487,000	1,135,571	844,566,545	3.12%	3,727
2021	846,340,165	-	41,762,209	9,811,000	-	897,913,374	3.20%	3,962
2022	783,051,547	-	71,409,000	9,126,000	-	863,586,547	2.72%	3,811
2023	772,527,921	-	61,277,000	8,426,000	-	842,230,921	2.34%	3,717
2024	822,927,899	-	44,597,000	7,715,000	-	875,239,899	2.19%	3,950
2025	899,612,899	-	166,474,000	6,990,000	-	1,073,076,899	2.41%	4,650

Source: City of Richmond Department of Finance

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

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 2,088,184,000	\$ 2,159,577,000	\$ 2,271,088,300	\$ 2,472,304,200	\$ 2,706,264,400
Total Net Debt Applicable to Limit	824,554,395	853,685,097	770,973,853	803,732,777	844,566,545
Legal Debt Margin	<u>\$ 1,263,629,605</u>	<u>\$ 1,305,891,903</u>	<u>\$ 1,500,114,447</u>	<u>\$ 1,668,571,423</u>	<u>\$ 1,861,697,855</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	39.49%	39.53%	33.95%	32.51%	31.21%

Source: City of Richmond - Department of Finance

Note(s): Article VII, Section 10 of the Constitution of Virginia provides that the legal debt limit for municipalities is ten (10) percent of the preceding assessment for real estate taxes.

The Total Debt Applicable to Limit shown on 6/30/2025 does not include \$786,004,967 of self-supporting Public Utility Revenue Bonds which are not required to be included in calculations for legal margin for the creation of additional debt by State Law..

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$	2,801,749,800	\$ 3,175,800,800	\$ 3,593,369,500	\$ 3,866,956,400	\$ 4,122,752,200
	897,913,374	863,586,548	844,917,015	979,863,249	1,191,618,683
\$	<u>1,903,836,426</u>	<u>\$ 2,312,214,252</u>	<u>\$ 2,748,452,485</u>	<u>\$ 2,887,093,151</u>	<u>\$ 2,931,133,517</u>
	32.05%	27.19%	23.51%	25.34%	28.90%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value (Taxable)	\$ 41,227,522,000
Debt Limit (10% of Total Assessed Value)	4,122,752,200
Debt Applicable to Limit:	<u>1,191,618,683</u>
Legal Debt Margin	<u>\$ 2,931,133,517</u>

**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	
2016	\$ 296,741,775	\$ 181,337,736	\$ 115,404,039	\$ 34,499,388	\$ 33,895,709	\$ 68,395,097	1.69
2017	\$ 313,083,986	\$ 194,664,661	\$ 118,419,325	\$ 31,768,170	\$ 26,875,875	\$ 58,644,045	2.02
2018	\$ 341,231,639	\$ 208,431,669	\$ 132,799,970	\$ 38,174,843	\$ 34,657,826	\$ 72,832,669	1.82
2019	\$ 353,286,518	\$ 216,255,116	\$ 137,031,402	\$ 34,669,965	\$ 33,655,518	\$ 68,325,483	2.01
2020	\$ 348,640,466	\$ 212,975,445	\$ 135,665,021	\$ 33,288,486	\$ 30,958,745	\$ 64,247,231	2.11
2021	\$ 345,985,066	\$ 233,563,896	\$ 112,421,170	\$ 38,304,313	\$ 33,515,516	\$ 71,819,829	1.57
2022	\$ 421,122,925	\$ 277,336,986	\$ 143,785,939	\$ 34,906,703	\$ 32,507,800	\$ 67,414,503	2.13
2023	\$ 447,679,265	\$ 299,449,801	\$ 148,229,464	\$ 35,758,718	\$ 31,347,784	\$ 67,106,502	2.21
2024	\$ 417,251,805	\$ 276,450,967	\$ 140,800,838	\$ 36,982,637	\$ 30,739,760	\$ 67,722,397	2.08
2025	\$ 456,229,414	\$ 311,093,645	\$ 145,135,769	\$ 39,419,244	\$ 34,235,483	\$ 73,654,727	1.97

Debt Service Coverage Covenant

Net Revenues and Balances Available for the Payment of Debt Service will be at least 1.15 times the Debt Service Requirement in each Fiscal Year.

Source: City of Richmond - Department of Public Utilities

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

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

Calendar Year	Population¹	Personal Income (Amounts Expressed in Thousands)²	Per Capita Personal Income	Median Age	School Enrollment³	City Unemployment Rate⁴	State Unemployment Rate⁴
2016	223,170	\$ 11,707,912	\$ 52,462	33.2	23,987	4.6%	4.0%
2017	227,032	\$ 12,376,504	\$ 54,514	33.5	24,868	4.3%	3.7%
2018	228,783	\$ 12,669,576	\$ 55,378	34.0	25,015	3.5%	2.9%
2019	230,436	\$ 13,033,423	\$ 56,560	34.2	24,763	3.2%	2.7%
2020	226,610	\$ 13,735,773	\$ 60,614	34.8	25,212	8.8%	6.2%
2021	226,604	\$ 15,420,009	\$ 68,048	34.8	28,226	6.1%	4.5%
2022	229,395	\$ 15,645,886	\$ 68,205	34.5	21,177	3.8%	3.0%
2023	229,247	\$ 17,631,807	\$ 76,912	34.5	21,706	3.4%	3.4%
2024	230,127	N/A	N/A	34.5	21,259	3.5%	2.7%
2025	230,787	N/A	N/A	N/A	21,427	3.2%	3.3%

1 Source: U.S. Census Bureau

2 Source: U.S. Bureau of Economic Analysis

3 Source: Virginia Department of Education

4 Source: Virginia Employment Commission LAUS (Unadjusted)

N/A: Data currently not available

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

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
General Government	684	566	763	781	776	782	697	793	1,020	1,036
Public Safety and Judiciary										
Police	849	845	847	839	848	778	704	694	689	703
Firefighters and Officers	432	409	411	425	415	404	457	490	488	488
Others	521	526	563	554	559	484	721	614	396	426
Highways, Streets, Sanitation and Refuse										
Engineering & Maintenance	327	318	340	346	357	341	342	368	395	414
Human Services										
Human Services Advocacy	14	12	10	16	9	10	9	16	20	44
Social Services	392	368	349	340	310	339	326	312	341	362
Culture and Recreation	235	232	163	158	152	156	163	240	161	182
Transportation	-	-	-	-	-	-	-	-	-	-
Business-Type Activities:										
Stormwater Utility	52	47	54	50	96	52	50	67	47	55
Gas Utility	281	282	275	274	242	260	238	289	208	219
Water Utility	112	116	132	118	106	119	121	121	161	165
Wastewater Utility	169	150	147	144	121	133	137	127	143	157
Electric Utility	21	15	15	14	13	17	15	15	19	23
Stores and Transportation Division	7	6	6	4	5	5	4	4	5	4
DPU Customer Service	-	-	-	-	-	-	-	-	-	7
Cemeteries NCO	18	18	18	12	9	10	11	29	10	10
Parking	6	6	6	8	10	11	11	11	10	12
Total	4,120	3,916	4,099	4,083	4,028	3,901	4,006	4,190	4,113	4,307

Source: City of Richmond Department of Human Resources

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

Function	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities:										
Police:										
Physical Arrests	14,156	14,482	13,646	12,703	10,345	7,863	5,878	6,309	6,691	6,731
Parking Violations	118,263	87,503	131,571	144,112	116,105	106,813	127,006	227,226	132,669	150,215
Traffic Violations	10,440	22,068	15,540	16,042	9,424	9,327	10,426	12,166	11,911	12,656
Fire:										
Number of Calls Answered	36,079	38,516	38,267	38,550	35,673	33,058	42,762	46,565	42,127	38,660
Inspections	2,657	2,367	1,449	1,247	1,092	1,700	1,451	3,073	4,195	8,465
Highways and Streets:										
Street Resurfacing (Miles)	138	82	94	93	203	261	206	183	208	213
Potholes Repaired	19,476	20,232	23,547	25,623	36,007	8,017	7,640	8,958	10,451	7,640
Sanitation and Refuse:										
Refuse Collected (Tons/Day)	356	350	303	276	364	336	316	318	301	315
Recyclables Collected (Tons/Day)	49	50	50	41	51	44	46	52	41	28
Culture and Recreation:										
Parks Permits Issued	448	606	666	645	901	534	707	824	775	873
Business-Type Activities:										
Gas:										
Maximum Daily Send Out (MCF)	163,678	171,337	190,134	165,557	155,768	153,988	178,963	180,532	172,476	191,422
Annual Send Out (MCF)	18,230,067	17,588,052	19,394,749	17,649,213	23,810,540	20,844,134	24,307,518	23,913,688	23,174,343	24,401,252
Water:										
Average Daily Consumption (MGD)	60	60	62	57	60	63	62	64	62	64
Maximum Daily Consumption (MGD)	81	87	87	80	98	95	83	86	97	87
Water in Storage (Gallons)	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000
Wastewater:										
Average Daily Sewage Treatment (MGD)	54	54	54	68	55	65	59	57	71	65
Maximum Daily Sewage Treatment (MGD)	83	83	83	80	80	83	130	96	115	93
Coliseum:										
Average Daily Attendance per Activity ¹	4,133	4,857	4,403	4,020	-	-	-	-	-	-
Cemeteries:										
Number of Interments	804	790	695	683	678	890	790	725	640	556
Number of Lot Sales	7	14	14	33	26	18	16	17	13	6
Number of Single Grave Sales	547	526	456	424	561	682	552	486	469	483
Number of Foundations	572	593	514	482	571	696	586	548	480	334

Source: Various City departments

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

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

Function	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Police:										
Stations	4	4	4	4	4	4	4	4	4	4
Patrol Units	194	222	275	279	265	289	278	181	201	225
Fire:										
Stations	20	20	20	20	20	20	20	20	20	20
Fire Trucks	67	51	42	49	55	56	56	60	49	50
Highways and Streets:										
Streets (Miles)	1,835	1,832	1,836	1,835	1,835	1,830	1,830	1,830	1,835	1,835
Streetlights	31,247	31,247	34,000	34,062	34,123	34,123	34,500	42,000	42,000	42,780
Traffic Signals ¹	475	475	475	479	479	480	479	479	479	485
Sanitation and Refuse:										
Collection Trucks	33	33	46	35	35	35	34	34	34	29
Culture and Recreation:										
Parks Acreage	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,848	2,900	2,674
Parks	73	73	73	73	73	73	73	123	132	163
Baseball/Softball Diamonds	48	48	48	45	45	45	44	46	55	55
Athletic Fields	30	30	30	27	27	27	27	26	27	27
Golf Courses (Driving Range/Par 3 Course)	1	1	1	1	1	1	1	1	1	1
Swimming Pools	9	9	9	9	9	9	9	9	9	9
Tennis Courts	136	136	136	136	136	136	133	133	136	136
Community Centers	20	20	20	21	21	19	19	19	21	24
Theatres	2	2	2	2	1	1	1	1	1	1
Coliseums	1	1	1	-	-	-	-	-	-	-
Gas:										
Miles of Service Lines	1,139	1,146	1,157	1,167	1,181	1,192	1,234	1,234	1,245	1,252
Miles of Gas Mains									1,974	1,980
Number of Gate Stations	8	8	8	8	8	8	8	8	8	9
Water:										
Miles of Service Lines									764	-
Miles of Water Lines	976	976	976	976	976	976	976	976	976	976
Water Pumping Stations	12	12	12	12	12	12	12	12	12	12
Wastewater:										
Miles of Sewer Lines	960	960	960	960	960	960	960	960	960	960
Miles of Interceptors	41	41	41	41	41	41	41	41	41	41
Sewer Pumping Stations	5	5	5	5	5	5	5	5	5	5

Source: Various City departments

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



DEPARTMENT OF FINANCE

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