



# City of Richmond VIRGINIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015





CITY OF RICHMOND, VIRGINIA

# Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2015



MAYOR  
Dwight C. Jones

CHIEF ADMINISTRATIVE OFFICER  
Selena Cuffee-Glenn

## CITY COUNCIL

Michelle R. Mosby  
*President*

Chris A. Hilbert  
*Vice President*

Parker C. Agelasto  
Jonathan T. Baliles  
Kathy C. Graziano  
Cynthia I. Newbille  
Ellen H. Robertson  
Charles R. Samuels  
Reva M. Trammell



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**THE CITY OF RICHMOND, VIRGINIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
 TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal .....	I
Management Report on Responsibility for Financial Reporting .....	IX
Mayoral Form of Government .....	XI
Organization Chart .....	XII

**FINANCIAL SECTION**

Report of Independent Auditor .....	1
<b>A. MANAGEMENT'S DISCUSSION AND ANALYSIS</b> (required supplementary information) .....	5
<b>B. BASIC FINANCIAL STATEMENTS</b>	
<b>1. Government-wide Financial Statements</b>	
<b>Exhibit A:</b> Statement of Net Position .....	19
<b>Exhibit B:</b> Statement of Activities .....	21
<b>2. Governmental Funds' Financial Statements</b>	
<b>Exhibit C:</b> Balance Sheet .....	23
Reconciliation of the Statement of Net Position to the Balance Sheet of Governmental Funds .....	24
<b>Exhibit D:</b> Statement of Revenues, Expenditures, and Changes in Fund Balances .....	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities-Governmental Funds .....	26
<b>3. Proprietary Funds' Financial Statements</b>	
<b>Exhibit E-1:</b> Statement of Net Position - Proprietary Funds .....	27
<b>Exhibit E-2:</b> Reconciliation of the Proprietary Funds' Statement of Net Position to the Government-wide Statement of Net Position .....	28
<b>Exhibit E-3:</b> Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds .....	29
<b>Exhibit E-4:</b> Reconciliation of the Enterprise Funds' Statement of Revenues, Expenses and Changes in Net Position to the Government-wide Statement of Activities .....	30
<b>Exhibit E-5:</b> Statement of Cash Flows - Proprietary Funds .....	31
<b>4. Fiduciary Funds' Financial Statements</b>	
<b>Exhibit F-1:</b> Statement of Fiduciary Net Position .....	32
<b>Exhibit F-2:</b> Statement of Changes in Fiduciary Net Position .....	33
<b>5. Component Units' Financial Statements</b>	
<b>Exhibit G-1:</b> Statement of Net Position .....	34
<b>Exhibit G-2:</b> Statement of Activities .....	36
<b>6. Notes to Financial Statements</b> .....	38



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**THE CITY OF RICHMOND, VIRGINIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**TABLE OF CONTENTS**

**C. REQUIRED SUPPLEMENTARY INFORMATION**

<b>Exhibit H-1:</b> Budgetary Comparison Schedule – General Fund .....	89
<b>Exhibit H-2:</b> Note to Budgetary Comparison Schedule – General Fund.....	93
<b>Richmond Retirement System:</b> .....	94
<b>Virginia Retirement System:</b> .....	96

**D. SUPPLEMENTARY INFORMATION - COMBINING FINANCIAL STATEMENTS**

<b>1. Non-Major Governmental Funds</b>	
<b>Exhibit I-1:</b> Combining Balance Sheet .....	100
<b>Exhibit I-2:</b> Combining Statement of Revenues, Expenditures, and Changes in Fund Balances... ..	101
<b>Exhibit I-3:</b> Budgetary Comparison Schedule – Special Revenue Funds.....	102
<b>Exhibit I-4:</b> Budgetary Comparison Schedule – Capital Projects Fund.....	103
<b>2. Non-Major Proprietary Funds</b>	
<b>Exhibit J-1:</b> Combining Statement of Net Position.....	105
<b>Exhibit J-2:</b> Combining Statement of Revenues, Expenses, and Changes in Fund Net Position. ....	106
<b>Exhibit J-3:</b> Combining Statement of Cash Flows.....	107
<b>3. Internal Service Funds</b>	
<b>Exhibit K-1:</b> Combining Statement of Net Position.....	109
<b>Exhibit K-2:</b> Combining Statement of Revenues, Expenses, and Changes in Fund Net Position. ....	110
<b>Exhibit K-3:</b> Combining Statement of Cash Flows.....	111
<b>4. Fiduciary Funds</b>	
<b>Exhibit L-1:</b> Combining Statement of Fiduciary Net Position.....	113
<b>Exhibit L-2:</b> Combining Statement of Changes in Fiduciary Net Position.....	114
<b>Exhibit L-3:</b> Statement of Changes in Assets and Liabilities – Agency Funds .....	115

**STATISTICAL SECTION**

Date of Incorporation.....	117
Area of City .....	117
Population .....	117
Form of Government.....	117
Segregation of Taxable Subjects for Local Taxation Only.....	117
Assessments.....	118
Tax Rates.....	118
Taxes Due.....	120
Delinquent Taxes.....	120
Overlapping Areas and Debt.....	120
City Indebtedness .....	121
Debt Management Policies.....	121
Fund Balance Policy.....	122
Net Position by Component for the Last Ten Years.....	124
Changes in Net Position for the Last Ten Years .....	125
Governmental Activities Tax Revenue by Source for the Last Ten Years .....	127
Fund Balances of Governmental Funds for the Last Ten Years.....	128



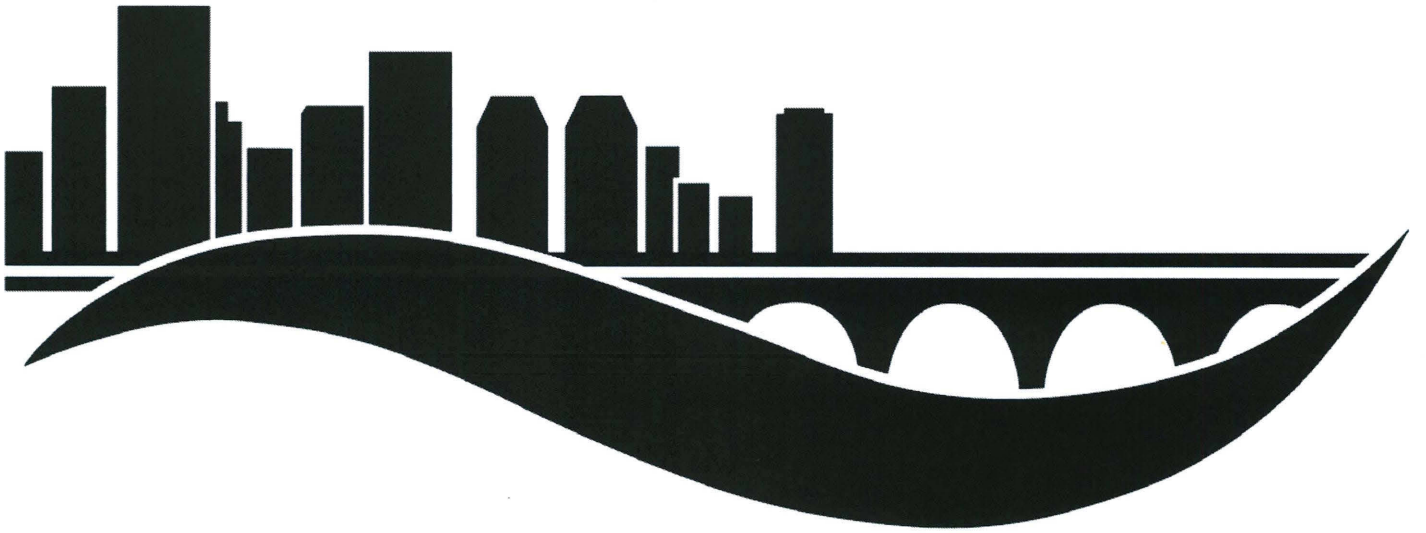
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**THE CITY OF RICHMOND, VIRGINIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**TABLE OF CONTENTS**

Changes in Fund Balance of Governmental Funds for the Last Ten Years .....	129
General Governmental Tax Revenues by Source for the Last Ten Years .....	130
Assessed Value and Estimated Actual Value of Taxable Property for the Last Ten Years .....	131
Real Estate Assessed Value of Largest Taxpayers .....	132
Principal Employers.....	133
Real Estate Tax Levies and Collections for the Last Ten Years.....	134
Personal Property Tax Levies and Collections for the Last Ten Years.....	134
Ratios of Outstanding Debt by Type for the Last Ten Years.....	135
Ratios of General Bonded Debt Outstanding.....	135
Legal Debt Margin Information for the Last Ten Years .....	136
Pledged-Revenue Coverage for the Last Ten Years.....	137
Demographic and Economic Statistics for the Last Ten Years.....	138
Full-Time Equivalent City Government Employees by Function for the Last Ten Years.....	139
Operating Indicators by Function for the Last Ten Years.....	140
Capital Assets Statistics by Function for the Last Ten Years.....	141



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# City of Richmond



DWIGHT C. JONES  
MAYOR

October 31, 2016

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

We are pleased to present the City of Richmond, Virginia's (City) Comprehensive Annual Financial Report (CAFR) for the fiscal year (FY) ended June 30, 2015. 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) 646-5829. This report may also be found online at [www.richmondgov.com/finance](http://www.richmondgov.com/finance).

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

Grant Thornton, a certified public accounting firm, audited the City's basic financial statements. As an independent auditor, Grant Thornton LLP rendered an unmodified opinion stating that the City's basic financial statements for the fiscal year ended June 30, 2015 are fairly presented in all material respects and in conformity with GAAP. The report of independent auditors is presented as the first component of the Financial Section of this report.

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

The City, incorporated in 1782, is a municipal corporation of the Commonwealth of Virginia and is the state capital. The City occupies 62.55 square miles and serves a growing population of 217,853 as of the U.S. Census Bureau's 2014 annual population estimate. In the Commonwealth, cities have sole jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping jurisdictions and, consequently, citizens of Virginia cities are not subject to overlapping debt or taxation.

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

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

Accolades bestowed on the City and the Greater Richmond Area include the following rankings: third Among the "Top 10 Mid-Sized American Cities of the Future 2015/2016 for Economic Potential" (*Foreign Direct Investment Magazine*), number one in "The ten most popular American cities to visit this summer" (*American Express Travel, 2015*), named one of "The 10 Best Cities to Relocate to in the U.S." (*Huffington Post, 2015*), third best location in job creation (*Gallup's Job Creation Index*), third best place

for military retirement (USAA and Military.com), one of the nation's 50 best places for business and careers (Forbes), one of the 10 hottest housing markets for 2014 (*CNN Money*), fifth most affordable City to buy a home (homeinsurance.com), one of the 10 Cities you should explore in 2014 (*BuzFeed*), and third best City in America for food lovers in 2014 (mylife.com). Also in 2014 *Departures* magazine named Richmond "The Next Great American Food City" and *Southern Living* magazine named three Richmond restaurants among its "100 Best Restaurants in the South."

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, including two ranked number one by *U.S. News & World Report*; i.e. nurse anesthesia and sculpture.

This active educational environment supports the City's flourishing cultural community, numerous sports and entertainment attractions, and one of the nation's largest river park systems. The Virginia Museum of Fine Arts, located in the City's Fan District, is home to the largest public Fabergé collection outside Russia, was the only east coast venue selected to exhibit the "Picasso: Masterpieces from the Musée National Picasso, Paris" collection, 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, recently announced their intention to remain in Richmond through at least 2017, and Richmond is currently home for the Washington Redskins' summer training camp.

The James River, which runs through Richmond, has made the City the only urban U.S. city with Class IV white water rapids running through downtown. The City's James River Park system, with 550 acres, is a large part of the reason *Outside* magazine named Richmond the "best river town in America." The park system continues to host the XTERRA triathlon and has been recognized as the Southeast's Best Urban Park and named Best in Dirt for its running trails.

Richmond hosted the 2015 UCI Road World Championships, which had cyclists from 76 countries and an economic impact on the Greater Richmond Region estimated to be \$161 million, from both event staging and visitor spending.

### **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.

Since January 2009, the City's focus has been on "Building a Better Richmond," moving toward the goal of becoming a Tier One City with a Triple-A (AAA) bond rating, and systematically implementing the building blocks required to accomplish these goals. In August 2013, Standard and Poor's upgraded its credit rating of the City's General Obligation bonds from AA to AA+. As this CAFR outlines, the City continues to make progress and is well on its way to achieving the goals set out five years ago – balancing the budget and increasing unassigned fund balance, maintaining existing tax rates, increasing delinquent tax collections, and lowering spending.

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

The Council establishes local laws, provides government policy and oversight, and approves the city budget. The Council is comprised of nine members elected from single member districts to serve four year terms. The President of Council and the Vice-President are selected by a majority vote of its members every two years. The Council appoints the City Assessor, City Auditor, and City Attorney. The City Attorney serves as the legal 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 citizens. These services include police and fire protection, sanitation services, the construction and maintenance of roads, streets and other infrastructure, recreational activities, and cultural events. In addition to general government activities, the City's gas, water and wastewater utilities are regional providers of services to customers in the City as well as in the surrounding counties. The City government also provides the majority of the funding for the public schools systems, though the schools are operated by a legally distinct entity and a separately elected school board.

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

### **Budget Process**

The budget serves as the foundation for the City's financial planning and spending control. The City adopts a biennial budget, with amendments made in the second year of that biennium. Fiscal Year 2015 was the second year of the biennium. The proposed biennial budget was presented to City Council in March 2013. City Council, through its Finance and Economic Development Standing Committee, undertook an intensive review of the proposed budget in a series of public meetings and outlined their policy priorities. Prior to adopting the biennial budget, a public hearing was held in April with budget adoption in May 2013.

Legal budgetary restrictions are established at the governmental function (i.e. Department of Public Works), with effective administrative controls maintained through detailed line-item budgets. Any revisions that alter the total budgeted amounts and/or appropriations of any fund must be approved by the City Council. Budget to actual comparisons are provided in this report for governmental funds where an appropriated budget has been adopted. These comparisons are presented in the "Other Required Supplementary Information" section of the financial statements.

### **Expenditures**

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

### **Revenue**

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

General Fund revenues and other financing sources exceeded the budget by \$4.6 million for fiscal year ended June 30, 2015.

### ***Economic Overview***

The national, state, and City economies are back on track after the "Great Recession" of 2008. At the national level, real gross domestic product showed a 3.9 percent expansion in the Second Quarter of 2015. The national unemployment rate was 5.3 percent as of June 2015, 1 percentage point lower than the 6.1% a year ago. The economy added 988 thousand jobs in the first six months of the year.

At the local level, Richmond's economy also showed steady growth. The City unemployment rate, non-seasonally adjusted, is 5.3% for the month ending June 2015. This is one percentage point higher than the Virginia rate of 4.9 percent. However, when compared to the same period a year ago, the rate decreased 1.2 percent, from 6.5 percent to 5.3 percent. Like some other urban areas throughout the country, Richmond is seeing a resurgence of people moving back into the City. The City's population has grown each year since 2004 reaching 217,853 in 2014, according to US Census Bureau estimates.

### ***Major Initiatives and Accomplishments: Well Managed Government***

In FY 2010, the Mayor outlined his vision of making Richmond a Tier One City through a series of changes in the way government operates. This vision included running a top-notch, well managed organization grounded in accountability and strong financial management that serves the community, runs the business, manages resources and develops employees. In FY 2011, the City implemented the Mayor's vision with a comprehensive tax compliance program, a one-time tax amnesty program, and twice-per-year real estate billing. Collectively, these programs improved the current real estate tax collection rate and collections of

delinquent real estate tax revenue. In FY 2012, the City strengthened its financial foundation by adopting revised debt and unassigned fund balance policies.

Throughout the fiscal year, a number of actions that were initiated in FY 2010 were continued through FY 2015, including the continued utilization of a five-year revenue and expenditure forecast, quarterly financial reports including an economic outlook, and introduction and adoption of a structurally balanced budget that maintains core services, protects the fiscal integrity of the City, ensures the City is poised for future growth, and budgets for priorities, just to name a few. Moving forward to FY 2016, the Administration will continue to expand on these accomplishments, making strides toward achieving a goal of a Tier One City with a well-managed government and an AAA bond rating.

In FY 2015, the Diamond Baseball Stadium property was sold and conveyed to the City from the Richmond Metropolitan Transportation Authority (formerly known as the Richmond Metropolitan Authority).

In February 2016, the City re-acquired title and ownership of the Richmond Coliseum and the Main Branch Public Library by transferring these properties to the City from the RRHA for a nominal cost. Both of these properties were transferred from the City to RRHA in the mid-1990s to support a RRHA Bond issue, which has been paid in full.

In March 2016, the title and ownership of the 730 Theater Row Building was transferred from RRHA to the City for a nominal cost. Originally built in 1992, using funds made available by the City, the RRHA has owned and managed the property from 1992 to the present. The building serves as office space for several City departments.

### ***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.richmondgov.com](http://www.richmondgov.com).

#### **Fund Balance Guidelines**

As of June 30, 2015, the General Fund Unassigned Fund Balance \$85.0 million, which equals 12.1 percent of the adopted 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 Unassigned Fund Balance for the past five fiscal years, as a percent of the Adopted General Fund Budget, is shown below. It should be noted that fiscal years 2008 through 2010 were prior to the implementation of GASB 54:

FY 2011: 10.1%  
FY 2012: 9.0%  
FY 2013: 9.7%  
FY 2014: 12.3%  
FY 2015: 12.1%

The unassigned fund balance percentage was calculated differently in fiscal years 2008-2011 as compared to the subsequent years. This change in calculation was the result of a new unassigned fund balance policy adopted on April 23, 2012. The City has had a fund balance policy in place since 1988. On April 23, 2012, the City Council adopted a new unassigned fund balance policy, which states:

- The Mayor will prepare and administer General Fund budgets that will provide operating surpluses of 0.5 percent of expenditures until the Unassigned Fund Balance reaches at least 10 percent of the General Fund and Richmond Public Schools' budgeted expenditures, less the budgeted transfer to Richmond Public Schools from the General Fund.
- The Council, in adopting a General Fund budget, will provide that General Fund budget operating surpluses be no less than those recommended by the Mayor in the General Fund budget submitted to the Council.

- The City will not make appropriation from the Unassigned Fund Balance except when faced with unusual, unanticipated, and otherwise seemingly insurmountable hardship. To the extent that the Unassigned Fund Balance is ever drawn upon, the City shall budget replenishment of such amount drawn over the next three subsequent years.

**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 March 12, 2012. 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' Budget.
- General obligation, moral obligation, and subject to appropriation debt will not exceed 4.5 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, 2015 the City had a legal debt limit of \$2,003,129,500 and the statutory capacity to issue approximately \$1,180,523,506 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, 2015 <sup>1</sup>	\$2,003,129,500
Less: bonds and notes payable <sup>2</sup>	(822,605,994)
Legal margin for creating additional debt	<u>\$ 1,180,523,506</u>

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

<sup>2</sup> Does not include \$711,370,939 of Richmond Public Utility Revenue Bonds or \$5,999,238 of Lease Revenue Bonds that by State law are not required to be included in calculations for legal margin for creation of additional debt.

**C. Short-Term Debt**

The City uses a \$150.0 million Bond Anticipation Note Line of Credit Facility to provide interim financing for Capital Improvement Plan (CIP) projects. Debt issued on this facility is refinanced periodically as General Obligation Bonds. As of June 30, 2015, the City had no outstanding balance on the Line of Credit.

**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.

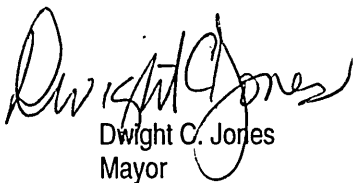
**E. Authorized but Unissued Bonds and Notes**


As of June 30, 2015, the City had a total of \$463,132,903 in authorized but unissued general obligation bonds or revenue bonds, including \$259,257,000 to be issued as self-supporting revenue bonds to finance self-supporting public utility projects and \$189,975,903 to be issued as General Fund supported general obligation bonds and \$11,900,000 of general obligation five-and seven-year notes to finance the purchase of equipment and vehicles.

***Acknowledgements***

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

Sincerely,

  
Dwight C. Jones  
Mayor

  
Selena Cuffee-Glenn  
Chief Administrative Officer





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# City of Richmond



DWIGHT C. JONES  
MAYOR

## MANAGEMENT REPORT ON RESPONSIBILITY FOR FINANCIAL REPORTING

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


The City's financial statements have been audited by Grant Thornton LLP (Grant Thornton), independent certified public accountants, selected by the City Council. Management has made available to Grant Thornton 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 Grant Thornton 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 auditing 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 Grant Thornton'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.

  
Dwight C. Jones  
Mayor

  
Selena Cuffee-Glenn  
Chief Administrative Officer



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**CITY OF RICHMOND, VIRGINIA**  
**STRONG MAYOR - COUNCIL FORM OF GOVERNMENT**

**June 30, 2016**

**CITY MAYOR**

Dwight C. Jones

***CHIEF ADMINISTRATIVE OFFICER***

Selena Cuffee-Glenn

***CITY COUNCIL***

Michelle R. Mosby – President  
Chris A. Hilbert – Vice President  
Parker C. Agelasto  
Jonathan T. Baliles  
Kathy C. Graziano

Cynthia I. Newbille  
Ellen F. Robertson  
Charles R. Samuels  
Reva M. Trammell

**CITY  
AUDITOR**

Umesh V. Dalal, CPA, CIA, CA

**ATTORNEY**

Allen L. Jackson

**SUPERINTENDENT  
OF SCHOOLS**

Dr. Dana T. Bedden

Prepared by  
**DEPARTMENT OF FINANCE**

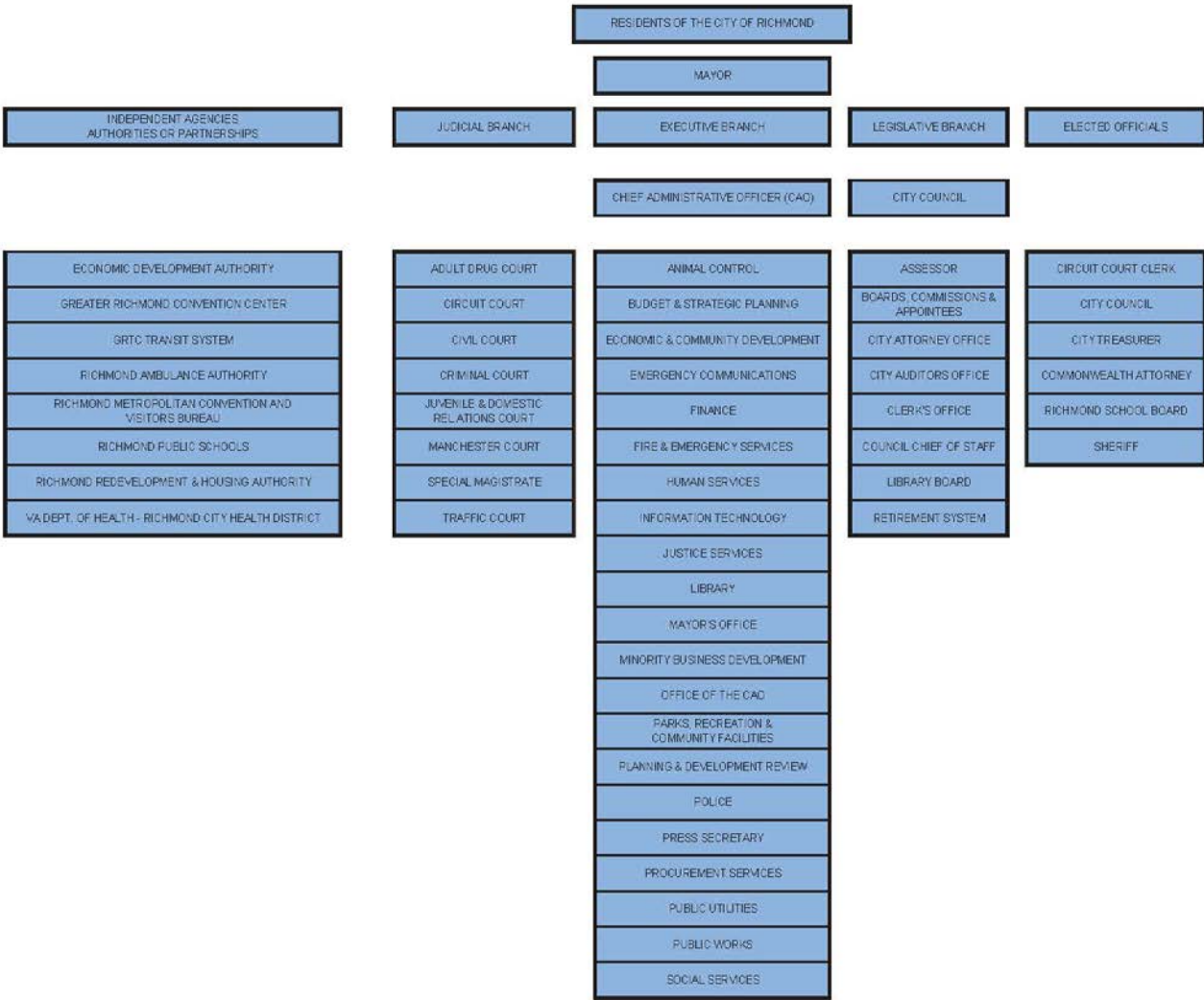
**INDEPENDENT AUDITORS**

Grant Thornton LLP



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**CITY OF RICHMOND  
ORGANIZATION OF LOCAL GOVERNMENT  
2015 - 2016**





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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

### **Report on the financial statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, Virginia (the “City”) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

### **Management’s responsibility for the financial statements**

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

### **Auditor’s responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. We also did not audit the financial statements of the Richmond Retirement System, which represents 68%, 95%, and 32%, respectively, of the assets, fund balance/net position, and revenues 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 opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units and the Richmond Retirement System, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **Opinions**

In our opinion, based on our work and the work of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, Virginia as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of matter**

As discussed in Note 1W to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, effective July 1, 2014. Our opinions are not modified with respect to this matter.

#### **Other matters**

##### **Required supplementary information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedule, and pension information on pages 5-16, 89-93, and 94-97, respectively, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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's basic financial statements. The Supplementary Information – Combining Financial Statements is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary 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. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other information***

The Introductory Section and Statistical Section is are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 31, 2016, on our consideration of the City'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Grant Thornton LLP*

Houston, Texas  
October 31, 2016



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**CITY OF RICHMOND, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)**

The following discussion and analysis provided by the City's management presents a narrative overview and analysis of the financial activities of the City through the presentation of its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. 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.

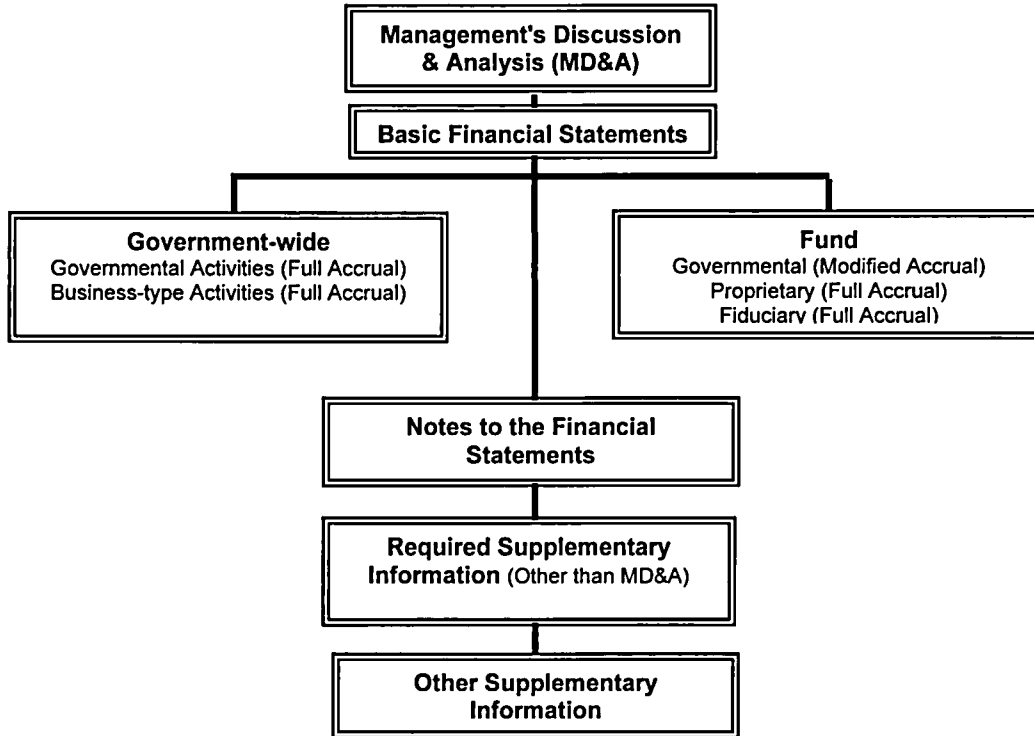
**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2015**

- At the end of the fiscal year, the City's assets and deferred outflows of resources exceeds liabilities and deferred inflows of resources by \$684.3 million. This amount represents a decrease of \$20.1 million, or 2.9 percent, from the prior year's restated amount \$704.4 million. Net position is comprised mainly of \$809.2 million attributable to the City's net investment in capital assets, \$4.3 million restricted, and (\$133.2) million unrestricted.
- Net position for governmental activities decreased \$62.7 million, or 57.7 percent, compared to the prior year, largely as a result of the implementation of new pension reporting requirements and capital asset restatement.
- For the fiscal year, General Fund revenues and financing sources are \$668.2 million. General Fund expenditures and other financing uses are \$688.5 million. City taxes accounted for 67.5% percent of revenue.
- The City's business-type activities, net position increased by \$42.6 million, or 7.2 percent.
- The City's General Fund reported an ending fund balance of \$106.2 million, a decrease of \$20.2 million, or 16.0 percent, compared to the prior year. Of the total General Fund balance: \$13.0 million is committed to revenue stabilization and economic development initiatives; \$7.8 million is assigned to subsequent years' expenditures; and \$85.0 million is unassigned. The unassigned fund balance represents 12.3 percent of actual expenditures and transfers out of \$688.5 million. The unassigned fund balance exceeds the City's 10 percent fiscal policy.
- The City restated certain capital assets for governmental and business-type activities, and restated net position for pension due to new pension reporting requirements.
- The City's total taxable assessed value for real and personal property including machinery and tools increased by \$681.1 million, or 3.2 percent.
- The City's general obligation bond ratings were reaffirmed as Aa2, AA+ and, AA+ by Moody's, Standard and Poor's, and Fitch respectively with a stable outlook.
- A new Parking Enterprise Fund was created and the related assets of \$47.1 million and liabilities of \$74.0 million were transferred from Governmental Activities to Business-type Activities.
- GASB 68 significantly impacted the City's financial statements. The new pension reporting requirements reduced Primary Government net position by \$292.5 million.



## OVERVIEW OF THE FINANCIAL STATEMENTS

The City's CAFR consists of three sections: introductory, financial, and statistical. As illustrated in the following chart, the financial section of this report consists of five components: management's discussion and analysis (this section), the basic financial statements, notes to the financial statements, required supplementary information, and other supplementary information.



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

### Government-wide Financial Statements

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

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

- **Governmental Activities** – Most of the City's basic services including police, fire, economic and community development, parks, recreation and community facilities, social services, and general administration are reported here. The majority of these activities are supported by property taxes, other local taxes, and federal and state funding.



- **Business-type Activities** – The City's gas, water, wastewater, storm water, parking, coliseum, and cemeteries are reported here. Fees are charged to customers to help cover the costs of providing these services.<sup>1</sup>
- **Component Units** – Five separate legal entities are included in this report – The City of Richmond School Board, the Richmond Economic Development Authority, the Richmond Ambulance Authority, the 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 and Special Revenue 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 funds 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 two 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.
  - **Agency Funds** – Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The Agency funds consist of the assets and liabilities of several organizations for which the City serves as fiscal agent, such as the department of parks, recreation and community facilities, the department of public works and the law department.

## Notes to the Financial Statements

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

## GOVERNMENT-WIDE ANALYSIS

### Net Position

FY 2015, total assets for the Primary Government are \$2,916.2 million, an increase from prior year total assets by \$18.2 million. Total assets for only governmental activities are \$1,248.3 million, up by \$15.1 million or 1.2 percent. Total assets from business-type activities, although they increased by \$3.1 million, are still predominant in FY 2015, accounting for 57.2 percent of total Primary Government assets compared to 57.4 percent in FY 2014.

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<sup>1</sup> Stores Fund activities are reported in internal service funds.



Total liabilities are \$2,199.1 million, up \$4.6 million from \$2,194.5 million in FY 2014. Total liabilities associated with governmental type activities increased by \$45.0 million up 4.0 percent while total liabilities associated with business-type activities decreased \$40.4 million or 3.8 percent.

Total net position is \$684.3 million down \$20.1 million over the prior year's balance. Table 1 summarizes the City's government-wide net position at June 30, 2015 and 2014.

**Table 1**  
**City of Richmond's Schedule of Net Position**  
**as of the Fiscal Years Ended June 30, 2015 and 2014**  
**(In Millions, rounded)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014* As Restated	2015	2014* As Restated	2015	2014* As Restated
Current and Other Assets	\$ 252.4	\$ 289.9	\$ 403.5	\$ 421.2	\$ 655.9	\$ 711.1
Capital Assets, Net	995.9	943.3	1,264.4	1,243.6	2,260.3	2,186.8
<b>Total Assets</b>	<b>1,248.3</b>	<b>1,233.2</b>	<b>1,667.9</b>	<b>1,664.8</b>	<b>2,916.2</b>	<b>2,898.0</b>
Deferred Outflow of Resources	59.9	57.4	15.5	16.4	75.4	73.8
Current and Other Liabilities	178.9	231.0	89.4	89.7	268.3	320.7
Long-Term Obligations Outstanding	992.3	895.2	938.5	978.6	1,930.8	1,873.8
<b>Total Liabilities</b>	<b>1,171.2</b>	<b>1,126.2</b>	<b>1,027.9</b>	<b>1,068.3</b>	<b>2,199.1</b>	<b>2,194.5</b>
Deferred Inflows of Resources	91.0	55.7	17.2	17.2	108.2	72.9
<b>Net Position:</b>						
Net Investment in Capital Assets	314.0	306.4	495.2	497.1	809.2	803.5
Restricted	4.3	21.3	--	--	4.3	21.3
Unrestricted	(272.3)	(219.0)	143.1	98.6	(129.2)	(120.4)
<b>Total Net Position</b>	<b>\$ 46.0</b>	<b>\$ 108.7</b>	<b>\$ 638.3</b>	<b>\$ 595.7</b>	<b>\$ 684.3</b>	<b>\$ 704.4</b>

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

\*See Footnote 17 for restatement

### Activities

In FY2015, total Primary Government revenues increased from the prior year by \$40.9 million or 3.9 percent to \$1,078.5 million. Program revenues (charges for service, grants, and contributions) of \$610.9 million account for 56.6 percent of all Primary Government revenues, while property and other local taxes attributable to governmental activities account for \$450.5 million, most of the remainder. Total revenues for all governmental activities are \$718.4 million. Governmental Activities' program revenues of \$252.2 million account for 35.1 percent.

Total expenses for Primary Government are \$1,100.1 million. Four activities: general government, public safety and judiciary, education, and business-type activities account for the following amounts and percentages: \$150.9 million (13.7 percent), \$233.3 million (21.2 percent), \$166.1 million (15.1 percent), and \$289.4 million (26.3 percent), respectively. Table 2 summarizes the City's government-wide activities for the years ended June 30, 2015 and 2014.





**Table 2**  
**City of Richmond's Schedule of Activities**  
**For the Fiscal Years Ended June 30, 2015 and 2014**  
**(In Millions, rounded)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014*	2015	2014*	2015	2014*
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 71.9	\$ 81.7	\$ 338.3	\$ 332.0	\$ 410.2	\$ 413.7
Operating Grants and Contributions	136.1	144.4	20.4	20.0	156.5	164.4
Capital Grants and Contributions	44.2	35.2	--	--	44.2	35.2
General Revenues:						
Property Taxes	289.5	256.5	--	--	289.5	256.5
Other Taxes	161.0	170.2	--	--	161.0	170.2
Investment Income	--	--	--	.8	--	.8
Miscellaneous	15.7	1.6	1.4	(4.8)	17.1	(3.2)
<b>Total Revenues</b>	<b>718.4</b>	<b>689.6</b>	<b>360.1</b>	<b>348.0</b>	<b>1,078.5</b>	<b>1,037.6</b>
<b>Expenses:</b>						
Primary Government						
General Government	150.9	105.5	--	--	150.9	105.5
Public Safety and Judiciary	233.3	177.8	--	--	233.3	177.8
Highway, Street, Sanitation, and Refuse	94.7	83.3	--	--	94.7	83.3
Human Services	96.5	75.5	--	--	96.5	75.5
Culture and Recreation	33.0	25.2	--	--	33.0	25.2
Education	166.1	152.6	--	--	166.1	152.6
Transportation	13.3	12.2	--	--	13.3	12.2
Interest and Fiscal Charges	22.9	25.2	--	--	22.9	25.2
Business-type Activities	--	--	289.4	302.8	289.4	302.8
<b>Total Expenses</b>	<b>810.7</b>	<b>657.3</b>	<b>289.4</b>	<b>302.8</b>	<b>1,100.1</b>	<b>960.1</b>
(Loss) Income Before Transfers	(92.3)	32.3	70.7	45.2	(21.6)	77.5
Transfers	28.1	27.4	(28.1)	(27.4)	--	--
Special Item - Purchase of Diamond	1.5	--	--	--	1.5	--
Changes in Net Position	(62.6)	59.7	42.6	17.8	(20.1)	77.5
Net Position, Beginning of Year	364.7	305.0	632.2	614.4	996.9	919.4
Cumulative effect-Pension Reporting	(256.0)	.0	(36.5)	.0	(292.5)	.0
<b>Net Position, End of Year</b>	<b>\$ 46.0</b>	<b>\$ 364.7</b>	<b>\$ 638.3</b>	<b>\$ 632.2</b>	<b>\$ 684.3</b>	<b>\$ 996.9</b>

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

\*See Footnote 17 for restatement

### GENERAL FUND

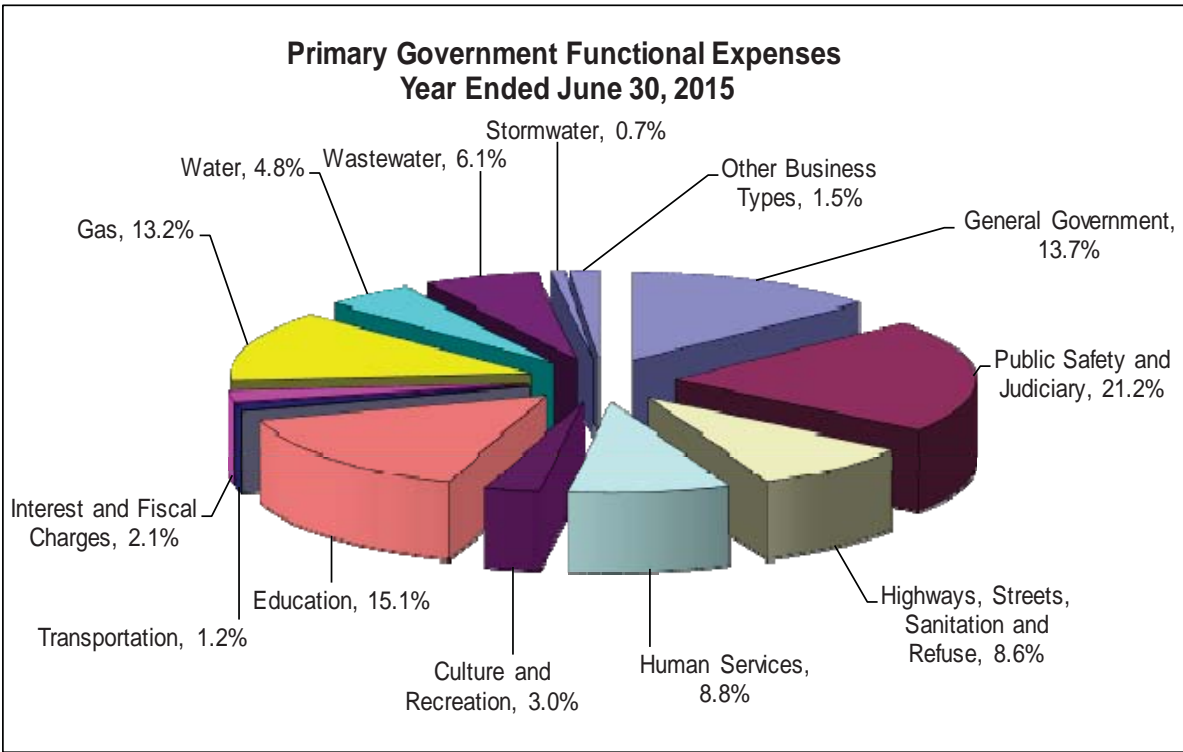
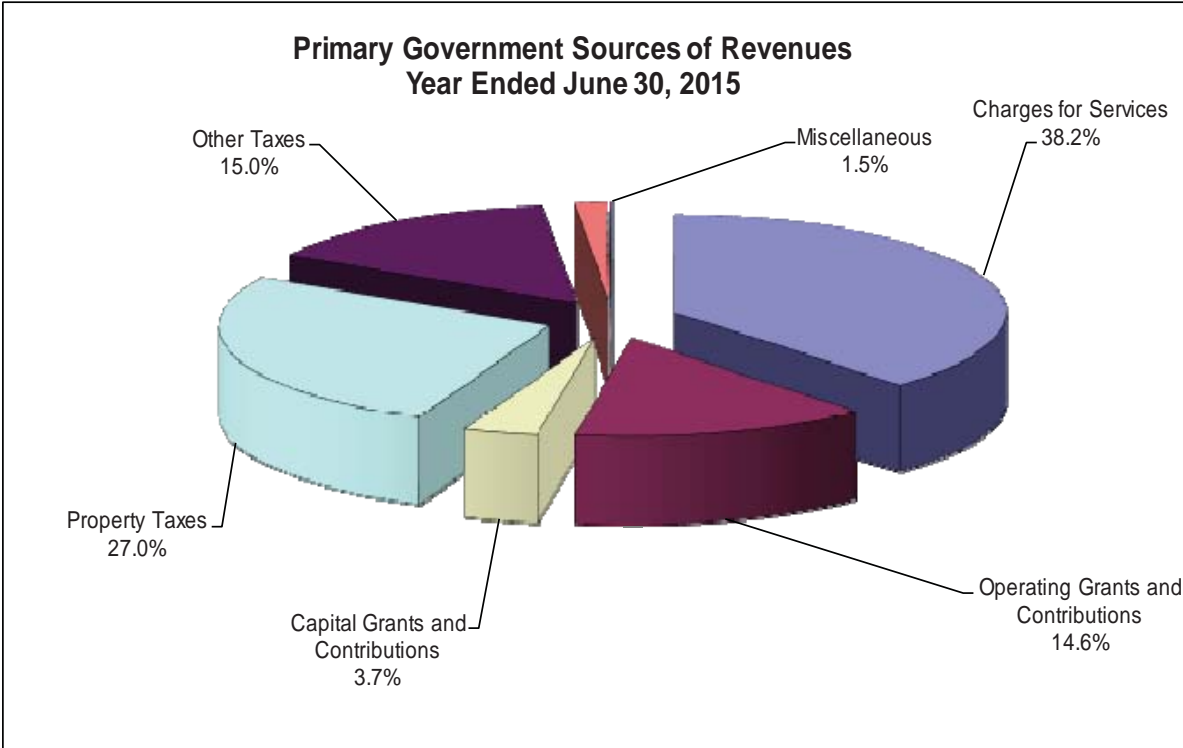
The General Fund is by far the City's largest governmental fund and, therefore, deserves special attention. Total revenues and other financing sources total \$668.2 million in FY 2015, an increase of \$23.7 million from the prior year. Property and other local taxes account for \$450.7 million or 67.4 percent of total revenues

On the other side of the ledger, expenditures and transfers out total \$688.5 million, an increase of \$43.3 million or 6.7 percent, from the prior year. Public safety and judiciary and education, the two largest program areas, total \$344.6 million, or 50.1 percent of total General Fund expenses.



**Table 3**  
**City of Richmond's Budgetary Comparison**  
**General Fund**  
**For the Fiscal Years Ended June 30, 2015 and 2014**  
**(In Millions, rounded)**

	Original Budget		Amended Budget		Actual		Positive (Negative) Variance	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>								
Property Taxes	\$ 285.5	\$ 273.6	\$ 285.5	\$ 273.6	\$ 290.8	\$ 274.3	\$ 5.3	\$ .7
Other Taxes	161.7	157.8	161.9	157.8	159.9	156.5	(2.0)	(1.3)
Intergovernmental	106.8	106.8	110.0	107.4	109.4	106.0	(.6)	(1.4)
Miscellaneous	105.0	107.6	103.4	107.6	105.3	101.3	1.9	(6.3)
Other Financing Sources	7.1	8.1	2.8	8.1	2.8	6.4	.0	(1.7)
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 666.1</b>	<b>\$ 653.9</b>	<b>\$ 663.6</b>	<b>\$ 654.5</b>	<b>\$ 668.2</b>	<b>\$ 644.5</b>	<b>\$ 4.6</b>	<b>\$ (10.0)</b>
<b>Expenses:</b>								
General Government	\$ 83.9	\$ 77.3	\$ 85.1	\$ 76.9	\$ 79.2	\$ 66.0	\$ 5.9	\$ 10.9
Public Safety and Judiciary	179.0	167.6	185.1	173.7	182.4	171.1	2.7	2.6
Highway, Street, Sanitation, and Refuse	59.0	57.6	61.2	61.3	59.7	61.4	1.5	(.1)
Human Services	65.6	64.6	63.6	63.0	63.8	59.7	(.2)	3.3
Culture and Recreation	21.6	21.6	21.3	21.7	24.0	22.5	(2.7)	(.8)
Education	159.8	154.3	162.2	154.3	162.2	154.3	--	--
Non-Departmental	56.7	44.0	55.1	43.1	52.4	44.1	2.7	(1.0)
Other Financing Uses	68.9	71.1	68.3	70.4	64.8	66.1	3.5	4.3
<b>Total Expenses and Other Financing Uses</b>	<b>\$ 694.5</b>	<b>\$ 658.1</b>	<b>\$ 701.9</b>	<b>\$ 664.4</b>	<b>\$ 688.5</b>	<b>\$ 645.2</b>	<b>\$ 13.4</b>	<b>\$ 19.2</b>





## CAPITAL ASSETS

The City has restated the FY 2015 beginning balance of Governmental Activities for capital assets. The majority of this is a result of decreasing construction work in progress by \$12.4 million primarily due to the title transfer of the Landmark Theater to the Economic and Community Development Authority of the City of Richmond and decreasing capital assets due to transferring assets from the Governmental Activities to Business-type Activities (Parking Fund), net of depreciation, by \$47.1 million.

Primary Government - Governmental Activities	June 30, 2014		June 30, 2014
	As Previously Reported	Restatement	As Restated
<b>Capital Asset Change</b>			
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 108,012,051	\$ (14,199,921)	\$ 93,812,130
Construction In Progress	311,614,843	(12,401,610)	299,213,233
Works of Art/Historical Treasures	6,990,396	--	6,990,396
Total Capital Assets Not Being Depreciated	426,617,290	(26,601,531)	400,015,759
Capital Assets Being Depreciated:			
Infrastructure	810,051,111	(5,114,592)	804,936,519
Building and Structures	544,318,837	(33,086,708)	511,232,129
Equipment and Other Assets	122,965,229	(6,153,488)	116,811,741
Improvements Other Than Buildings	17,554,496	1,051,205	18,605,701
Total Other Capital Assets	1,494,889,673	(43,303,583)	1,451,586,090
Less Accumulated Depreciation For:			
Infrastructure	505,485,897	1,087,631	506,573,528
Building and Structures	300,121,959	(1,489,521)	298,632,438
Equipment and Other Assets	100,758,592	(4,325,667)	96,432,925
Improvements Other Than Buildings	6,282,020	443,166	6,725,186
Total Accumulated Depreciation	912,648,468	(4,284,391)	908,364,077
Total Capital Assets Being Depreciated, Net	582,241,205	(39,019,192)	543,222,013
Governmental Activities' Capital Assets, Net	\$ 1,008,858,495	\$ (65,620,723)	\$ 943,237,772

The City also transferred assets for FY 2015, net capital assets for governmental activities increased by \$52.6 million (5.5%) to \$995.9 million (see Table 4).



The City has restated the FY 2015 beginning balance of Other Business-type activities for capital assets. The majority of this is a result of increasing capital assets due to transferring assets from the Governmental Activities to Business-type Activities (Parking Fund), net of depreciation, by \$47.1 million.

**Other Business-type Activities:**

	June 30, 2014		June 30, 2014
	As Previously		As Restated
	Reported	Restatement	
<b>Capital Asset Change</b>			
Capital Assets Not Being Depreciated -			
Land and Land Improvements	\$ 12,770,860	\$ 14,268,255	\$ 27,039,115
Capital Assets Being Depreciated -			
Buildings and Structures	33,982,882	35,074,276	69,057,158
Equipment and Other Capital Assets	5,756,731	1,658,611	7,415,342
Total Capital Assets Being Depreciated	<u>39,739,613</u>	<u>36,732,887</u>	<u>76,472,500</u>
Less - Accumulated Depreciation For:			
Buildings and Structures	33,547,672	2,954,366	36,502,038
Equipment and Other Assets	5,829,133	140,914	5,970,047
Total Accumulated Depreciation	<u>39,376,805</u>	<u>3,095,280</u>	<u>42,472,085</u>
Total Capital Assets Being Depreciated, Net	<u>362,808</u>	<u>33,637,607</u>	<u>34,000,415</u>
Other Business-type Activity Capital Assets, Net	<u>\$ 13,133,668</u>	<u>\$ 47,905,862</u>	<u>\$ 61,039,530</u>

The Department of Public Utilities' capital assets grew by \$20.4 million during the fiscal year. The Gas Utility invested approximately \$4.6 million to support our expanding market base and \$23.6 million in upgrades to existing infrastructure. The Water Utility invested approximately \$17.4 million in upgrades to existing infrastructure including \$8.4 million of investments in major plant improvements. The Wastewater Utility invested approximately \$28.3 million in upgrades to existing infrastructure, of which \$10.4 million was spent on major plant improvements. The Stormwater Utility and Electric Utility invested \$3.8 million and \$.8 million respectively to upgrade their existing infrastructure.



**Table 4**  
**City of Richmond's Capital Assets**  
**For the Fiscal Years Ended June 30, 2015 and 2014**  
(In Millions, rounded)

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014*	2015	2014*	2015	2014*
<b>Capital Assets Not Being Depreciated:</b>						
Land and Land Improvements	\$ 96.3	\$ 93.8	\$ 30.9	\$ 30.9	\$ 127.2	\$ 124.7
Construction In Progress	111.4	299.2	108.1	90.7	219.5	389.9
Works of Art / Historical Treasures	7.0	7.0	--	--	7.0	7.0
<b>Total Assets Not Being Depreciated</b>	<b>214.7</b>	<b>400.0</b>	<b>139.0</b>	<b>121.6</b>	<b>353.7</b>	<b>521.6</b>
<b>Capital Assets Being Depreciated:</b>						
Infrastructure	827.1	804.9	--	--	827.1	804.9
Buildings and Structures	764.8	511.2	1,218.7	1,743.8	1,983.6	2,255.0
Equipment and Other Assets	117.4	116.8	624.6	39.3	742.0	156.1
Improvements Other Than Buildings	17.7	18.6	--	--	17.7	18.6
<b>Total Other Assets</b>	<b>1,727.1</b>	<b>1,451.5</b>	<b>1,843.3</b>	<b>1,783.1</b>	<b>3,570.4</b>	<b>3,234.6</b>
<b>Less Accumulated Depreciation For:</b>						
Infrastructure	525.9	506.6	--	--	525.9	506.6
Buildings and Structures	312.6	298.6	711.4	621.0	1024.0	919.7
Equipment and Other Assets	100.0	96.4	6.5	40.0	106.5	136.4
Improvements Other Than Buildings	7.4	6.7	--	--	7.4	6.7
<b>Total Accumulated Depreciation</b>	<b>945.8</b>	<b>908.3</b>	<b>717.9</b>	<b>661.0</b>	<b>1,663.7</b>	<b>1,569.3</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>781.2</b>	<b>543.2</b>	<b>1,125.4</b>	<b>1,122.1</b>	<b>1,906.6</b>	<b>1,665.3</b>
<b>Total Capital Assets, Net</b>	<b>\$ 995.9</b>	<b>\$ 943.2</b>	<b>\$ 1,264.4</b>	<b>\$ 1,243.7</b>	<b>\$ 2,260.3</b>	<b>\$ 2,186.9</b>

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

\*Restated due to Changes in Capital Assets (see Footnote 17)



## LONG-TERM OBLIGATIONS

In FY 2015, the City borrowed \$40,000,000 on a bond anticipation note line of credit and subsequently issued \$143,106,648 of new general obligation bonds, including premiums received of \$18,206,648, to refund outstanding debt. Retirement of debt in FY2015 included the repayment and defeasance of \$65,105,989 of governmental activities' general obligations bonds, notes, and premiums, as well as the refinancing of \$110,000,000 outstanding on the bond anticipation note line of credit. At the beginning of the fiscal year, \$74,028,269 of outstanding general obligation bonds were reallocated from governmental activities to a newly established Parking Enterprise Fund. As of June 30, 2015, the major credit rating agencies have rated the City's general obligation debt as follows: Aa2 by Moody's Investors Service, AA+ by Standard and Poor's, and AA+ by Fitch. Additional information can be found in the Notes to the Financial Statements, Note 7 – Obligations.

Article VII, Section 10 of the Constitution of Virginia limits the amount of general obligation debt the City can issue to ten percent of the assessed value of real property which is \$2,003,129,506 as of June 30, 2015. The City's outstanding general obligation debt of \$822,605,994 at June 30, 2015 (including self-supporting public general obligation utility bonds) is 41.1% of the constitutional limit of \$2,003,129,506. Table 5 summarizes the City's long-term obligations at June 30, 2015 and 2014.

**Table 5**  
**City of Richmond's Long-Term Obligations**  
**For the Fiscal year Ended June 30, 2015**

### Primary Government - Governmental Activities

	Balance			Balance June 30, 2015	Not Due Within One Year	Due Within One Year
	July 1, 2014 As Restated*	Additions	Deletions			
General Obligation Bonds*	\$ 53,182,070	\$ 124,900,000	\$ 58,051,379	\$ 598,670,691	\$ 565,996,647	\$ 32,674,044
General Obligation Serial Notes	37,460,000	--	2,425,000	35,035,000	33,110,000	1,925,000
Virginia Public Schools Authority Bonds	977,282	--	240,306	736,976	494,107	242,869
Qualified Zone Academy Bonds	1,832,373	--	192,480	1,639,893	1,447,413	192,480
HUD Section 108 Notes	10,695,000	--	570,000	10,125,000	10,125,000	--
Premium on Debt Issued	33,164,805	18,206,648	3,626,824	47,744,629	44,492,569	3,252,060
<b>Total General Obligation Bonds and Notes</b>	<b>65,951,530</b>	<b>143,106,648</b>	<b>65,105,989</b>	<b>693,952,189</b>	<b>655,665,736</b>	<b>38,286,453</b>
Line of Credit - Bond Anticipation Note - Series 2014A	70,000,000	40,000,000	110,000,000	-	--	--
<b>Total Obligations</b>	<b>685,951,530</b>	<b>183,106,648</b>	<b>175,105,989</b>	<b>693,952,189</b>	<b>655,665,736</b>	<b>38,286,453</b>
Advantage Richmond Lease Revenue Bond	\$ 6,827,905	\$ --	\$ 828,667	\$ 5,999,238	\$ 5,125,893	\$ 873,345
Compensated Absences**	\$ 16,479,985	\$ 14,395,287	\$ 13,023,762	\$ 17,851,510	\$ 5,965,308	\$ 11,886,202
Net Other Postemployment Benefit Obligations	\$ 14,820,954	\$ 8,013,804	\$ 3,607,535	\$ 19,227,223	\$ 19,227,223	\$ --
Net Pension Liability*	\$ 273,331,110	\$ 978,196	\$ --	\$ 274,309,306	\$ 274,309,306	\$ --

\*See Footnote 17 for restatement

\*\*Restated to include Agency of Emergency Communication in the Radio Fund from the General Fund

Continued



**Primary Government - Business-type Activities**

	Balance July 1, 2014 As Restated*	Additions	Deletions	Balance June 30, 2015	Not Due Within One Year	Due Within One Year
<b>General Obligation Bonds:</b>						
Gas	\$ 54,763,598	\$ --	\$ 6,604,244	\$ 48,159,354	\$ 41,235,377	\$ 6,923,977
Water	42,835,571	--	5,468,421	37,367,150	31,629,064	5,738,086
Wastewater	20,485,134	--	4,242,848	16,242,286	11,783,276	4,459,010
Stormwater	202,500	--	11,250	191,250	180,000	11,250
Premium on Debt, Net	2,876,248	--	980,526	1,895,722	1,895,722	--
Non-Major Enterprise Funds*	79,401,506	--	4,963,106	74,438,400	69,293,517	5,144,883
<b>Total G.O. Bonded Debt</b>	<b>200,564,557</b>	<b>--</b>	<b>22,270,395</b>	<b>178,294,162</b>	<b>156,016,956</b>	<b>22,277,206</b>
<b>Revenue Bonds:</b>						
Gas	242,447,316	--	4,310,011	238,137,305	233,418,489	4,718,816
Water	195,282,908	--	3,284,975	191,997,933	188,323,709	3,674,224
Wastewater	285,718,235	2,864,835	7,347,369	281,235,701	272,266,939	8,968,762
Premium on Debt, Net	43,638,297	--	3,162,221	40,476,076	40,476,076	--
<b>Total Revenue Bonded Debt</b>	<b>767,086,756</b>	<b>2,864,835</b>	<b>18,104,576</b>	<b>751,847,015</b>	<b>734,485,213</b>	<b>17,361,802</b>
<b>Total Bonded Debt</b>	<b>\$ 967,651,313</b>	<b>\$ 2,864,835</b>	<b>\$ 40,374,971</b>	<b>\$ 930,141,177</b>	<b>\$ 890,502,169</b>	<b>\$ 39,639,008</b>
<b>Compensated Absences:</b>						
Gas	\$ 819,824	\$ 665,962	\$ 676,978	\$ 808,808	\$ 140,939	\$ 667,869
Water	562,165	433,025	440,579	554,611	96,644	457,967
Wastewater	632,435	501,152	509,650	623,937	108,724	515,213
Stormwater	210,812	168,236	171,069	207,979	36,241	171,738
Other Non-Major Enterprise Funds	104,345	132,002	99,228	137,119	40,655	96,464
<b>Total Compensated Absences</b>	<b>\$ 2,329,581</b>	<b>\$ 1,900,377</b>	<b>\$ 1,897,504</b>	<b>\$ 2,332,454</b>	<b>\$ 423,203</b>	<b>\$ 1,909,251</b>
<b>Net Pension Liability**</b>	<b>\$ 39,120,147</b>	<b>\$ 296,182</b>	<b>\$ --</b>	<b>\$ 39,416,329</b>	<b>\$ 39,416,329</b>	<b>\$ --</b>

\* Effective July 1 2014, \$74,028,269 of General Obligation Bond debt of the Parking Enterprise Fund is reflected as Business-type Activities debt.

\*\*Net Pension Liability is now reported due to new GASB 68 reporting requirements. See Footnote 17.

**PARKING ENTERPRISE FUND**

A Parking Enterprise Fund was created in FY2015 to maximize the opportunity for greater efficiency, accountability and to allow parking related operating expenses and debt service to be supported by parking revenue. The establishment of a properly structured City-wide Parking Enterprise Fund system added to the City's ability and capacity to affect Economic Development. A self-supporting Parking Enterprise Fund now segregates the parking related revenue streams, operations and maintenance and existing debt service.

**ECONOMIC FACTORS**

The City's economy showed steady growth. The unemployment rate, non-seasonally adjusted, is 5.3% for the fiscal year end 2015. This is 0.4 percentage points higher than the Virginia rate of 4.9%. However, when compared to the same period a year ago, the rate decreased 1.2%, from 6.5% to 5.3%. Like some other urban areas throughout the country, the City is seeing a resurgence of people moving back into the City. As a result, its population has grown to 217,853 in 2014, according to US Census Bureau estimates.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide City residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives and disburses. Questions concerning this report or requests for additional financial information should be directed to the Director of Finance, City of Richmond 900 East Broad Street, 10<sup>th</sup> floor Suite 1300, Richmond, Virginia 23219.





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# ***FINANCIAL STATEMENTS***



**CITY OF RICHMOND, VIRGINIA  
STATEMENT OF NET POSITION  
June 30, 2015**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents (Note 3)	\$ 63,065,151	\$ 183,897,803	\$ 246,962,954	\$ 28,711,522
Receivables (Net of Allowance for Doubtful Accounts):				
Taxes and Licenses	61,311,310	--	61,311,310	--
Accounts	39,057,373	44,198,582	83,255,955	11,355,636
Internal Balances, Net	819,599	(819,599)	--	--
Due From Primary Government	--	--	--	39,344,827
Due From Other Governments (Note 5)	83,020,335	6,616,183	89,636,518	29,255,790
Inventories of Materials and Supplies	287,769	12,577,486	12,865,255	75,810
Prepaid Assets	526,657	6,414,465	6,941,122	17,172,127
<b>Total Current Assets</b>	<b>248,088,194</b>	<b>252,884,920</b>	<b>500,973,114</b>	<b>125,915,712</b>
<b>Non-Current Assets:</b>				
Restricted Assets - Cash and Investments (Note 3)	4,292,597	150,644,299	154,936,896	18,423,677
Mortgage Loans Receivable and Other Non-Current Assets	--	--	--	21,888,370
Capital Assets, Net (Note 6):				
Land and Works of Art/Historical Treasures	103,247,526	30,924,415	134,171,941	4,922,656
Infrastructure, Net	301,215,671	--	301,215,671	--
Buildings, Structures, Improvements, and Equipment, Net	480,081,081	1,125,354,770	1,605,435,851	119,788,154
Construction in Progress	111,372,705	108,112,709	219,485,414	5,135,522
<b>Total Capital Assets, Net</b>	<b>995,916,983</b>	<b>1,264,391,894</b>	<b>2,260,308,877</b>	<b>129,846,332</b>
<b>Total Non-Current Assets</b>	<b>1,000,209,580</b>	<b>1,415,036,193</b>	<b>2,415,245,773</b>	<b>170,158,379</b>
<b>Total Assets</b>	<b>1,248,297,774</b>	<b>1,667,921,113</b>	<b>2,916,218,887</b>	<b>296,074,091</b>
<b>Deferred Outflows of Resources</b>				
Deferred Losses on Refunding	18,080,472	9,564,079	27,644,551	--
Pension Related Activities (Note 11)				
Component Units	--	--	--	24,422,843
Virginia Retirement System (VRS)	2,525,666	--	2,525,666	--
Richmond Retirement System (RRS)	39,350,069	5,920,907	45,270,976	--
<b>Total Deferred outflows of resources</b>	<b>59,956,207</b>	<b>15,484,986</b>	<b>75,441,193</b>	<b>24,422,843</b>



**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF NET POSITION**  
 June 30, 2015

**Exhibit A**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 54,758,067	\$ 24,546,225	\$ 79,304,292	\$ 11,516,638
Accrued Liabilities	8,821,109	5,404,381	14,225,490	36,938,894
Due To Component Units-Schools	39,344,827	-	39,344,827	-
Due To Other Governments	284,489	-	284,489	19,600,243
Due To Component Units-Other	10,772,151	-	10,772,151	-
Accrued Interest on Bonds and Notes Payable	10,317,633	17,622,618	27,940,251	-
Unearned Revenues	-	345,258	345,258	117,480
General Obligation Bonds, Serial Notes Payable (Note 7)	38,286,453	22,277,206	60,563,659	742,416
Revenue Bonds Payable (Note 7)	873,345	17,361,802	18,235,147	-
Compensated Absences (Note 7)	11,886,202	1,909,251	13,795,453	-
Other Liabilities and Claims Payable (Note 9)	3,556,117	-	3,556,117	-
Total Current Liabilities	178,900,393	89,466,741	268,367,134	68,915,671
<b>Non-Current Liabilities</b>				
Customers' Deposits	-	8,107,399	8,107,399	623,529
General Obligation Bonds, Serial Notes Payable (Note 7)	655,665,736	156,016,956	811,682,692	2,273,046
Revenue Bonds Payable (Note 7)	5,125,893	734,485,213	739,611,106	-
Compensated Absences (Note 7)	5,965,308	423,203	6,388,511	2,772,328
Deferred Revenue	-	-	-	2,722,289
Other Liabilities and Claims Payable (Note 9)	32,005,055	19,844	32,024,899	28,223,155
Net Other Postemployment Benefit Obligations (Note 12)	19,227,223	-	19,227,223	4,334,540
Net Pension Liability (Note 11)	274,309,546	39,416,329	313,725,875	307,556,727
Total Non-Current Liabilities	992,298,761	938,468,944	1,930,767,705	348,505,614
Total Liabilities	1,171,199,154	1,027,935,685	2,199,134,839	417,421,285
<b>Deferred Inflows of Resources</b>				
Investments	-	-	-	881,298
Membership Fees Received in Advance	-	-	-	26,105
Deferred Revenue	15,770,527	-	15,770,527	2,642,249
Prepaid Taxes	352,183	-	352,183	-
Grant Proceeds	21,107,390	-	21,107,390	-
Rate Stabilization	-	10,000,000	10,000,000	-
Pension Related Activities (Note 11) Virginia Retirement System (VRS)	6,076,240	-	6,076,240	-
Richmond Retirement System (RRS)	47,734,317	7,185,987	54,920,304	-
Total Deferred Inflows of Resources	91,040,657	17,185,987	108,226,644	48,992,470
<b>Net Position</b>				
Net Investment in Capital Assets	314,046,028	495,162,064	809,208,092	117,024,314
<b>Restricted for:</b>				
Capital Projects	-	-	-	13,483,392
Debt Service	4,219,286	-	4,219,286	-
<b>Permanent Funds:</b>				
Expendable	34,317	-	34,317	904,251
Nonexpendable	38,930	-	38,930	214,058
Unrestricted	(272,324,391)	143,122,363	(129,202,028)	(277,542,836)
Total Net Position	\$ 46,014,170	\$ 638,284,427	\$ 684,298,597	\$ (145,916,821)

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



**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2015

Functions/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental:</b>				
General Government	\$ 150,935,993	\$ 49,393,546	\$ 26,774,684	\$ 3,404,382
Public Safety and Judiciary	233,336,534	6,270,303	28,884,875	30,828,501
Highways, Streets, Sanitation and Refuse	94,672,443	15,969,086	25,394,453	9,953,108
Human Services	96,529,866	9,000	53,761,268	--
Culture and Recreation	33,004,436	248,813	1,286,297	--
Education	166,128,726	--	--	--
Transportation	13,244,050	--	--	--
Interest and Fiscal Charges	22,885,035	--	--	--
<b>Total Governmental Activities</b>	<b>810,737,083</b>	<b>71,890,748</b>	<b>136,101,577</b>	<b>44,185,991</b>
<b>Business-type:</b>				
Gas	144,436,371	162,902,984	147,729	--
Water	53,276,025	63,912,519	13,597,524	--
Wastewater	67,382,447	82,343,230	4,920,956	--
Stormwater	7,610,350	11,137,971	131,227	--
Coliseum	2,571,848	1,585,548	1,540,337	--
Cemeteries	1,913,533	1,592,307	63,938	--
Parking	12,178,193	14,803,836	--	--
<b>Total Business-type Activities</b>	<b>289,368,767</b>	<b>338,278,395</b>	<b>20,401,711</b>	<b>--</b>
<b>Total Primary Government</b>	<b>1,100,105,850</b>	<b>410,169,143</b>	<b>156,503,288</b>	<b>44,185,991</b>
<b>Component Units:</b>				
School Board	325,265,530	1,969,005	107,632,147	7,050,000
Richmond Economic Development Authority	6,340,016	3,576,838	2,326,382	--
Richmond Ambulance Authority	17,563,733	13,561,734	4,514,548	--
Richmond Behavioral Health Authority	38,784,788	16,126,803	22,862,205	--
Richmond Redevelopment and Housing Authority	75,395,990	60,672,838	--	3,259,804
<b>Total Component Units</b>	<b>\$ 463,350,057</b>	<b>\$ 95,907,218</b>	<b>\$ 137,335,282</b>	<b>\$ 10,309,804</b>

(Continued)

General Revenues:

- City Taxes
  - Real Estate
  - Sales-1% Local
  - Sales Tax for Education
  - Personal Property
  - Machinery and Tools
  - General Utility Sales
  - State Communication Taxes
  - Bank Stock
  - Prepared Food
  - Lodging Tax
  - Admissions
  - Real Estate Taxes - Delinquent
  - Personal Property Taxes - Delinquent
  - Private Utility Poles and Conduits
  - Penalties and Interest
  - Titling Tax-Mobile Home
  - State Recordation
  - Property Rental 1%
  - Vehicle Rental Tax
  - Telephone Commissions
- Total City Taxes
- Intergovernmental Revenue Not Restricted to Specific Programs
- Payment From Primary Government - Unrestricted
- Investment Earnings
- Miscellaneous
- Loss on Disposal of Assets
- Transfers
- Total General Revenues and Transfers
- Special Item-Richmond Diamond
- Changes in Net Position
- Net Position - Beginning of Year, As Restated (Note 17)
- Net Position - End of Year

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



EXHIBIT B

Net (Expenses) Revenues and Changes in Net Position

Governmental Activities	Business-type Activities	Totals	Component Units
\$ (71,363,381)	\$ --	\$ (71,363,381)	\$ --
(167,352,855)	--	(167,352,855)	--
(43,355,796)	--	(43,355,796)	--
(42,759,598)	--	(42,759,598)	--
(31,469,326)	--	(31,469,326)	--
(166,128,726)	--	(166,128,726)	--
(13,244,050)	--	(13,244,050)	--
(22,885,035)	--	(22,885,035)	--
<u>(558,558,767)</u>	<u>--</u>	<u>(558,558,767)</u>	<u>--</u>
--	18,614,342	18,614,342	--
--	24,234,018	24,234,018	--
--	19,881,739	19,881,739	--
--	3,658,848	3,658,848	--
--	554,037	554,037	--
--	(257,288)	(257,288)	--
--	2,625,643	2,625,643	--
--	<u>69,311,339</u>	<u>69,311,339</u>	<u>--</u>
<u>(558,558,767)</u>	<u>69,311,339</u>	<u>(489,247,428)</u>	<u>--</u>
--	--	--	(208,614,378)
--	--	--	(436,796)
--	--	--	512,549
--	--	--	204,220
--	--	--	<u>(11,463,348)</u>
--	--	--	<u>(219,797,753)</u>
221,704,082	--	221,704,082	--
32,567,648	--	32,567,648	--
25,102,851	--	25,102,851	--
49,740,946	--	49,740,946	--
12,752,759	--	12,752,759	--
17,646,514	--	17,646,514	--
16,691,917	--	16,691,917	--
8,816,474	--	8,816,474	--
32,290,063	--	32,290,063	--
5,433,289	--	5,433,289	--
2,866,718	--	2,866,718	--
9,155,708	--	9,155,708	--
8,867,316	--	8,867,316	--
160,950	--	160,950	--
4,384,082	--	4,384,082	--
9,083	--	9,083	--
661,291	--	661,291	--
82,388	--	82,388	--
937,779	--	937,779	--
538,474	--	538,474	--
<u>450,410,332</u>	<u>--</u>	<u>450,410,332</u>	<u>--</u>
--	--	--	76,291,517
--	--	--	137,219,584
38,344	675,983	714,327	(15,599)
15,739,412	643,748	16,383,160	551,772
--	--	--	(298,434)
<u>28,080,617</u>	<u>(28,080,617)</u>	<u>--</u>	<u>--</u>
<u>494,268,705</u>	<u>(26,760,886)</u>	<u>467,507,819</u>	<u>213,748,840</u>
1,500,000	--	1,500,000	--
(62,790,062)	42,550,453	(20,239,609)	(6,048,913)
<u>108,804,232</u>	<u>595,733,974</u>	<u>704,538,206</u>	<u>(139,867,908)</u>
<u>\$ 46,014,170</u>	<u>\$ 638,284,427</u>	<u>\$ 684,298,597</u>	<u>\$ (145,916,821)</u>



**CITY OF RICHMOND, VIRGINIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2015**

**EXHIBIT C**

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
<b>Assets</b>					
Cash and Cash Equivalents (Note 3)	\$ 42,270,428	\$ 405,802	\$ --	\$ 1,508,072	\$ 44,184,302
Receivables (Net of Allowance for Doubtful Accounts):					
Taxes and Licenses	61,311,310	--	--	--	61,311,310
Accounts	15,113,672	--	--	12,227,242	27,340,914
Due From Other Funds (Note 4)	113,191,613	--	4,536,738	18,210,432	135,938,783
Due From Other Governments (Note 5)	37,243,240	--	39,178,315	6,598,780	83,020,335
Prepays	382,200	--	--	--	382,200
Restricted Assets - Cash and Investments (Note 3)	--	4,219,286	--	73,311	4,292,597
<b>Total Assets</b>	<b>269,512,463</b>	<b>4,625,088</b>	<b>43,715,053</b>	<b>38,617,837</b>	<b>356,470,441</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable	31,479,530	5,415	10,990,964	7,367,496	49,843,405
Accrued Liabilities	6,633,095	--	13,976	80,259	6,727,330
Unearned Revenue	--	--	10,011,737	--	10,011,737
Due To Other Funds (Note 4)	20,676,493	--	88,692,778	5,508,770	114,878,041
Due To Other Governments	191,693	--	--	92,796	284,489
Due to Component Unit	50,116,978	--	--	--	50,116,978
<b>Total Liabilities</b>	<b>109,097,789</b>	<b>5,415</b>	<b>109,709,455</b>	<b>13,049,321</b>	<b>231,861,980</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue-Property Taxes	53,896,177	--	--	--	53,896,177
Prepaid Taxes	352,183	--	--	--	352,183
Unavailable Revenue-Grant Proceeds	--	400,387	35,569,457	10,695,266	46,665,110
<b>Total Deferred Inflows of Resources</b>	<b>54,248,360</b>	<b>400,387</b>	<b>35,569,457</b>	<b>10,695,266</b>	<b>100,913,470</b>
<b>Fund Balances (Note 8):</b>					
Nonspendable	382,200	--	--	38,930	421,130
Restricted	--	4,219,286	--	34,317	4,253,603
Committed	13,000,000	--	--	--	13,000,000
Assigned	7,788,553	--	--	14,800,003	22,588,556
Unassigned	84,995,561	--	(101,563,859)	--	(16,568,298)
<b>Total Fund Balances</b>	<b>106,166,314</b>	<b>4,219,286</b>	<b>(101,563,859)</b>	<b>14,873,250</b>	<b>23,694,991</b>
<b>Total Liabilities, Deferred Inflows of Resources     and Fund Balances</b>	<b>\$ 269,512,463</b>	<b>\$ 4,625,088</b>	<b>\$ 43,715,053</b>	<b>\$ 38,617,837</b>	<b>\$ 356,470,441</b>

(Continued)

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





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

June 30, 2015

EXHIBIT C, Concluded

Total fund balances for governmental funds	\$	23,694,991
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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	99,884,137	
Infrastructure, net	291,360,118	
Buildings, structures, improvements, and equipment, net	451,859,465	
Construction in progress	<u>111,193,763</u>	954,297,483

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 of debt	18,069,807	
Deferred outflows related to pensions	41,269,300	59,339,107

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	38,125,652	
Grant revenues-VDOT	4,740,956	
Grant revenues-Jail	30,828,501	73,695,109

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of:

Accrued interest	(10,180,488)	
Governmental bonds, notes payable, and line of credit	(686,327,958)	
Compensated absences	(17,619,949)	
Other liability and claims	(35,561,172)	
Pension related-net pension liability	(270,272,413)	
Pension related-deferred inflows	(53,074,549)	
Net other postemployment benefit obligations	<u>(19,227,223)</u>	(1,092,263,752)

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>27,251,232</u>
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Net position of governmental activities	\$	<u>46,014,170</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, 2015**

**EXHIBIT D**

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
<b>Revenues</b>					
<b>City Taxes</b>					
Real Estate	\$ 223,491,278	\$ -	\$ -	\$ -	\$ 223,491,278
Sales-1% Local	32,567,648	-	-	-	32,567,648
Sales Tax for Education	25,102,851	-	-	-	25,102,851
Personal Property	49,260,306	-	-	-	49,260,306
Machinery and Tools	12,838,347	-	-	-	12,838,347
Utility Sales Tax Gas	4,872,622	-	-	-	4,872,622
Utility Sales Tax Electric	12,479,100	-	-	-	12,479,100
Utility Sales Tax Telephone	294,792	-	-	-	294,792
State Communication Taxes	16,691,917	-	-	-	16,691,917
Bank Stock	8,816,474	-	-	-	8,816,474
Prepared Food	31,686,926	-	-	-	31,686,926
Lodging Tax	5,456,014	-	-	-	5,456,014
Admission	2,357,256	-	-	-	2,357,256
Real Estate Taxes - Delinquent	9,155,708	-	-	-	9,155,708
Personal Property Taxes - Delinquent	8,867,316	-	-	-	8,867,316
Private Utility Poles and Conduits	160,950	-	-	-	160,950
Penalties and Interest	4,384,082	-	-	-	4,384,082
Titling Tax-Mobile Home	9,083	-	-	-	9,083
State Recordation	661,291	-	-	-	661,291
Property Rental 1%	82,388	-	-	-	82,388
Vehicle Rental Tax	937,779	-	-	-	937,779
Telephone Commissions	538,474	-	-	-	538,474
<b>Total City Taxes</b>	<b>450,712,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>450,712,602</b>
Licenses, Permits and Privilege Fees	39,353,545	-	50,000	-	39,403,545
Intergovernmental	109,386,999	1,534,549	8,616,534	25,180,028	144,718,110
Service Charges	23,418,816	-	18,543	-	23,437,359
Fines and Forfeitures	5,822,882	-	-	-	5,822,882
Utility Payments	28,848,885	-	-	-	28,848,885
Investment Income	11,462	224	17,852	8,806	38,344
Miscellaneous	7,877,621	-	601,965	6,865,642	15,345,228
<b>Total Revenues</b>	<b>665,432,812</b>	<b>1,534,773</b>	<b>9,304,894</b>	<b>32,054,476</b>	<b>708,326,955</b>
<b>Expenditures</b>					
<b>Current:</b>					
General Government	79,151,139	-	-	12,019,121	91,170,260
Public Safety and Judiciary	182,366,074	-	-	7,925,157	190,291,231
Highways, Streets, Sanitation and Refuse	59,848,392	-	-	1,872,223	61,720,615
Human Services	63,794,935	-	-	18,095,748	81,890,683
Culture and Recreation	23,996,984	-	-	2,215,057	26,212,041
Education	162,170,840	-	-	-	162,170,840
Non-Departmental	52,352,720	-	-	-	52,352,720
Capital Outlay	-	-	106,538,511	-	106,538,511
<b>Debt Service:</b>					
Principal Retirement	-	31,040,730	-	-	31,040,730
Interest Payments	-	24,077,465	-	-	24,077,465
Debt Issuance costs	-	-	1,324,747	-	1,324,747
<b>Total Expenditures</b>	<b>623,681,084</b>	<b>55,118,195</b>	<b>107,863,258</b>	<b>42,127,306</b>	<b>828,789,843</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>41,751,728</b>	<b>(53,583,422)</b>	<b>(98,558,364)</b>	<b>(10,072,830)</b>	<b>(120,462,888)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Debt and Notes Payable	-	143,106,648	40,000,000	-	183,106,648
Payments to Escrow Agent	-	(141,723,901)	-	-	(141,723,901)
Transfers In-Other Funds	2,832,700	56,085,531	3,313,234	7,410,976	69,642,441
Transfers Out-Other Funds	(64,768,637)	(1,382,747)	-	(658,357)	(66,809,741)
<b>Total Other Financing Sources (Uses), Net</b>	<b>(61,935,937)</b>	<b>56,085,531</b>	<b>43,313,234</b>	<b>6,752,619</b>	<b>44,215,447</b>
<b>Net Change in Fund Balances</b>	<b>(20,184,209)</b>	<b>2,502,109</b>	<b>(55,245,130)</b>	<b>(3,320,211)</b>	<b>(76,247,441)</b>
Fund Balances - Beginning of Year	126,350,523	1,717,177	(46,318,729)	18,193,461	99,942,432
Fund Balances - End of Year	<b>\$ 106,166,314</b>	<b>\$ 4,219,286</b>	<b>\$ (101,563,859)</b>	<b>\$ 14,873,250</b>	<b>\$ 23,694,991</b>

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



**CITY OF RICHMOND, VIRGINIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN THE FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

EXHIBIT D, Concluded

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

Net change in fund balances - total governmental funds	\$	(76,247,441)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Purchases of assets	98,787,694	
Contributed capital assets-purchase of Diamond	1,500,000	
Depreciation expense	<u>(36,678,133)</u>	63,609,561

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	(183,106,648)	
Principal payments of bonds, net of payments on behalf of Component Units	168,325,730	
Amortization of bond premiums and refunding	<u>6,425,111</u>	(8,355,807)

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

Taxes	2,613,120	
Grant revenues-VDOT	4,740,956	
Capital grants-public safety and judiciary	30,828,501	38,182,577

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	530,967	
Compensated absences	(1,365,059)	
Other liabilities and claims	705,126	
Pension Expense	(31,068,109)	
Deferred outflow of resources-pension related	(50,872,601)	
Other postemployment benefit obligations	<u>(4,406,269)</u>	(86,475,945)

Internal service funds are used by the City to charge costs of certain activities to individual funds. The net revenue of internal service funds is reported as a component of governmental activities.

		<u>6,496,993</u>
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Change in net position of governmental activities	\$	<u>(62,790,062)</u>
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**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2015**

**EXHIBIT E-1**

	Enterprise Funds						Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other	Total	
<b>Assets</b>							
<b>Current Assets:</b>							
Cash and Cash Equivalents (Note 3)	\$ 37,820,552	\$ 38,790,122	\$ 100,165,698	\$ 5,409,986	\$ 1,718,605	\$ 183,904,963	\$ 18,882,443
Accounts Receivables (Net of Allowance for Doubtful Accounts)	9,657,189	15,566,816	14,085,532	3,670,178	1,218,867	44,198,582	11,680,724
Due From Other Funds (Note 4)	76,078	36,040	250	504	216,459	329,331	622,341
Due From Component Unit	-	-	-	-	-	-	35,734
Due From Other Governments (Note 5)	-	6,069,759	494,086	52,338	-	6,616,183	-
Inventories of Materials and Supplies	8,350,966	-	-	-	-	8,350,966	4,514,086
Prepaid Expenses and Other Current Assets	1,986,165	1,899,183	2,391,958	-	54,157	6,331,463	227,459
<b>Total Current Assets</b>	<b>57,890,950</b>	<b>62,361,920</b>	<b>117,137,524</b>	<b>9,133,006</b>	<b>3,208,088</b>	<b>249,731,488</b>	<b>35,962,787</b>
<b>Noncurrent Assets:</b>							
Restricted Assets - Cash and Investments (Note 3)	36,250,925	55,973,126	58,420,248	-	-	150,644,299	-
<b>Capital Assets (Note 6):</b>							
Land	219,200	878,307	1,101,261	-	27,039,115	29,237,883	5,049,921
Buildings and Structures	511,897,755	369,078,828	260,298,600	4,836,106	69,057,158	1,215,168,447	69,306,240
Equipment and Other Assets	66,979,476	133,251,367	375,639,587	9,543,173	7,415,342	592,828,945	111,930,080
Construction in Progress	22,244,484	28,618,937	52,536,278	4,713,010	-	108,112,709	178,942
Less: Accumulated Depreciation	(214,353,823)	(171,640,535)	(251,569,133)	(2,174,102)	(44,192,653)	(683,930,246)	(141,871,527)
<b>Total Capital Assets, Net Accumulated Depreciation</b>	<b>386,987,092</b>	<b>360,186,904</b>	<b>438,006,593</b>	<b>16,918,187</b>	<b>59,318,962</b>	<b>1,261,417,738</b>	<b>44,593,656</b>
<b>Total Noncurrent Assets</b>	<b>423,238,017</b>	<b>416,160,030</b>	<b>496,426,841</b>	<b>16,918,187</b>	<b>59,318,962</b>	<b>1,412,062,037</b>	<b>44,593,656</b>
<b>Total Assets</b>	<b>481,128,967</b>	<b>478,521,950</b>	<b>613,564,365</b>	<b>26,051,193</b>	<b>62,527,050</b>	<b>1,661,793,525</b>	<b>80,556,443</b>
<b>Deferred Outflows of Resources</b>							
Losses on Refunding of Debt	3,851,853	3,147,900	2,564,326	-	-	9,564,079	10,665
Pension Related Activities	2,138,327	1,337,140	1,631,844	533,257	227,239	5,867,807	659,535
<b>Total Deferred Outflows of Resources</b>	<b>5,990,180</b>	<b>4,485,040</b>	<b>4,196,170</b>	<b>533,257</b>	<b>227,239</b>	<b>15,431,886</b>	<b>670,200</b>
<b>Liabilities</b>							
<b>Current Liabilities:</b>							
Accounts Payable	9,158,739	4,606,367	7,741,679	588,782	1,457,712	23,553,279	2,838,278
Accrued Liabilities	4,781,499	253,531	329,261	36,579	-	5,400,870	5,640,291
Advance Sales	-	-	-	-	345,258	345,258	-
Due To Other Funds (Note 4)	-	-	-	-	1,036,059	1,036,059	20,502,685
Accrued Interest on Bonds Payable	6,047,907	4,932,705	5,250,435	-	1,391,571	17,622,618	137,145
General Obligation Bonds and Notes Payable (Note 7)	6,923,977	5,738,086	4,459,010	11,250	5,144,883	22,277,206	2,656,385
Revenue Bonds Payable (Note 7)	4,718,816	3,674,224	8,968,762	-	-	17,361,802	873,345
Compensated Absences (Note 7)	667,869	457,967	515,213	171,738	77,382	1,890,169	174,961
<b>Total Current Liabilities</b>	<b>32,298,807</b>	<b>19,662,880</b>	<b>27,264,360</b>	<b>808,349</b>	<b>9,452,865</b>	<b>89,487,261</b>	<b>32,823,090</b>
<b>Noncurrent Liabilities:</b>							
Customers' Deposits	6,390,850	1,716,549	-	-	-	8,107,399	-
General Obligation Bonds and Notes Payable (Note 7)	41,996,572	32,315,390	12,231,477	180,000	69,293,517	156,016,956	4,967,846
Revenue Bonds Payable (Note 7)	246,024,874	202,135,849	286,324,490	-	-	734,485,213	5,125,893
Compensated Absences (Note 7)	140,939	96,644	108,724	36,241	36,628	419,176	79,709
Net Pension Liability	14,235,147	8,901,531	10,863,415	3,549,972	1,512,764	39,062,829	4,390,633
Other Liabilities	19,844	-	-	-	-	19,844	-
<b>Total Noncurrent Liabilities</b>	<b>308,808,226</b>	<b>245,165,963</b>	<b>309,528,106</b>	<b>3,766,213</b>	<b>70,842,909</b>	<b>938,111,417</b>	<b>14,564,081</b>
<b>Total Liabilities</b>	<b>341,107,033</b>	<b>264,828,843</b>	<b>336,792,466</b>	<b>4,574,562</b>	<b>80,295,774</b>	<b>1,027,598,678</b>	<b>47,387,171</b>
<b>Deferred Inflows of Resources</b>							
Pension Related Activities	2,595,208	1,622,838	1,980,508	647,195	275,792	7,121,541	800,454
Rate Stabilization	-	-	6,500,000	3,500,000	-	10,000,000	-
<b>Total Deferred Inflows of Resources</b>	<b>2,595,208</b>	<b>1,622,838</b>	<b>8,480,508</b>	<b>4,147,195</b>	<b>275,792</b>	<b>17,121,541</b>	<b>800,454</b>
<b>Net Position</b>							
Net Investment in Capital Assets	127,425,631	175,444,381	187,007,428	16,726,937	(15,119,440)	491,484,937	30,980,854
Unrestricted	15,991,275	41,110,928	85,480,133	1,135,756	(2,697,837)	141,020,255	2,058,164
<b>Total Net Position</b>	<b>\$ 143,416,906</b>	<b>\$ 216,555,309</b>	<b>\$ 272,487,561</b>	<b>\$ 17,862,693</b>	<b>\$ (17,817,277)</b>	<b>\$ 632,505,192</b>	<b>\$ 33,039,018</b>

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



**CITY OF RICHMOND, VIRGINIA**  
**RECONCILIATION OF THE ENTERPRISE FUNDS' STATEMENT OF NET POSITION TO THE**  
**GOVERNMENT-WIDE STATEMENT OF NET POSITION**

June 30, 2015

EXHIBIT E-2

	Total Enterprise Funds	Internal Service Funds Stores and Transportation Division	Business-type Activities Statement of Net Position
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents (Note 3)	\$ 183,904,963	\$ 1,594	\$ 183,906,557
Accounts Receivables (Net of Allowance for Doubtful Accounts)	44,198,582	-	44,198,582
Due from Other Funds (Note 4)	329,331	-	329,331
Due From Other Government (Note 5)	6,616,183	-	6,616,183
Inventories of Materials and Supplies	8,350,966	4,226,317	12,577,283
Prepaid Expenses and Other Current Assets	6,331,463	83,002	6,414,465
Total Current Assets	<u>249,731,488</u>	<u>4,310,913</u>	<u>254,042,401</u>
<b>Noncurrent Assets:</b>			
Restricted Assets - Cash and Investments (Note 3)	150,644,299	-	150,644,299
<b>Capital Assets (Note 6):</b>			
Land	29,237,883	1,686,532	30,924,415
Buildings and Structures	1,215,168,447	3,516,513	1,218,684,960
Equipment	592,828,945	31,737,698	624,566,643
Construction in Progress	108,112,709	-	108,112,709
Less Accumulated Depreciation	<u>(683,930,246)</u>	<u>(33,966,587)</u>	<u>(717,896,833)</u>
Total Capital Assets, Net Accumulated Depreciation	<u>1,261,417,738</u>	<u>2,974,156</u>	<u>1,264,391,894</u>
Total Noncurrent Assets	<u>1,412,062,037</u>	<u>2,974,156</u>	<u>1,415,036,193</u>
Total Assets	<u>1,661,793,525</u>	<u>7,285,069</u>	<u>1,669,078,594</u>
<b>Deferred Outflows of Resources</b>			
Losses on Refunding of Debt	9,564,079	-	9,564,079
Pension Related Activities	5,867,807	53,100	5,920,907
Total Deferred Outflows of Resources	<u>15,431,886</u>	<u>53,100</u>	<u>15,484,986</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	23,553,279	992,946	24,546,225
Accrued Liabilities	5,400,870	3,511	5,404,381
Advance Sales	345,258	-	345,258
Due To Other Funds (Note 4)	1,036,059	112,871	1,148,930
Accrued Interest on Bonds Payable	17,622,618	-	17,622,618
General Obligation Bonds and Notes Payable (Note 7)	22,277,206	-	22,277,206
Revenue Bonds Payable (Note 7)	17,361,802	-	17,361,802
Compensated Absences (Note 7)	1,890,169	19,082	1,909,251
Total Current Liabilities	<u>89,487,261</u>	<u>1,128,410</u>	<u>90,615,671</u>
<b>Noncurrent Liabilities:</b>			
Customers' Deposits	8,107,399	-	8,107,399
General Obligation Bonds and Notes Payable (Note 7)	156,016,956	-	156,016,956
Revenue Bonds Payable (Note 7)	734,485,213	-	734,485,213
Compensated Absences (Note 7)	419,176	4,027	423,203
Net Pension Liability	39,062,829	353,500	39,416,329
Other Liabilities	19,844	-	19,844
Total Noncurrent Liabilities	<u>938,111,417</u>	<u>357,527</u>	<u>938,468,944</u>
Total Liabilities	<u>1,027,598,678</u>	<u>1,485,937</u>	<u>1,029,084,615</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Activities	7,121,541	64,446	7,185,987
Rate Stabilization	10,000,000	-	10,000,000
Total Deferred Inflows of Resources	<u>17,121,541</u>	<u>64,446</u>	<u>17,185,987</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	491,484,937	2,974,156	494,459,093
Unrestricted	141,020,255	2,813,630	143,833,885
Total Net Position	<u>\$ 632,505,192</u>	<u>\$ 5,787,786</u>	<u>\$ 638,292,978</u>

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



**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN THE NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

**EXHIBIT E-3**

	Enterprise Funds					Total	Internal Service Funds
	Gas	Water	Wastewater	Stormwater	Other		
<b>Operating Revenues</b>							
Charges for Goods and Services	\$ 162,454,508	\$ 63,700,064	\$ 82,341,759	\$ 11,135,003	\$ 17,981,691	\$ 337,613,025	\$ 74,754,570
<b>Operating Expenses</b>							
Purchased Gas	81,296,945	-	-	-	-	81,296,945	-
Intragovernmental Goods and Services Sold	-	-	-	-	-	-	13,376,384
Salaries and Wages & Benefits	17,439,146	12,251,281	14,211,604	4,729,857	1,855,920	50,487,808	4,194,813
Data Processing	-	-	-	-	-	-	7,719
Materials and Supplies	1,720,074	1,178,354	1,406,635	247,737	372,208	4,925,008	731,976
Rents and Utilities	77,857	3,792,821	4,550,583	16,602	530,277	8,968,140	3,174,405
Maintenance and Repairs	5,071,444	3,587,330	4,158,397	1,753,403	4,933,344	19,503,918	943,349
Depreciation and Amortization	20,008,522	14,552,588	20,477,609	599,883	1,720,569	57,359,171	5,164,478
Claims and Settlements	-	-	-	-	-	-	35,666,999
Uncollectible expense	1,567,819	974,250	1,753,179	236,550	-	4,531,798	-
Miscellaneous Operating Expenses	13,709,090	13,856,046	19,214,384	22,877	2,860,284	49,662,681	5,321,067
<b>Total Operating Expenses</b>	<b>140,890,897</b>	<b>50,192,670</b>	<b>65,772,391</b>	<b>7,606,909</b>	<b>12,272,602</b>	<b>276,735,469</b>	<b>68,581,190</b>
Operating Income (Loss)	21,563,611	13,507,394	16,569,368	3,528,094	5,709,089	60,877,556	6,173,380
<b>Non-Operating Revenues (Expenses)</b>							
Intergovernmental Grants and Contributions	147,729	13,597,524	4,920,956	131,227	1,604,275	20,401,711	769,709
Interest on Long-Term Debt	(12,424,614)	(9,788,880)	(10,453,823)	-	(4,390,972)	(37,058,289)	(476,838)
Interest Income	231,114	205,904	237,261	1,704	-	675,983	-
Interest Expense	(41,495)	(9,976)	-	-	-	(51,471)	-
Miscellaneous Revenues (Expenses)	19,758	591,354	(1,763)	(417)	-	608,932	(31,977)
<b>Total Non-Operating Revenues (Expenses),Net</b>	<b>(12,067,508)</b>	<b>4,595,926</b>	<b>(5,297,369)</b>	<b>132,514</b>	<b>(2,786,697)</b>	<b>(15,423,134)</b>	<b>260,894</b>
<b>Net Income Before Transfers</b>	<b>9,496,103</b>	<b>18,103,320</b>	<b>11,271,999</b>	<b>3,660,608</b>	<b>2,922,392</b>	<b>45,454,422</b>	<b>6,434,274</b>
Transfers Out-Other Funds	(828,447)	(965,077)	(1,039,176)	-	-	(2,832,700)	-
<b>Change In Net Position</b>	<b>8,667,656</b>	<b>17,138,243</b>	<b>10,232,823</b>	<b>3,660,608</b>	<b>2,922,392</b>	<b>42,621,722</b>	<b>6,434,274</b>
Net Position - Beginning of Year (Restated Note 17)	134,749,250	199,417,066	262,254,738	14,202,085	(20,739,669)	589,883,470	26,604,744
<b>Net Position - End of Year</b>	<b>\$ 143,416,906</b>	<b>\$ 216,555,309</b>	<b>\$ 272,487,561</b>	<b>\$ 17,862,693</b>	<b>\$ (17,817,277)</b>	<b>\$ 632,505,192</b>	<b>\$ 33,039,018</b>

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



**CITY OF RICHMOND, VIRGINIA**  
**RECONCILIATION OF THE ENTERPRISE FUNDS' STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2015**

EXHIBIT E-4

	Enterprise Funds				Total*
	Gas	Water	Wastewater	Stormwater	
<b>Operating Revenues</b>					
Charges for Goods and Services	\$ 162,454,507	\$ 63,700,064	\$ 82,341,759	\$ 11,135,003	\$ 319,631,333
Internal Service Fund Allocation - Stores and Transportation Division	<u>448,477</u>	<u>212,455</u>	<u>1,472</u>	<u>2,968</u>	<u>665,373</u>
Charges for Services - Statement of Activities	<u>162,902,984</u>	<u>63,912,519</u>	<u>82,343,231</u>	<u>11,137,971</u>	<u>320,296,706</u>
<b>Operating Expenses</b>					
Purchased Gas	81,296,945	-	-	-	81,296,945
Salaries, Wages, and Benefits	17,439,146	12,251,281	14,211,604	4,729,857	48,631,888
Materials and Supplies	1,720,074	1,178,354	1,406,635	247,737	4,552,800
Rents and Utilities	77,857	3,792,821	4,550,583	16,602	8,437,863
Maintenance and Repairs	5,071,444	3,587,330	4,158,397	1,753,403	14,570,574
Depreciation and Amortization	20,008,522	14,552,588	20,477,609	599,883	55,638,602
Uncollectible Expense	1,567,819	974,250	1,753,179	236,550	4,531,798
Miscellaneous Operating Expenses	<u>13,709,090</u>	<u>13,856,046</u>	<u>19,214,384</u>	<u>22,877</u>	<u>46,802,397</u>
Total Operating Expenses	<u>140,890,897</u>	<u>50,192,670</u>	<u>65,772,391</u>	<u>7,606,909</u>	<u>264,462,867</u>
<b>Non-Operating Expenses</b>					
Interest and Fiscal Charges	<u>12,466,109</u>	<u>9,798,856</u>	<u>10,453,823</u>	<u>-</u>	<u>32,718,788</u>
Total Expenses	<u>153,357,006</u>	<u>59,991,526</u>	<u>76,226,214</u>	<u>7,606,909</u>	<u>297,181,655</u>
Internal Service Fund Allocation - Stores and Transportation Division	514,218	243,598	1,688	3,403	762,907
Transfers to Governmental Activities - Payments In Lieu of Taxes	<u>(9,440,616)</u>	<u>(6,961,829)</u>	<u>(8,845,472)</u>	<u>-</u>	<u>(25,247,917)</u>
Program Expenses - Statement of Activities	<u>\$ 144,430,608</u>	<u>\$ 53,273,295</u>	<u>\$ 67,382,430</u>	<u>\$ 7,610,312</u>	<u>\$ 272,696,645</u>

\* The Total column does not include the Coliseum and Cemeteries funds.

Stores and Transportation Division serves only the major proprietary funds; thus, its assets, liabilities and net position are included in the Business-type Activities totals at the government-wide level.

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



**CITY OF RICHMOND, VIRGINIA**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

EXHIBIT E-5

	Enterprise Funds					Total	Internal
	Gas	Water	Wastewater	Stormwater	Other		Service Funds
<b>Cash Flows From Operating Activities</b>							
Receipts from Customers	\$ 174,125,707	\$ 59,290,966	\$ 77,780,745	\$ 10,002,346	\$ 17,915,066	\$ 339,114,830	\$ 71,343,571
Payments to Suppliers	(92,410,737)	(16,086,911)	(20,925,785)	(2,127,188)	(8,166,017)	(139,716,638)	(61,068,654)
Payments to Employees	(15,927,388)	(11,306,613)	(13,058,013)	(4,352,939)	(1,659,689)	(46,304,642)	(3,700,300)
Payments to Other Funds	(8,993,114)	(6,777,719)	(8,247,682)	-	-	(24,018,515)	(678,544)
Other Receipts or (Payments)	296,423	716,048	61,208	8,385	-	1,082,064	62,340
Net Cash Provided By Operating Activities	<u>57,090,891</u>	<u>25,835,771</u>	<u>35,610,473</u>	<u>3,530,604</u>	<u>8,089,360</u>	<u>130,157,099</u>	<u>5,958,413</u>
<b>Cash Flows From Noncapital Financing Activities</b>							
Government Subsidies	147,729	12,282,259	6,366,713	78,889	1,604,275	20,479,865	769,709
Transfers Out - Other Funds	(828,447)	(965,077)	(1,039,176)	-	-	(2,832,700)	-
Due From Other Funds	203,153	82,527	1,105	11,037	(156,496)	141,326	(541,477)
Due to Other Funds	-	-	-	-	249,403	249,403	4,729,217
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(477,565)</u>	<u>11,399,709</u>	<u>5,328,642</u>	<u>89,926</u>	<u>1,697,182</u>	<u>18,037,894</u>	<u>4,957,449</u>
<b>Cash Flows From Capital and Related Financing Activities</b>							
Acquisition of Capital Assets	(29,336,336)	(21,002,545)	(29,295,526)	(4,242,594)	-	(83,877,001)	(4,131,732)
Proceeds from Bond Sale	-	-	2,864,835	-	-	2,864,835	-
Repayments of Revenue Bonds, General Obligation Bonds and Capital Leases	(10,914,255)	(8,753,396)	(11,590,217)	(11,250)	(4,963,106)	(36,232,224)	(1,669,774)
Repayments of Notes Payables	-	-	-	-	-	-	(2,425,000)
Interest Paid on Long-Term Debt	(13,558,340)	(11,040,133)	(11,842,677)	-	(3,104,831)	(39,545,981)	(503,659)
Net Cash Used In Capital and Related Financing Activities	<u>(53,808,931)</u>	<u>(40,796,074)</u>	<u>(49,863,585)</u>	<u>(4,253,844)</u>	<u>(8,067,937)</u>	<u>(156,790,371)</u>	<u>(8,730,165)</u>
<b>Cash Flows From Investing Activities</b>							
Interest Earned on Operating Funds	231,114	205,904	237,261	1,704	-	675,983	-
Interest Paid on Customers' Deposits	(41,495)	(9,976)	-	-	-	(51,471)	-
Net Cash Provided By Investing Activities	<u>189,619</u>	<u>195,928</u>	<u>237,261</u>	<u>1,704</u>	<u>-</u>	<u>624,512</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,994,014	(3,364,666)	(8,687,209)	(631,610)	1,718,605	(7,970,866)	2,185,697
Cash and Cash Equivalents at July 1, 2014	71,077,463	98,127,914	167,273,155	6,041,596	-	342,520,128	16,696,746
Cash and Cash Equivalents at June 30, 2015	<u>\$ 74,071,477</u>	<u>\$ 94,763,248</u>	<u>\$ 158,585,946</u>	<u>\$ 5,409,986</u>	<u>\$ 1,718,605</u>	<u>\$ 334,549,262</u>	<u>\$ 18,882,443</u>
<b>Reconciliation of Operating Income To Net Cash Provided By Operating Activities</b>							
Operating Income	\$ 21,563,611	\$ 13,507,394	\$ 16,569,368	\$ 3,528,094	\$ 5,709,089	\$ 60,877,556	\$ 6,173,380
Adjustment to Reconcile Operating Income to Net Cash Provided By Operating Activities:							
Pension Expense	1,522,774	952,222	1,162,089	379,751	161,824	4,178,660	5,164,478
Depreciation	20,008,522	14,552,588	20,477,609	599,883	1,720,569	57,359,171	469,681
Miscellaneous Revenues (Expenses)	223,566	654,325	61,208	8,385	-	947,484	(31,977)
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Accounts Receivable	13,239,018	(3,434,848)	(2,807,835)	(896,108)	1,575,156	7,675,383	(3,352,753)
Due from General Fund	-	-	-	-	-	-	(80,864)
Due From Component Unit	-	-	-	-	-	-	(35,734)
Inventories of Material and Supplies	3,104,256	-	-	-	-	3,104,256	(430,074)
Prepaid Expenses	(402,742)	(119,375)	(685,826)	-	12,179	(1,195,764)	269,483
Accounts Payable	(2,377,059)	(352,683)	724,760	(123,147)	517,918	(1,610,211)	1,782,173
Accrued Liabilities	254,022	21,979	117,598	36,579	-	430,178	(3,975,532)
Customers' Deposits	72,857	61,723	-	-	-	134,580	-
Compensated Absences	(11,016)	(7,554)	(8,498)	(2,833)	34,407	4,506	6,152
Unearned Revenues	-	-	-	-	(1,641,782)	(1,641,782)	-
Outstanding Liabilities and Claims	(106,918)	-	-	-	-	(106,918)	-
Total Adjustments	<u>35,527,280</u>	<u>12,328,377</u>	<u>19,041,105</u>	<u>2,510</u>	<u>2,380,271</u>	<u>69,279,543</u>	<u>(214,967)</u>
Net Cash Provided By Operating Activities	<u>\$ 57,090,891</u>	<u>\$ 25,835,771</u>	<u>\$ 35,610,473</u>	<u>\$ 3,530,604</u>	<u>\$ 8,089,360</u>	<u>\$ 130,157,099</u>	<u>\$ 5,958,413</u>

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





**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
 June 30, 2015

EXHIBIT F-1

	Pension Trust Funds	Agency Funds
<b>Assets:</b>		
Cash and Short-term Investments	\$ 8,176,567	\$ 2,469,097
<b>Receivables:</b>		
Due from Other Funds	-	1,079,830
Due from Brokers on Sale of Securities	3,886,944	-
Interest and Dividends	227,165	-
Contributions from Participating Employees	2,124,654	-
Other Accounts Receivable	3,034,812	27,375
<b>Investments, at Fair Value</b>		
U.S. Government and Agency Securities	9,104,639	-
Corporate Bonds	18,384,960	-
Common Stock	152,660,798	-
International Stocks	90,845,778	-
International Bonds	41,454,020	-
Real Estate Investment Trusts	5,199,534	-
Emerging Market Debt	4,332,956	-
Hedge Funds	69,751,058	-
Mutual funds	17,159,740	-
Private Debt	108,252,134	-
Private Equity	15,423,158	-
Private Real Estate	26,887,181	-
Opportunistic Fixed Income	75,126,113	-
Total Investments, at Fair Value	634,582,069	-
Cash Collateral Received - Security Lending Program	32,381,743	-
<b>Assets</b>	684,413,954	3,576,302
 <b>Capital Assets:</b>		
Furniture Fixtures and Equipment	232,962	-
Leasehold Improvement	346,788	-
<b>Total Capital Assets</b>	579,750	-
<b>Total Assets</b>	684,993,704	3,576,302
 <b>Liabilities:</b>		
Accounts Payable	20,453,386	-
Refundable Deposits	-	909,723
Payable for Collateral Received - Security Lending Program	32,381,743	-
Due to Other Funds	-	1,553,500
Due to Various Agents	-	1,113,079
<b>Total Liabilities</b>	\$ 52,835,129	\$ 3,576,302
 <b>Net Position Held in Trust for Pension Benefits and Other Purposes</b>	\$ 632,158,575	

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, 2015**

**EXHIBIT F-2**

	Pension Trust Funds
<b>Additions:</b>	
<b>Contributions:</b>	
City of Richmond	\$ 45,330,242
Richmond Behavioral Health Authority	1,128,002
Richmond Public Schools	78,625
Revenue for DC Plan Expense	147,631
Plan Members	10,949,615
<b>Total Contributions</b>	<b>57,634,115</b>
<b>Investment Income:</b>	
Net Appreciation in Fair Value of Investments	15,074,158
Interest	2,478,429
Dividends	3,808,161
<b>Net Increase in the Fair Value of Investments</b>	<b>21,360,748</b>
<b>Net Income Earned On Securities Lending Transactions:</b>	
Securities Lending Income	95,201
Securities Lending Expense	(41,141)
<b>Total Net Income Earned On Securities Lending Transactions</b>	<b>54,060</b>
Investment Income	21,414,808
Less: Investment Expense	2,420,344
<b>Net Investment Income</b>	<b>18,994,464</b>
<b>Total Additions, net</b>	<b>76,628,579</b>
<b>Deductions:</b>	
Benefits	(77,145,182)
Refunds of Member Contributions	(127,818)
Administrative Expenses	(1,308,562)
<b>Total Deductions</b>	<b>(78,581,562)</b>
Net Decrease	(1,952,983)
Net Position Held In Trust For Pension Benefits and Other Purposes - Beginning of Year, As Restated (Note 17)	634,111,558
Net Position Held In Trust For Pension Benefits and Other Purposes - End of Year	<b>\$ 632,158,575</b>

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



**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**June 30, 2015**

**EXHIBIT G-1**

	School Board	Richmond Economic Development Authority	Richmond Ambulance Authority	Richmond Behavioral Health Authority	Richmond Redevelopment and Housing Authority	Total
<b>Assets</b>						
Cash and Cash Equivalents	\$ 1,658,439	\$ 2,241,369	\$ 5,202,456	\$ 14,903,582	\$ 4,705,676	\$ 28,711,522
Due From Primary Government	39,344,827	-	-	-	-	39,344,827
Due From Other Governments	28,854,536	-	-	401,254	-	29,255,790
Accounts Receivable	505,492	2,793,407	1,569,728	3,031,838	3,455,171	11,355,636
Inventories of Materials and Supplies	75,810	-	-	-	-	75,810
Prepaid Expenses and Other Current Assets	434,042	22,845	868,142	1,570,146	14,276,952	17,172,127
Restricted Assets	-	-	-	9,915,363	8,508,314	18,423,677
Mortgage Loans Receivable and Other Non-Current Assets	-	-	-	-	21,888,370	21,888,370
Capital Assets:						
Land	-	-	391,570	198,916	4,332,170	4,922,656
Buildings and Structures	-	24,985,266	-	-	159,588,840	184,574,106
Other Improvements	-	-	-	2,472,166	-	2,472,166
Equipment	41,648,843	-	11,464,874	4,188,337	8,731,814	66,033,868
Less: Accumulated Depreciation	(23,747,873)	-	(7,161,738)	(4,869,628)	(97,512,747)	(133,291,986)
Construction in Progress	-	-	-	-	5,135,522	5,135,522
Total Capital Assets	<u>17,900,970</u>	<u>24,985,266</u>	<u>4,694,706</u>	<u>1,989,791</u>	<u>80,275,599</u>	<u>129,846,332</u>
Total Assets	<u>88,774,116</u>	<u>30,042,887</u>	<u>12,335,032</u>	<u>31,811,974</u>	<u>133,110,082</u>	<u>296,074,091</u>
<b>Deferred Outflows of Resources</b>						
Employer Contributions Subsequent to the Measurement Date	112,644	-	-	1,123,560	-	1,236,204
Other Pension Deferrals	23,147,596	-	-	39,043	-	23,186,639
Total Deferred Outflows of Resources	<u>23,260,240</u>	<u>-</u>	<u>-</u>	<u>1,162,603</u>	<u>-</u>	<u>24,422,843</u>
<b>Liabilities</b>						
Accounts Payable	3,771,787	2,800,454	602,522	1,519,075	2,822,800	11,516,638
Accrued Liabilities	33,331,214	6,945	317,920	1,163,636	2,119,179	36,938,894
Due To Primary Government	-	-	-	-	-	-
Due To Other Governments	8,345,790	-	-	9,915,363	1,339,090	19,600,243
Unearned Revenues	-	25,281	-	-	92,199	117,480
Liabilities to be Paid From Restricted Assets:						
Customers' Deposits	-	47,027	-	-	576,502	623,529
Bonds, Notes Payable and Capital Leases	-	-	12,637	-	729,779	742,416
Compensated Absences	-	-	-	-	-	-
Non-Current Liabilities:						
Bonds, Notes Payable and Capital Leases	-	532,422	5,854	-	1,734,770	2,273,046
Due To Primary Government	-	-	-	-	-	-
Compensated Absences	-	1,607,089	-	1,165,239	-	2,772,328
Worker's Compensation	-	-	-	-	-	-
Deferred Revenue	2,722,289	-	-	-	-	2,722,289
Other Noncurrent Liabilities	3,060,884	16,612,355	-	-	8,549,916	28,223,155
Other Postemployment Benefits	-	-	-	1,924,478	2,410,062	4,334,540
Net Pension Liability	-	-	-	-	-	-
Net Pension Liability	299,417,562	-	-	8,139,165	-	307,556,727
Total Liabilities	<u>350,649,526</u>	<u>21,631,573</u>	<u>938,933</u>	<u>23,826,956</u>	<u>20,374,297</u>	<u>417,421,285</u>
<b>Deferred Inflow of Resources</b>						
Investments	-	-	-	881,298	-	881,298
Proportionate Change in Employer Share	38,499,640	-	-	298,274	-	38,797,914
Deferred pension proportionate share	5,989,075	-	-	-	-	5,989,075
Other Pension Deferrals	-	-	-	655,829	-	655,829
Membership Fees Received in Advance	-	-	26,105	-	-	26,105
Unearned Revenues-Other	-	-	-	2,642,249	-	2,642,249
Total Deferred Inflows of Resources	<u>44,488,715</u>	<u>-</u>	<u>26,105</u>	<u>4,477,650</u>	<u>-</u>	<u>48,992,470</u>
<b>Net Position</b>						
Net Investment in Capital Assets	6,185,885	24,379,027	4,676,215	1,989,791	79,793,396	117,024,314
Restricted for:						
Capital Projects	6,348,369	455,940	-	-	6,679,083	13,483,392
Permanent Funds:						
Expendable	904,251	-	-	-	-	904,251
Nonexpendable	214,058	-	-	-	-	214,058
Unrestricted	(296,756,448)	(16,423,653)	6,693,779	2,680,180	26,263,306	(277,542,836)
Total Net Position	<u>\$ (283,103,885)</u>	<u>\$ 8,411,314</u>	<u>\$ 11,369,994</u>	<u>\$ 4,669,971</u>	<u>\$ 112,735,785</u>	<u>\$ (145,916,821)</u>

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



**CITY OF RICHMOND, VIRGINIA**  
**STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**For the Fiscal Year Ended June 30, 2015**

<b>Functions/Program Activities</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
School Board	\$ 325,265,530	\$ 1,969,005	\$ 107,632,147	\$ 7,050,000
Richmond Economic Development Authority	6,340,016	3,576,838	2,326,382	--
Richmond Ambulance Authority	17,563,733	13,561,734	4,514,548	--
Richmond Behavioral Health Authority	38,784,788	16,126,803	22,862,205	--
Richmond Redevelopment and Housing Authority	75,395,990	60,672,838	--	3,259,804
Total Component Units	<u>\$ 463,350,057</u>	<u>\$ 95,907,218</u>	<u>\$ 137,335,282</u>	<u>\$ 10,309,804</u>

General Revenues:

- Payment From Primary Government
- Intergovernmental Revenue Not Restricted to Specific Programs
- Investment Earnings
- Loss on Disposal of Assets
- Miscellaneous
- Total General Revenues

Changes in Net Position

- 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
\$ (208,614,378)	\$ --	\$ --	\$ --	\$ --	\$ (208,614,378)
--	(436,796)	--	--	--	(436,796)
--	--	512,549	--	--	512,549
--	--	--	204,220	--	204,220
--	--	--	--	(11,463,348)	(11,463,348)
<u>(208,614,378)</u>	<u>(436,796)</u>	<u>512,549</u>	<u>204,220</u>	<u>(11,463,348)</u>	<u>(219,797,753)</u>
137,219,584	--	--	--	--	137,219,584
76,291,517	--	--	--	--	76,291,517
--	6,415	21,893	89,943	(133,850)	(15,599)
--	--	--	13,517	(311,951)	(298,434)
<u>396,866</u>	<u>--</u>	<u>--</u>	<u>208,251</u>	<u>(53,345)</u>	<u>551,772</u>
<u>213,907,967</u>	<u>6,415</u>	<u>21,893</u>	<u>311,711</u>	<u>(499,146)</u>	<u>213,748,840</u>
5,293,589	(430,381)	534,442	515,931	(11,962,494)	(6,048,913)
<u>(288,397,474)</u>	<u>8,841,695</u>	<u>10,835,552</u>	<u>4,154,040</u>	<u>124,698,279</u>	<u>(139,867,908)</u>
<u>\$ (283,103,885)</u>	<u>\$ 8,411,314</u>	<u>\$ 11,369,994</u>	<u>\$ 4,669,971</u>	<u>\$ 112,735,785</u>	<u>\$ (145,916,821)</u>



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**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

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

**Component Units**

**Blended Component Units:**

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

**The Richmond Retirement System (RRS)**

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

<http://www.richmondgov.com/Retirement/Publications.aspx#CAFR>.

**Advantage Richmond Corporation**

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

**Discretely Presented Component Units:**

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



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

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

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

**Proprietary Component Units**

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

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

**Richmond Ambulance Authority (RAA)**

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

**Richmond Behavioral Health Authority (RBHA)**

RBHA provides behavioral health services to residents of the City under Sections 15.1-1676 of the *Code of Virginia* (1950), as amended. The City annually provides significant operating subsidies to RBHA, thus, a financial burden relationship exists between the City and RBHA. Complete financial statements for RBHA may be obtained from the administrative offices located at 501 S. 5th Street, Richmond, VA 23219.

**Richmond Redevelopment and Housing Authority (RRHA)**

RRHA is responsible for operating a low-rent housing program, which provides housing for eligible families, for operating redevelopment and conservation programs in accordance with the City's Master Plan, and for the delivery of services to citizens of low-rent housing and urban renewal areas through the encouragement and development of social and economic opportunities. The City Council appoints the Commissioners of RRHA and is financially accountable for RRHA's operations. RRHA's September 30, 2015 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.

**Related Organization:**

The City Council is also responsible for appointing the majority of the membership on certain boards of other organizations, but is not financially accountable, nor able to impose its will on the entity below.

The following organization is a related organization, which has not been included in the reporting entity:

Richmond Metropolitan Transportation Authority (RMTA) – Five of the sixteen directors of the RMTA are appointed by City Council. The mission of the RMTA is to build and operate a variety of public facilities and offer public services, especially transportation related, within the Richmond metropolitan area, each of which is operated and financed primarily by user fees.



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**Joint Ventures:**

*Greater Richmond Transit Company (GRTC)*

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

Fare revenues and route subsidies pay all costs associated with each locality utilizing the GRTC Transit System services only to the extent that each locality operates routes within their jurisdiction. The City expended \$12,300,000 for operating subsidies for bus routes and para-transit services within the City for the year ended June 30, 2015. The City also expended \$190,000 to operate reduced fare services for the elderly and disabled, and expended \$501,600 for local match funds needed to secure 80 percent of Federal grant funds that are used for the Company's capital purchases. Complete financial statements for the Greater Richmond Transit Company can be obtained from the Finance Department, GRTC Transit System, 301 East Belt Boulevard, Richmond, VA 23224.

*The Peumansend Creek Regional Jail Authority (Authority)*

The Peumansend Creek Regional Jail Authority (the Authority) was created in fiscal year 1994 to construct and operate a 336 prisoner regional correctional facility. Consequently, the Authority is a joint venture of the City, along with five other local political jurisdictions in Virginia. The formation of the Authority was enabled by Public Law 102-25 and 102-484 that conveyed 150 acres at Fort A.P. Hill. The land for this facility was donated by the United States Government to Caroline County on the condition that Caroline County and at least 3 other jurisdictions named in the legislation construct and operate a regional correctional facility on the site. The Authority is comprised of the CAO of the City, and the County Manager or Chief Executive of the six-member jurisdictions. The Authority employs a Superintendent who is responsible for the operation of the Jail. Annual operating costs of the facility are to be shared among the participating jurisdictions based on a formula set forth in the service agreement. The City and the other participating jurisdictions have no explicit, measurable equity interest in the Authority; however, each jurisdiction does have an ongoing financial responsibility for its share of the Authorities operating cost. The City will fund its share of the annual cost through annual budget appropriations. For fiscal year ended June 30, 2015, the City contributed \$1,225,710 for its share of costs.

**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, 2015.

*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



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

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's contribution and direct payments for the fiscal year ended June 30, 2015 were \$1,056,587.

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 of Richmond has one member on the board that is an elected official and one alternate member. The City contributed \$320,000 for the year ended June 30, 2015.

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 Richmond Region Tourism Board of Directors and contributed \$611,789 to the Richmond Region Tourism for the year ended June 30, 2015.

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 and contributed \$616,789 for the year ended June 30, 2015.

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 \$6,619,898 in transient occupancy tax revenue and \$1,350,076 of general funds for the year ending June 30, 2015.

**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 Stormwater), 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

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



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

Internal Service Funds of the City (which traditionally provide services primarily to other funds of the government) are presented in summary form as part of the Proprietary Fund financial statements. In the government-wide financial statements, assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses of the funds are allocated to either the governmental or business-type activities, based on their predominate use of the fund's services. To the extent possible, the costs of these services are reflected in the appropriate functional activity (e.g., Public Safety and Judiciary, Human Services, etc.). See Exhibits E-2 and E-4 for specific allocation of the Stores and Transportation Division Internal Service Fund results to the business-type activities.

The City's Fiduciary Funds are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (i.e., 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.



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

**Proprietary Funds**

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

Enterprise Funds

Enterprise Funds are used to report activities for which a fee is charged to external users for goods and services. The City maintains seven Enterprise Funds consisting of the gas, water, wastewater operations and stormwater operations (all of which are considered major funds), Cemeteries, Richmond Coliseum (Coliseum) and Parking Enterprise (which are combined into a single, aggregated presentation as non-major proprietary funds). A description of the major enterprise funds are as follows:

- *Gas* – The Gas Utility provides natural gas service to the City and surrounding counties. Operation of the Gas Utility is designed to be self-supporting through user charges.
- *Water* – The Water Utility provides retail water service to the City and surrounding counties. Operation of the Water Utility is designed to be self-supporting through user charges.
- *Wastewater* – The Wastewater Utility provides wastewater service to the City and portions of the surrounding counties. Operation of the Wastewater Utility is designed to be self-supporting through user charges.
- *Stormwater Utility* – The Storm-water Utility provides storm-water service to the City. Operation of the Storm-water Utility is designed to be self-supporting through user charges.

Internal Service Funds

Internal Service Funds account for operations that provide services to City departments/agencies on a cost reimbursement basis. The city maintains six internal service funds consisting of Fleet Management, Radio Management, Health Self-Insurance, Advantage Richmond Corporation, 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 Deferred Compensation Plan.
- *Agency Funds* – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. The Agency Funds consist of the assets and liabilities of several organizations for which the City serves as fiscal agent, such as the Department of Parks, Recreation and Community Facilities, the Department of Public Works and the Law Department.

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

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

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



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 (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in fund balances.

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

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

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

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

**D. Cash and Cash Equivalents**

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

**E. Investments**

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

**F. Allowances for Doubtful Accounts**

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

Allowances for doubtful accounts at June 30, 2015 were as follows:



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

General Fund and Governmental Activities - Tax and Licenses	\$ 19,054,188
<b>Enterprise Funds:</b>	
<b>Utilities:</b>	
Gas Utility	5,847,878
Water Utility	653,622
Wastewater Utility	1,353,427
Stormwater Utility	3,548,403
Electric-Non Major Internal Service Fund	1,362
Sub-total (Utilities Funds)	11,404,692
Non-major Enterprise Funds (Coliseum and Cemeteries)	13,046
Total Enterprise Funds	11,417,738
Total Allowances for Doubtful Accounts	\$ 30,471,926

**G. Inventories**

Inventories on hand at June 30, 2015 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. Inventory in the Proprietary Funds is accounted for at weighted average cost, first-in, first-out methods, or market.

**H. Capital Assets**

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

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

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

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

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**I. Construction Period Interest**

The City capitalizes, during the construction period only, the net interest cost associated with the acquisition or construction of major additions in the business-type activity funds. During fiscal 2015, interest costs of approximately \$32,667,300 were incurred, with approximately \$593,000 being capitalized.

**J. Compensated Absences**

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

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

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

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

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

**K. Judgment and Claims**

The City is self-insured with respect to risks including, but not limited to, property damage and personal injury. The City is self-insured with respect to payments for workers' compensation, general liability, automobile liability, public officials or police professional liability claims. The City also carries commercial insurance in a number of smaller, more defined risk areas such as employees' faithful performance, money and securities 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 General 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 will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources related to pensions and the unamortized losses on refunding of debt, resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

For the Richmond Retirement System Pension Plan, The City had deferred inflows of \$54.9 million comprised primarily of 1) the difference between actual and expected investment earnings of \$31.5 million, 2) changes in actuarial assumptions of \$23.4 million, and 3) changes in its proportionate share of contributions of \$.0532 million. Deferred outflows of \$45.3 million comprised primarily of 1) difference between expected and actual experience of \$1.4 million, 2)



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

outflows of \$45.3 million comprised primarily of 1) difference between expected and actual experience of \$1.4 million, 2) due to proportion change on beginning NPL of \$.4 million, and 3) employer contributions subsequent to the measurement date of \$43.5 million.

For the Virginia Retirement System deferred outflows consisted of total employer contributions made after the measurement date of \$2.5 million. The difference between projected and actual earnings on plan investments created a deferred inflow of \$6.0 million.

**M. Restricted Assets**

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

**N. Categories of Fund Balance**

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

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

**Restricted** – Amounts constrained to specific purposes by either a third party (such as grantors, bondholders, and 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 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. The policy states, "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. The RSCF will be maintained to permit orderly adjustments to changes resulting from unanticipated events. Accordingly, an appropriation from the RSCF cannot be proposed unless; (a) projected general fund revenue reflects a 0.5 percent or greater decrease from current year's authorized budget due to a catastrophic, unforeseen or unavoidable event; or (b) expenses increase by 0.5 percent or greater over the current year's authorization due to a catastrophic, unforeseen or unavoidable event. These events must be quantifiable and distinguishable from other events that may occur during the normal course of government operations. If funds are withdrawn from the RSCF, a plan must be put in place, within 60 days, to replenish the fund to the required minimum level. The City shall dedicate up to one half of any year end surplus or other one time revenue toward reaching the targeted goal.

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

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

As required by GAAP, the City has adopted a spending policy indicating that when multiple categories of fund resources are available, they will be expended in a specific order beginning first with restricted resources and continuing in a descending order using unassigned resources last. During 2012, City Council adopted Resolution No. 2012-R42-72,



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



which amended the fund balance policy, to further increase the required level of unassigned fund balance from seven percent to ten 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** – 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.

**Restrict** – Restricted net position 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** – Unrestricted net position is 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 inter-fund 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 inter-fund receivables and payables are eliminated in the governmental and business-type activities columns of the government-wide financial statements, except for net residual amounts due between governmental and business type activities, which are presented as internal balances. Also, eliminations are made in the Statement of Activities to remove the *doubling-up* effect of Internal Service Fund activity. Payments from a fund receiving revenue to a fund through which the revenue is to be expended are reported as operating transfers. Such payments include transfers for debt service and capital construction. In the government-wide financial statements, resource flows between the Primary Government and the discretely presented component units are reported as if they were external transactions.

**Q. Advances to Other Funds**

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

**R. Rate Stabilization**

City Code section 106-37 authorizes the Utilities Enterprise Funds to establish rate stabilization accounts within each utility. The purpose of rate stabilization is to mitigate and smooth any rate increases that otherwise might be required from year to year by increasing the rate stabilization amounts in years when revenues exceed those needed to meet reasonable rates of return. For the year ended June 30, 2015, Wastewater Utility and Storm-water Utility have approximately \$6.5 million and \$3.5 million, respectively, for rate stabilization funds.

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

**S. Estimates and Assumptions**

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

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

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



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

**U. Permanent Funds**

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

**V. Unearned Revenues**

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

**W. Adoption of New Accounting Pronouncements**

During the year ended June 30, 2015, the City adopted the provisions of:

*GASB No. 68 Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*

In June of 2012, GASB issued Statement No. 68, with the principal being to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees, both active and inactive, are provided with pensions. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and Statement No. 50, *Pension Disclosures*. Under Statement No. 68, employers are required to:

- Recognize a net pension liability on the Statement of Net Position for the net funded status of pension plans as employees earn their pension benefits; and
- Recognize annual pension cost, utilizing an earnings approach instead of the previous fund approach used in past years.

*GASB No. 71 Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB No. 68*

In November 2013, GASB issued Statement No. 71, the principal objective to address amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

See Footnote 11 for further discussion and Footnote 17 for the restatement related to the implementation of those two Pension standards.

**X. Future Accounting Pronouncements**

*GASB Statement No. 72*

*Fair Value Measurement and Application* was issued in February 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement was established to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements*, and other relevant literature. The City will adopt this Statement on June 30, 2016.

*GASB Statement No. 73*

*Accounting And Financial Reporting For Pensions And Related Assets That Are Not Within The Scope Of GASB Statement 68, And Amendments To Certain Provisions Of GASB Statements 67 And 68* was issued in June 2015. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The City has not yet adopted this statement but plans to do so no later than June 2017.

*GASB Statement No. 74*

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



*Financial Reporting for Postemployment Benefit Plans other than Pension Plans* was issued in June 2015. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statement No. 43 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The City plans to adopt this Statement during fiscal year 2017.

**GASB Statement No. 75**

*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. It also establishes standards for recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. The City will adopt this Statement no later than June 2018.

**GASB Statement No. 76**

*Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* was issued in June 2015. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The City will adopt this Statement starting with the fiscal year ending June 30, 2016.

**GASB Statement No. 77**

*Tax Abatement Disclosures* was issued in August 2015. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both: a) agreements that are entered into by the reporting government and b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The provisions of this Statement will go into effect in fiscal year 2016 for all tax abatements after December 15, 2015.

**GASB Statement Nos. 78-82**

The City is currently considering the impact of future statement numbers 78-82.

**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, abatements, and refunds are rounded to the nearest full month.

Personal property taxes may be paid without penalty and interest on or before June 5<sup>th</sup>, 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 2015, the interest rate for unpaid taxes was five percent.

The City bills and collects its own property taxes. Delinquent property taxes may be sent to collection services. Property taxes levied January 1, 2015 are intended to finance operations of the fiscal year ended June 30, 2015. The real estate taxes assessed and due on January 14, 2015 and June 14, 2015 are intended to finance operations of the fiscal year ended June 30, 2015.



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

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

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

At June 30, 2015, cash on hand, cash items and petty cash totaled approximately \$58,331 and the carrying value of the City's demand deposits, savings accounts, and time certificates of deposit with institutions totaled \$54,992,763 and is included in cash and cash equivalents. The City's deposits of \$54,992,763 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 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.

**B. Investments**

*Investment Policy:*

City policy is consistent with the statutes of the Commonwealth of Virginia governing investment, wherein permissible investments include obligations of the Commonwealth, the United States, its agencies and instrumentalities, time certificates of deposit, bankers' acceptances, repurchase agreements, demand notes, commercial paper, the State Treasurer's Local Government Investments Pool (the Virginia LGIP, a 2a-7 like pool), and the State Non-Arbitrage Program (SNAP). As of June 30, 2015, all non-system investments were in either LGIP or SNAP, which were respectively rated AAA, and the length of the investments for both programs was less than 90 days. Additionally, the City is authorized to place investments of the RRS in common stocks, corporate debt securities, U.S. Government and Agency Securities, international stocks and bonds, money market, and mutual funds. At no time, shall more than 35 percent of the portfolio be invested in commercial paper. No more than five percent of the portfolio shall be invested in the commercial paper of a single entity.

*Custodial credit risk for deposits:*

All cash of the City is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (the Act), Section 2.2-4400 et. Seq. of the Code of Virginia or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC must pledge collateral of 50 percent of the excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100 percent of deposits in excess of the FDIC limits and are considered insured. At June 30, 2015, the City did not have any deposits that were not covered by depository insurance or collateralized under the Virginia Security for Public Deposits Act.

*Custodial credit risk for investments:*

At June 30, 2015, the City holds its investment securities primarily in external investments pools and thus is not subject to custodial credit risk disclosure.

*Concentration Risk:*

At June 30, 2015, the City does not have concentration of credit risk, as no investments are with any one issuer representing more than five percent of total investments.

A summary of deposits and investments held by the Primary Government at June 30, 2015 follows:

Deposits	
Cash on hand	\$ 58,331
Demand deposits	54,471,777
Investments	
LGIP	192,506,157
Trusts	4,219,286
Money markets	150,644,299
Total deposits and investments	\$ 401,899,850

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**Reconciliation to Statements of Net Position:**

	Government-wide	Fiduciary Funds Statement of Net position			Total
	Statement of	Pension	Other		
	Net Position	Trust	Employee Benefits	Agency	
Cash and cash equivalents	\$ 246,962,954	\$ 8,176,567	\$ --	\$ 2,469,098	\$ 257,608,619
Investments	--	546,529,545	89,219,785	--	635,749,330
Restricted assets	154,936,896	-	--	--	154,936,896
<b>Total</b>	<b>\$ 401,899,850</b>	<b>\$ 554,706,112</b>	<b>\$ 89,219,785</b>	<b>\$ 2,469,098</b>	<b>\$ 1,048,294,845</b>

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

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

		<b>Due From</b>						
		General	Capital	Non-Major	Non-Major	Internal	Fiduciary	
		Fund	Projects	Governmental	Proprietary	Service	Fund	Total
<b>Due To</b>	General	\$ --	\$ 88,692,778	\$ 5,081,854	\$ 837,131	\$ 17,026,350	\$ 1,553,500	\$ 113,191,613
	Non-Major Government	17,596,845	--	414,659	198,928	--	--	18,210,432
	Capital Projects	1,161,018	--	12,257	--	3,363,463	--	4,536,738
	Gas	--	--	--	--	76,078	--	76,078
	Water	--	--	--	--	36,040	--	36,040
	Wastewater	--	--	--	--	250	--	250
	Stormwater	--	--	--	--	504	--	504
	Agency	1,079,830	--	--	--	--	--	1,079,830
	Internal Service	622,341	--	--	--	--	--	622,341
	Non-Major Proprietary	216,459	--	--	--	--	--	216,459
	<b>Total</b>	<b>\$ 20,676,493</b>	<b>\$ 88,692,778</b>	<b>\$ 5,508,770</b>	<b>\$ 1,036,059</b>	<b>\$ 20,502,685</b>	<b>\$ 1,553,500</b>	<b>\$ 137,970,285</b>

The balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments among funds are made. The City reports interfund transfers among many of its funds. Interfund transfers for the year ended June 30, 2015 consisted of the following:

		<b>Transfer From</b>						
		General	Debt Service	Major Proprietary Funds			Non-Major	
		Fund	Fund	Gas	Water	Wastewater	Governmental	Total
<b>Transfer To</b>	General	\$ --	\$ --	\$ 828,447	\$ 965,077	\$ 1,039,176	\$ --	\$ 2,832,700
	Capital Projects	1,930,487	1,382,747	--	--	--	--	3,313,234
	Debt Service	55,427,174	--	--	--	--	658,357	56,085,531
	Non-Major Governmental	7,410,976	--	--	--	--	--	7,410,976
	<b>Total</b>	<b>\$64,768,637</b>	<b>\$ 1,382,747</b>	<b>\$ 828,447</b>	<b>\$ 965,077</b>	<b>\$ 1,039,176</b>	<b>\$ 658,357</b>	<b>\$ 69,642,441</b>

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.



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

**5. DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at June 30, 2015 are as follows:

Primary Government	Federal	State	Other Localities	Total
General Fund	\$ --	\$ 37,243,240	\$ --	\$ 37,243,240
Capital Projects Fund	--	39,178,315	--	39,178,315
Non-major Governmental Funds	1,566,954	4,755,666	276,160	6,598,780
Water Fund	--	--	6,069,759	6,069,759
Wastewater Fund	184,619	309,467	--	494,086
Stormwater Fund	52,338	--	--	52,338
	\$ 1,803,911	\$ 81,486,688	\$ 6,345,919	\$ 89,636,518

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**6. CAPITAL ASSETS**

**Primary Government – Governmental Activities**

	Balance				Balance		
	July 1, 2014				June 30, 2015		
	As Restated*	Additions	Deletions		As Restated*	Additions	Deletions
<b>Capital Assets Not Being Depreciated:</b>							
Land and Land Improvements	\$ 93,812,130	\$ 2,445,000	\$ --	\$ 96,257,130			
Construction In Progress	299,213,233	99,685,298	287,525,826	111,372,705			
Works of Art/Historical Treasures	6,990,396	--	--	6,990,396			
<b>Total Capital Assets</b>							
Not Being Depreciated	<u>400,015,759</u>	<u>102,130,298</u>	<u>287,525,826</u>	<u>214,620,231</u>			
<b>Capital Assets Being Depreciated:</b>							
Infrastructure	804,936,519	22,221,598	--	827,158,117			
Building and Structures	511,232,129	259,443,292	5,742,958	764,932,463			
Equipment	116,811,741	4,312,900	3,750,471	117,374,170			
Improvements Other Than Buildings	18,605,701	--	902,680	17,703,021			
<b>Total Other Capital Assets</b>	<u>1,451,586,090</u>	<u>285,977,790</u>	<u>10,396,109</u>	<u>1,727,167,771</u>			
<b>Less Accumulated Depreciation For:</b>							
Infrastructure	506,573,528	19,368,918	--	525,942,446			
Building and Structures	298,632,438	15,041,030	1,123,370	312,550,098			
Equipment	96,432,925	6,265,904	2,685,818	100,013,011			
Improvements Other Than Buildings	6,725,186	1,049,819	409,541	7,365,464			
<b>Total Accumulated Depreciation</b>	<u>908,364,077</u>	<u>41,725,671</u>	<u>4,218,729</u>	<u>945,871,019</u>			
<b>Total Capital Assets Being Depreciated, Net</b>	<u>543,222,013</u>	<u>244,252,119</u>	<u>6,177,380</u>	<u>781,296,752</u>			
<b>Governmental Activities, Capital Assets, Net</b>	<u>\$ 943,237,772</u>	<u>\$ 346,382,417</u>	<u>\$ 293,703,206</u>	<u>\$ 995,916,983</u>			

\* For further details regarding the restatement, see footnote #17.

**Depreciation expense was charged to functions as follows:**

General Government	\$ 12,170,734
Public Safety and Judiciary	1,441,976
Highways, Streets, Sanitation and Refuse	21,874,136
Human Services	25,445
Non-Departmental	217,677
Culture and Recreation	1,495,774
Education	4,499,929
Subtotal	<u>41,725,671</u>
Allocation related to Internal Services Funds	<u>5,047,538</u>
<b>Total</b>	<u>\$ 36,678,133</u>



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

**Primary Government – Business-type Activities**

	Balance July 1, 2014 As Restated*	Additions	Deletions	Balance June 30, 2015
<b>Gas Utility:</b>				
<b>Capital Assets Not Being Depreciated -</b>				
Land	\$ 219,200	\$ --	\$ --	\$ 219,200
Construction in Progress	17,706,992	28,217,177	23,674,225	22,244,484
<b>Capital Assets Being Depreciated -</b>				
Plant-in-service	555,606,952	23,648,146	377,867	578,877,231
Total Capital Assets Being Depreciated	<u>555,606,952</u>	<u>23,648,146</u>	<u>377,867</u>	<u>578,877,231</u>
<b>Less - Accumulated Depreciation For -</b>				
Plant-in-service	194,543,325	20,008,522	198,024	214,353,823
Total Accumulated Depreciation	<u>194,543,325</u>	<u>20,008,522</u>	<u>198,024</u>	<u>214,353,823</u>
Total Capital Assets Being Depreciated, Net	<u>361,063,627</u>	<u>3,639,624</u>	<u>179,843</u>	<u>364,523,408</u>
Gas Utility Capital Assets, Net	<u>\$ 378,989,819</u>	<u>\$ 3,185,131</u>	<u>\$ 23,854,068</u>	<u>\$ 386,987,092</u>
<b>Water Utility:</b>				
<b>Capital Assets Not Being Depreciated -</b>				
Land	\$ 878,307	\$ --	\$ --	\$ 878,307
Construction in Progress	36,494,408	17,376,316	25,251,787	28,618,937
<b>Capital Assets Being Depreciated -</b>				
Plant-in-service	477,300,972	27,120,189	2,090,966	502,330,195
Total Capital Assets Being Depreciated	<u>477,300,972</u>	<u>27,120,189</u>	<u>2,090,966</u>	<u>502,330,195</u>
<b>Less - Accumulated Depreciation For -</b>				
Plant-in-service	167,245,871	14,552,588	167,924	171,640,535
Total Accumulated Depreciation	<u>167,245,871</u>	<u>14,552,588</u>	<u>167,924</u>	<u>171,640,535</u>
Total Capital Assets Being Depreciated, Net	<u>320,055,101</u>	<u>12,567,601</u>	<u>1,933,042</u>	<u>330,689,660</u>
Water Utility Capital Assets, Net	<u>\$ 357,427,816</u>	<u>\$ 29,943,917</u>	<u>\$ 27,184,829</u>	<u>\$ 360,186,904</u>
<b>Wastewater Utility:</b>				
<b>Capital Assets Not Being Depreciated -</b>				
Land	\$ 1,012,611	\$ --	\$ --	\$ 1,012,611
Construction in Progress	32,974,790	28,292,699	8,731,211	52,536,278
<b>Capital Assets Being Depreciated -</b>				
Plant-in-service	627,455,949	8,723,155	240,917	635,938,187
Total Capital Assets Being Depreciated	<u>627,455,949</u>	<u>8,723,155</u>	<u>240,917</u>	<u>635,938,187</u>
<b>Less - Accumulated Depreciation For -</b>				
Plant-in-service	231,275,764	20,477,609	184,240	251,569,133
Total Accumulated Depreciation	<u>231,275,764</u>	<u>20,477,609</u>	<u>184,240</u>	<u>251,569,133</u>
Total Capital Assets Being Depreciated, Net	<u>396,180,185</u>	<u>(11,754,454)</u>	<u>56,677</u>	<u>384,369,054</u>
Wastewater Utility Capital Assets, Net	<u>\$ 430,256,236</u>	<u>\$ 16,538,245</u>	<u>\$ 8,787,888</u>	<u>\$ 438,006,593</u>



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



	Balance July 1, 2014 As Restated*	Additions	Deletions	Balance June 30, 2015
<b>Stormwater Utility:</b>				
Capital Assets Not Being Depreciated - Construction in Progress	\$ 3,473,837	\$ 3,864,625	\$ 2,625,452	\$ 4,713,010
Capital Assets Being Depreciated - Plant-in-service	119,1766	2,624,326	156,813	14,379,279
Total Capital Assets Being Depreciated	<u>119,1766</u>	<u>2,624,326</u>	<u>156,813</u>	<u>14,379,279</u>
Less - Accumulated Depreciation For - Plant-in-service	1,722,939	599,883	148,720	2,174,102
Total Accumulated Depreciation	<u>1,722,939</u>	<u>599,883</u>	<u>148,720</u>	<u>2,174,102</u>
Total Capital Assets Being Depreciated, Net	<u>10,188,827</u>	<u>2,024,443</u>	<u>8,093</u>	<u>12,205,177</u>
Stormwater Utility Capital Assets, Net	<u>\$ 13,662,664</u>	<u>\$ 5,889,068</u>	<u>\$ 2,633,545</u>	<u>\$ 16,981,187</u>
<b>Other Business-type Activity:</b>				
Capital Assets Not Being Depreciated - Land and Land Improvements*	\$ 27,039,115	\$ --	\$ --	\$ 27,039,115
Capital Assets Being Depreciated - Buildings and Structures	69,057,158	--	--	69,057,158
Equipment and Other Capital Assets	7,415,342	--	--	7,415,342
Total Capital Assets Being Depreciated*	<u>76,472,500</u>	<u>--</u>	<u>--</u>	<u>76,472,500</u>
Less - Accumulated Depreciation For:* Buildings and Structures	36,502,038	121,488	--	37,714,526
Equipment and Other Assets	5,970,047	508,080	--	6,478,127
Total Accumulated Depreciation	<u>42,472,085</u>	<u>1,720,568</u>	<u>--</u>	<u>44,192,653</u>
Total Capital Assets Being Depreciated, Net*	<u>34,000,415</u>	<u>(1,720,568)</u>	<u>--</u>	<u>32,279,847</u>
Other Business-type Activity Capital Assets, Net	<u>\$ 61,039,530</u>	<u>(1,720,568)</u>	<u>--</u>	<u>\$ 59,318,962</u>
Enterprise Funds Capital Assets, Net	<u>\$ 124,137,065</u>	<u>\$ 82,502,003</u>	<u>\$ 62,460,330</u>	<u>\$ 126,147,738</u>
Internal Service Fund - Stores Utility, Net	<u>\$ 3,090,970</u>	<u>\$ --</u>	<u>\$ 16,814</u>	<u>\$ 2,974,156</u>
	<u>\$ 124,467,035</u>	<u>\$ 82,502,003</u>	<u>\$ 62,577,144</u>	<u>\$ 126,439,189</u>

\*Restated for addition of Parking Fund assets



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

**7. OBLIGATIONS**

Changes in obligations during the fiscal year ended June 30, 2015 are summarized below:

**Primary Government - Governmental Activities**

	Balance			Balance June 30, 2015	Not Due Within One Year	Due Within One Year
	July 1, 2014 As Restated*	Additions	Deletions			
General Obligation Bonds*	\$ 53,182,070	\$ 124,900,000	\$ 58,051,379	\$ 598,670,691	\$ 565,996,647	\$ 32,674,044
General Obligation Serial Notes	37,460,000	--	2,425,000	35,035,000	33,110,000	1,925,000
Virginia Public Schools Authority Bonds	977,282	--	240,306	736,976	494,107	242,869
Qualified Zone Academy Bonds	1,832,373	--	192,480	1,639,893	1,447,413	192,480
HUD Section 108 Notes	10,695,000	--	570,000	10,125,000	10,125,000	--
Premium on Debt Issued	33,164,805	18,206,648	3,626,824	47,744,629	44,492,569	3,252,060
<b>Total General Obligation Bonds and Notes</b>	<b>65,951,530</b>	<b>143,106,648</b>	<b>65,105,989</b>	<b>693,952,189</b>	<b>655,665,736</b>	<b>38,286,453</b>
Line of Credit - Bond Anticipation Note - Series 2014A	70,000,000	40,000,000	10,000,000	-	--	--
<b>Total Obligations</b>	<b>685,951,530</b>	<b>183,106,648</b>	<b>175,105,989</b>	<b>693,952,189</b>	<b>655,665,736</b>	<b>38,286,453</b>
Advantage Richmond Lease Revenue Bond	\$ 6,827,905	\$ --	\$ 828,667	\$ 5,999,238	\$ 5,125,893	\$ 873,345
Compensated Absences**	\$ 16,479,985	\$ 14,395,287	\$ 13,023,762	\$ 17,851,510	\$ 5,965,308	\$ 11,886,202
Net Other Postemployment Benefit Obligations	\$ 14,820,954	\$ 8,013,804	\$ 3,607,535	\$ 19,227,223	\$ 19,227,223	\$ --
Net Pension Liability*	\$ 273,331,110	\$ 978,196	\$ --	\$ 274,309,306	\$ 274,309,306	\$ --

\*See Footnote 17 for restatement

\*\*Restated to include Agency of Emergency Communication in the Radio Fund from the General Fund

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**Primary Government - Business-type Activities**

	Balance July 1, 2014 As Restated*	Additions	Deletions	Balance June 30, 2015	Not Due Within One Year	Due Within One Year
<b>General Obligation Bonds:</b>						
Gas	\$ 54,763,598	\$ --	\$ 6,604,244	\$ 48,159,354	\$ 41,235,377	\$ 6,923,977
Water	42,835,571	--	5,468,421	37,367,150	31,629,064	5,738,086
Wastewater	20,485,134	--	4,242,848	16,242,286	11,783,276	4,459,010
Stormwater	202,500	--	11,250	191,250	130,000	11,250
Premium on Debt, Net	2,876,248	--	980,526	1,895,722	1,895,722	--
Non-Major Enterprise Funds*	79,401,506	--	4,963,106	74,438,400	69,293,517	5,144,883
<b>Total G.O. Bonded Debt</b>	<b>200,564,557</b>	<b>--</b>	<b>22,270,395</b>	<b>178,294,162</b>	<b>156,016,956</b>	<b>22,277,206</b>
<b>Revenue Bonds:</b>						
Gas	242,447,316	--	4,310,011	238,137,305	233,418,489	4,718,816
Water	195,282,908	--	3,284,975	191,997,933	188,323,709	3,674,224
Wastewater	285,718,235	2,864,835	7,347,369	281,235,701	272,266,939	8,968,762
Premium on Debt, Net	43,638,297	--	3,162,221	40,476,076	40,476,076	--
<b>Total Revenue Bonded Debt</b>	<b>767,086,756</b>	<b>2,864,835</b>	<b>18,104,576</b>	<b>751,847,015</b>	<b>734,485,213</b>	<b>17,361,802</b>
<b>Total Bonded Debt</b>	<b>\$ 967,651,313</b>	<b>\$ 2,864,835</b>	<b>\$ 40,374,971</b>	<b>\$ 930,141,177</b>	<b>\$ 890,502,169</b>	<b>\$ 39,639,008</b>
<b>Compensated Absences:</b>						
Gas	\$ 819,824	\$ 665,962	\$ 676,978	\$ 808,808	\$ 140,939	\$ 667,869
Water	562,165	433,025	440,579	554,611	96,644	457,967
Wastewater	632,435	501,162	509,650	623,937	108,724	515,213
Stormwater	210,812	168,236	171,069	207,979	36,241	171,738
Other Non-Major Enterprise Funds	104,345	132,002	99,228	137,119	40,655	96,464
<b>Total Compensated Absences</b>	<b>\$ 2,329,581</b>	<b>\$ 1,900,377</b>	<b>\$ 1,897,504</b>	<b>\$ 2,332,454</b>	<b>\$ 423,203</b>	<b>\$ 1,909,251</b>
<b>Net Pension Liability**</b>	<b>\$ 39,120,147</b>	<b>\$ 296,182</b>	<b>\$ --</b>	<b>\$ 39,416,329</b>	<b>\$ 39,416,329</b>	<b>\$ --</b>

\* Effective July 1, 2014, \$74,028,269 of General Obligation Bond debt of the Parking Enterprise Fund is reflected as Business-type Activities debt.

\*\*Net Pension Liability is now reported due to new GASB 68 reporting requirements. See Footnote 17.

See Note 12 for additional information regarding Other Postemployment Benefits (OPEB). The contributions for OPEB by the City are determined annually by the City's Department of Budget & Strategic Planning and subsequently approved and adopted through the City's biennial budget process. The General Fund has typically been used to fund current year OPEB expenses.

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

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



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

**Details of Bonds and Notes Outstanding:**

	Interest Rates	Issue Date	Maturity Date	Original Issue	Balance at June 30, 2015	
					Governmental Activities	Enterprise Funds
<b>General Obligation Bonds</b>						
Public Improvement Refunding Bonds 2004B	3.00% - 5.00%	6/24/2004	7/15/2015	\$ 9,300,000	\$ 1,630,955	\$ 119,045
Public Improvement Refunding Bonds 2005A	3.00% - 5.00%	7/28/2005	7/15/2023	93,245,000	30,836,292	458,714
Public Improvement Refunding Bonds 2005B	3.00% - 5.00%	10/18/2005	7/15/2020	61,890,000	402,850	39,882,150
Public Improvement Bonds 2006	4.00% - 5.00%	11/21/2006	7/15/2026	44,550,000	4,170,000	--
Public Improvement Bonds 2009A	2.00% - 5.00%	12/22/2009	7/15/2029	78,580,000	43,245,000	--
Public Improvement Refunding Bonds 2009B	2.00% - 5.00%	12/22/2009	7/15/2022	34,340,000	24,698,736	1,431,264
Public Improvement Bonds 2010A (RZEDB)	0.0572	3/10/2010	7/15/2025	22,482,875	21,467,875	--
Public Improvement Bonds 2010B (QSCB)	5.27%	11/16/2010	11/1/2029	14,980,000	14,980,000	--
Public Improvement Refunding Bonds 2010C	1.50% - 5.00%	11/16/2010	7/15/2023	85,180,000	15,820,325	32,909,675
Public Improvement Bonds 2010D	2.00% - 5.00%	11/30/2010	7/15/2031	65,420,000	--	57,375,000
Public Improvement Bonds 2011A (VRA)	0.00%	6/1/2011	1/15/2032	225,000	--	191,250
Public Improvement Bonds 2012A	2.00% - 5.00%	6/28/2012	3/1/2032	98,835,000	85,795,000	--
Public Improvement Refunding Bonds 2012B	2.00% - 5.00%	6/28/2012	7/15/2024	46,870,000	43,345,000	--
Public Improvement Refunding Bonds 2012C	0.35% - 2.85%	6/28/2012	7/15/2023	100,030,000	40,613,658	44,031,342
Public Improvement Bonds 2012 D (QSCB)	4.15%	6/28/2012	1/15/2033	7,500,000	7,500,000	--
Public Improvement Bonds 2013A	2.00%-5.00%	9/26/2013	3/1/2033	127,745,000	118,470,000	--
Public Improvement Bonds 2013B	3.00%-4.80%	9/26/2013	3/1/2033	11,295,000	11,295,000	--
Public Improvement Bonds 2013C	Variable	11/21/2013	9/1/2018	10,000,000	9,500,000	--
Public Improvement Bonds 2014A	3.00%-5.00%	12/23/2014	3/1/2035	99,295,000	99,295,000	--
Public Improvement Refunding Bonds 2014B	5.00%	12/23/2014	7/15/2026	25,605,000	25,605,000	--
VPSA Bonds 1997A	4.35% - 5.35%	11/20/1997	7/15/2017	4,578,704	736,976	--
Qualified Zone Academy Bonds - 2004	0%	5/6/2004	5/6/2019	2,142,167	886,572	--
Qualified Zone Academy Bonds - 2004B	0%	12/30/2004	12/30/2020	1,536,671	753,321	--
<b>General Obligation Notes</b>						
Serial Equipment Notes Series 2011	1.74%	6/16/2011	6/15/2016	6,500,000	1,300,000	--
Serial Equipment Notes Series 2014	1.28%	6/19/2014	6/1/2019	3,125,000	2,500,000	--
Bond Anticipation Notes Series 2013A	0.98%	11/7/2013	9/1/2016	31,235,000	31,235,000	--
<b>HUD Section 108 Notes</b>						
HUD Section 108 Note Series 2015 A	0.83% - 3.60%	5/28/2015	8/1/2032	10,125,000	10,125,000	--
<b>Revenue Bonds</b>						
Public Utility Revenue Bonds 1998C - VRA	3.00%	4/9/1998	7/15/2018	10,000,000	--	2,233,968
Public Utility Revenue Bonds 1998D - VRA	3.00%	4/9/1998	7/15/2018	8,600,000	--	1,932,394
Public Utility Revenue Bonds 2006 - VRA	3.10%	6/29/2006	1/15/2028	11,000,000	--	8,013,026
Public Utility Revenue Bonds 2007A	3.50% - 5.00%	4/25/2007	1/15/2037	323,180,000	--	282,805,000
Public Utility Revenue Bonds 2008A - VRA	3.00%	6/27/2008	1/15/2029	6,900,000	--	5,142,729
Public Utility Revenue Bonds 2009A	3.00% - 5.00%	4/28/2009	1/15/2040	146,495,000	--	135,600,000
Public Utility Revenue Bonds 2009B - VRA	0%	6/24/2009	7/15/2030	32,000,000	--	24,800,000
Public Utility Revenue Bonds 2010A - VRA	0%	2/3/2010	7/15/2040	188,218	--	160,446
Public Utility Revenue Bonds 2012A - VRA	0%	4/17/2012	1/15/2035	23,289,955	--	21,881,212
Public Utility Revenue Bonds 2013A	2.00% - 5.00%	5/2/2013	1/15/2043	214,220,000	--	206,465,000
Public Utility Revenue Bonds 2013B	5.00%	5/2/2013	1/15/2018	22,160,000	--	22,160,000
Public Utility Revenue Bonds 2015A - VRA	0%	3/5/2015	1/15/2036	2,600,000	--	177,164
Premium on Debt Issued					47,744,629	42,371,798
Line of Credit BAN, Series 2014A	Variable	4/30/2014	10/18/2015	--	--	--
<b>Total Bonds and Notes</b>					<b>\$ 693,952,189</b>	<b>\$ 930,141,177</b>
Lease Revenue Bond - Advantage Richmond	5.25%	10/26/2005	10/1/2020	12,100,000	\$ 5,999,238	\$ --

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



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

**Governmental Activities:**

Fiscal Year	(in \$1,000s)					
	General Obligation Bonds		General Obligation Notes		HUD Section 108 Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	32,674	26,252	1,925	361	--	181
2017	31,373	24,885	31,860	177	520	266
2018	31,024	23,638	625	16	525	262
2019	41,418	22,400	625	8	530	256
2020	33,832	21,112	--	--	540	247
2021-2025	195,661	79,869	--	--	2,845	1,049
2026-2030	153,789	39,362	--	--	3,150	616
2031-2035	78,900	8,174	--	--	2,015	109
Subtotal	598,671	245,692	35,035	562	10,125	2,986
Premium	47,294	--	451	--	--	--
<b>Total</b>	<b>\$645,965</b>	<b>\$245,692</b>	<b>\$ 35,486</b>	<b>\$ 562</b>	<b>\$ 10,125</b>	<b>\$ 2,986</b>

Fiscal Year	(in \$1,000s)					
	Qualified Zone Academy Bonds		VPSA Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	192	--	243	32	873	292
2017	192	--	246	19	921	245
2018	193	--	248	7	970	195
2019	623	--	--	--	1,022	143
2020-2025	440	--	--	--	2,213	118
<b>Total</b>	<b>\$ 1,640</b>	<b>\$ -</b>	<b>\$ 737</b>	<b>\$ 58</b>	<b>\$ 5,999</b>	<b>\$ 993</b>

**Business-type Activities:**

Fiscal Year	(in \$1,000s)			
	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 22,277	\$ 6,732	\$ 17,362	\$ 31,743
2017	24,808	5,789	16,197	31,218
2018	25,827	4,781	38,973	30,649
2019	16,048	3,971	23,477	30,093
2020	16,775	3,379	21,701	28,400
2021-2025	41,324	10,502	132,279	127,904
2026-2030	19,886	4,936	177,612	98,521
2031-2035	9,453	477	163,995	58,761
2036-2040	--	--	91,127	25,207
2041-2043	--	--	28,648	5,231
Subtotal	176,398	40,567	711,371	467,727
Premium	1,896	--	40,476	--
<b>Total</b>	<b>\$178,294</b>	<b>\$ 40,567</b>	<b>\$751,847</b>	<b>\$467,727</b>



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

**Debt issued during the fiscal year ended June 30, 2015**

On April 17, 2012, the City entered into a \$23,289,955 Public Utility Revenue Bond Financing Agreement – Series 2012A, with the Virginia Resources Authority (VRA), the Administrator for the Commonwealth of Virginia's Water Facilities Revolving Fund. The Series 2012A Public Utility Revenue bond issue is an interest-free loan, and thus, only the principal borrowed will be paid on this bond issue. Proceeds of this borrowing facility are being used to finance \$23.3 million of capital improvements to the City's Wastewater Treatment Plant. During the fiscal years 2012 through 2015, the City has drawn \$21,881,212 of bond proceeds (including \$2,678,671 in FY 2015) on this facility as reimbursement for capital spending under this Agreement. The remaining \$1,408,743 of available proceeds is expected to be drawn during the coming year. Semi-annual principal payments of \$582,248.88 are due every six months beginning on July 15, 2015 and will continue thereafter, each January 15 and July 15, with the final payment due on January 15, 2035. The 2012A Public Utility Revenue Bonds are limited obligations of the City and are payable solely from certain revenues derived by the City from its natural gas, water, and wastewater utilities.

On August 21, 2014, the City entered into a \$56,715,000 Forward Purchase Agreement with a commercial bank to provide the funding required to refund certain maturities of the City's outstanding 2005A and 2005B General Obligation bonds at lower interest rates. Under the Agreement, the City agreed to issue and the bank agreed to purchase the \$56,715,000 Series 2015A General Obligation Bonds on or before July 15, 2015. The Bonds will have a fixed interest rate of 2.34 percent, with annual principal due each July 15 and interest due semi-annually on January 15 and July 15 of each year beginning January 15, 2015. (Please see footnote 15-D.)

On December 23, 2014, the City issued \$99,295,000 of tax-exempt General Obligation Bonds, Series 2014A and \$25,605,000 of taxable-exempt General Obligation Refunding Bonds, Series 2014B. At the time of the debt offering, Moody's, Standard and Poor's, and Fitch Ratings affirmed the City's long-term General Obligation bond ratings of Aa2, AA+ and AA+, respectively. All three rating agencies indicated a stable outlook. The Series 2014A General Obligation bond proceeds, including an \$11,840,336 premium received, were used to pay off \$110,000,000 outstanding on an interim Bond Anticipation Note Line of Credit, which had funded general capital projects.

The Series 2014A bonds have coupon interest rates ranging from three to five percent with interest due and payable on March 1 and September 1 of each year. Serial annual principal amounts of between \$3,250,000 and \$6,255,000 are payable on March 1st of each year with a final maturity on the debt due on March 1, 2035.

The Series 2014B General Obligation Refunding Bond proceeds, including a \$6,366,312 premium received, were used to advance refund certain principal maturities of the outstanding Series 2006 and Series 2009A General Obligation bonds to achieve debt service savings. The refunding proceeds were placed into an irrevocable trust with an escrow agent to provide for all future principal, premium, and interest payments due on the refunded Series 2006 and 2009A Bonds. The refunding of the Series 2006 and 2009A bonds achieved cash flow debt service savings of \$2,743,587 over the remaining 13-year life of the bonds and an economic gain (difference between the present value of the old and new debt service) of \$2,382,841. The Series 2014B bonds have coupon interest rates of five percent with interest being payable on January 15 and July 15 of each year. Principal amounts of between \$3,740,000 and \$6,755,000 are payable on January 15 of each year beginning in 2020 with a final maturity due on January 15, 2026.

On March 5, 2015, the City entered into a \$2,600,000 Public Utility Revenue Bond Financing Agreement – Series 2015A, with the VRA, the Administrator for the Commonwealth of Virginia's Water Facilities Revolving Fund. The Series 2015A Public Utility Revenue bond issue is an interest-free loan, and thus only the principal amount borrowed will be paid on this bond issue. Proceeds of this borrowing facility are being used to finance \$2.6 million of capital improvements to the City's Wastewater Treatment Plant. During the fiscal year 2015, the City has drawn \$177,164 of bond proceeds as reimbursement for capital spending under this Agreement. The remaining \$2,422,836 of available proceeds is expected to be drawn during the coming year. Semi-annual principal payments of \$65,000 will be due every six months beginning on July 15, 2016 and will continue thereafter, each January 15 and July 15 with the final payment due on January 15, 2036. The 2015A Public Utility Revenue Bonds are limited obligations of the City and are payable solely from certain revenues derived by the City from its natural gas, water, and wastewater utilities.

On May 28, 2015, the City converted \$10,125,000 of outstanding HUD Section 108 Variable Rate Notes to fixed rate amortizing Notes, Series 2015A. The City had originally issued this debt as variable rate debt on September 26, 2012 to fund an economic development loan program. The fixed rate Series 2015A HUD Section 108 Notes have coupon interest rates ranging from .83 percent to 3.6 percent with interest due and payable on February 1 and August 1 of each year. Serial annual principal amounts of between \$520,000 and \$685,000 are payable on August 1st of each year with a final maturity on the debt due on August 1, 2032.

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**Defeasance of Debt**

On June 28, 2012, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds Series 2012B to advance refund \$16,670,000 of the General Obligation Bonds Series 2006. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments due on the refunded Series 2006 bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The call date for the Series 2006 bonds is July 15, 2016.

On June 28, 2012, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds Series 2012C to advance refund \$32,625,000 of the General Obligation Refunding Bonds Series 2005A. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments due on the refunded Series 2005A bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The final call date for the defeased Series 2005A bonds is July 15, 2015.

On December 23, 2014, the City purchased U.S. Government Securities with proceeds of the General Obligation Public Improvement Refunding Bonds Series 2014B to advance refund \$4,160,000 of the General Obligation Bonds Series 2006 and \$23,125,000 of the General Obligation Bonds, Series 2009A. These U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments due on the refunded Series 2006 and 2009A bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The call date for the Series 2006 bonds is July 15, 2016 and the call date for the Series 2009A is July 15, 2019.

As of June 30, 2015, the City has an aggregate \$76,580,000 of defeased General Obligation bond debt.

**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 percent of the last preceding assessment for real estate taxes. At June 30, 2015, the City had a legal debt limit of \$2,003,129,500 (ten percent of the taxable real estate value) and the statutory capacity to issue approximately \$1,180,523,506 of additional General Obligation debt (remaining debt margin).

**Authority to Issue Debt**

As of June 30, 2015, the City had a total of \$463,132,903 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, \$259,257,000 is earmarked for self-supporting Public Utility revenue bond funded projects, \$2,000,000 of General Obligation bond funded projects of the Storm-water Utility, \$189,975,903 for various General Fund supported capital projects and \$11,900,000 for funding of equipment purchases.

**Bond Ratings**

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

General Obligation Bonds	
Moody's	Aa2
Standard & Poor's	AA+
Fitch Ratings	AA+
Public Utility Revenue Bonds	
Moody's	Aa2
Standard & Poor's	AA
Fitch Ratings	AA



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

**8. FUND BALANCES**

Fund balances have been classified to reflect the limitations and restrictions placed on the respective funds. Fund balances at June 30, 2015 are composed of the following:

	General Fund	Debt Service	Capital Projects Fund	Other Non-Major Governmental Funds
<b>Nonspendable:</b>				
Prepaid	\$ 382,200	\$ --	\$ --	\$ --
Permanent Funds	--	--	--	38,930
Total Nonspendable	<u>382,200</u>	<u>--</u>	<u>--</u>	<u>38,930</u>
<b>Restricted To:</b>				
Culture and Recreation	--	--	--	34,317
Bond Sinking Fund	--	4,219,286	--	--
Total Restricted	<u>--</u>	<u>4,219,286</u>	<u>--</u>	<u>34,317</u>
<b>Committed To:</b>				
Revenue Stabilization and Contingency Policy	10,000,000	--	--	--
General Government	3,000,000	--	--	--
Total Committed	<u>13,000,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Assigned To:</b>				
Encumbrance Roll Forward	7,788,553	--	--	--
Other	--	--	--	14,800,003
Total Assigned	<u>7,788,553</u>	<u>--</u>	<u>--</u>	<u>14,800,003</u>
<b>Unassigned:</b>				
Total Unassigned	<u>84,995,561</u>	<u>--</u>	<u>(101,563,859)</u>	<u>--</u>
Total Fund Balances*	<u>\$ 106,166,314</u>	<u>\$ 4,219,286</u>	<u>\$ (101,563,859)</u>	<u>\$ 14,873,250</u>

\* Negative Fund Balance will be resolved with future bond issues.

**9. RISK MANAGEMENT**

The City's non-health care related risk management activities are conducted through the Risk Management Unit within the 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, claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. There have been no significant reductions in insurance coverage from coverage in the prior year, and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



The City is self-insured for the first \$1,500,000 of any general liability, automobile liability, public officials or police professional liability claim. The City has purchased \$10,000,000 in excess liability coverage over a \$1,500,000 self-insured retention from States Self-Insurers Risk Retention Group (States), a public entity risk pool domiciled in the State of Vermont. Claims under the \$1,500,000 self-insured retention are paid by the Risk Management Unit within the 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 million per occurrence for excess liability with self-insured retention of \$1,000,000 per occurrence for General and Employers' Liability, and \$1,000,000 per occurrence for Pollution Liability. DPU is also a member of Energy Insurance Mutual Ltd., which provides excess liability coverage with limits of \$100 million in excess of the \$35 million underlying coverage.

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

During the fiscal year ended June 30, 2015, 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, 2015 was \$45,062,586 (undiscounted) and \$35,561,172 (discounted at 3.5 percent). Changes in the aggregate for these liabilities for FY 2014 and FY 2015 were:

Fiscal Year	Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims and Premium Payments	Balance at Fiscal Year End
2014	\$ 38,846,882	\$ 2,584,653	\$ (5,165,237)	\$ 36,266,298
2015	\$ 36,266,298	\$ 5,943,430	\$ (6,648,556)	\$ 35,561,172

Workers compensation, general liability, and automobile liability future payment projections for fiscal year 2015 are as follows:

Probability Level	Discounted	Undiscounted
90%	\$9,624,522	\$9,791,503
75%	\$8,387,035	\$8,532,546
Central Estimate	\$7,562,828	\$7,934,039

**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 plan (with the exception of Seasonal Employees).

**Retiree Eligibility**

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

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

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



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

**City Subsidy**

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

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

**Benefits**

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

The City purchases specific stop-loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$300,000 per occurrence for individual claims, and an additional 125% aggregate stop loss limitation that has been subsequently cancelled 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, Wells Fargo.

	<u>HEALTH INSURANCE</u>	
	<u>PRIMARY GOVERNMENT</u>	
	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>
Unpaid Claims Beginning of Fiscal Year	\$ 4,802,000	\$ 4,896,000
Incurred Claims (including IBNR)	37,605,002	40,089,618
Claim Payments	38,864,001	40,183,618
Unpaid Claims End of Fiscal Year	<u>\$ 3,543,001</u>	<u>\$ 4,802,000</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 single-employer Defined Benefit Plan. The RRS has one participating employer, the City, including its component unit Richmond Behavioral Health Authority and a small portion of Richmond Public Schools. The plan covers all full-time permanent employees, with the exception of those elected officials and persons eligible for membership in the Judicial Retirement System and the Virginia Retirement System. A majority of the employees of the School Board participate in the Virginia Retirement System (VRS), which offers both agent and cost sharing multiple-employer retirement plan options to Virginia localities and acts as a common investment and administrative agent for certain political subdivisions in the Commonwealth of Virginia. Members are vested after five years of creditable service or at their normal retirement age (age 65 for general employees; age 60 for public safety employees). The plan is contributory for employees.

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**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 actuary, expressed as a percentage of payroll, equal to the sum of the "normal contribution" and the "actuarial determined contribution."

The actuarial determined contribution is the amount necessary to amortize the unfunded actuarial liability and any increase or decrease in the unfunded actuarial liability in future years due to changes in actuarial assumptions, changes in RRS provisions, including the granting of COLA increases, or actuarial gains or losses amortized over a closed period not to exceed 30 years, with payments increasing up to 4% per year.

**C. Actuarial Methods and Assumptions Used to Determine Contribution Rates and Net Pension Liability**

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

- Actuarial cost method – Entry Age Normal
- Amortization method – level percent of pay over a closed period not to exceed 30 years for police and fire employees; level dollar amount over a closed period, not to exceed 30 years for general members.
- Remaining amortization period – 20 years for remaining unfunded accrued liability as of July 1, 2006; 20 years for subsequent changes.
- Asset valuation method – five year spread of actual over expected investment earnings with the restriction that the resulting value must be within 90% to 110% of market value.
- Inflation rate of 3.0%.
- Salary increases general employees – 3.0% to 5.0%.
- Salary Increases – police and fire employees from 3.0% to 4.5%.
- Investment rate of return – 7.50%.
- Retirement Age General Employees – 20% in the 1st year of unreduced retirement eligibility; 3% at age 55 increasing to 100% at age 75.
- Retirement Age Police and Fire Employees – 40% in 1st year of unreduced retirement eligibility; 9% at age 50 increasing to 100% at age 64.
- Mortality General Employees – RP – 2000 Mortality Table with 2 year set-forward for males.
- Mortality Police and Fire employees – RP-2000 Mortality Table.
- Annual Money Weighted Rate of Return, Net of Investment-15.50%.
- Annual money-weighted rate of return is calculated net of all investment management expenses and additional plan investment related expenses that are reported by the plan's custodian and/or were provided to NEPC by the client. The methodology used to determine the money weighted rate of return is different from the calculation of the fiscal year rate of return (which was 15.9% net of fees). Cash flows have a larger impact on the money-weighted rate of return than the fiscal year rate of return, which uses a time-weighted calculation.
- For purposes of determining contribution rates, the difference between actual investment earnings and expected investment earnings is recognized over a five-year period, with the restriction that the actuarial asset value cannot be less than 90% or more than 110% of market value. This smoothing method is utilized in order to minimize the impact of short term market fluctuations on the RRS contribution rates and funded status. Fair market value of investments was used to determine NPL.



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

**D. Plan Membership**

As of the June 30, 2015, membership in the RRS was comprised as follows:

Active vested	1,776
Active non-vested	243
Inactive non-vested	1,620
Active 401(a)	1,890
Retirees and beneficiaries receiving benefits	4,314
	9,843
	9,843

**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, 2015 for the RRS was as follows.

Total pension liability (TPL)	\$ 831,809,634
Plan fiduciary net position	530,568,957
City's net pension liability (NPL)	\$ 301,240,677
Plan fiduciary net position as a percentage of the total pension liability	63.8%
Covered-employee payroll	\$ 107,834,516
City's net pension liability as a percentage of covered employee payroll	279.4%

**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 (i.e., 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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the table on the next page:

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



Investment	30-Yr. 2015 NEPC	
	Arithmetic Return	Target Allocation
Large Cap Equities	8.83%	18.00%
SMD Cap Equities	9.64%	5.00%
Developed International Equities	9.89%	8.00%
Emerging International Equities	12.05%	7.00%
Hedge Funds	7.11%	12.00%
Private Equity	12.50%	8.00%
Core Plus Bonds	4.74%	0.00%
High Yields Bonds	6.51%	0.00%
Global Bonds	2.63%	0.00%
Inflation Linked Bonds	4.26%	0.00%
Emerging Market Debt (External)	6.65%	0.00%
Global Multi-Sector Fixed Income	5.03%	22.50%
Opportunistic Fixed Income	5.58%	5.00%
Private Debt	9.26%	8.00%
Real Estate (core)	7.50%	5.00%
Cash	3.25%	1.50%

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

Changes in the discount rate affect the measurement of the TPL. As a result, a small change in the discount rate could result in a significant change in the NPL. As an illustration, the following table present the NPL for the RRS, calculated using the discount rate of 7.5 percent, as well as, what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (6 percent) or one percentage point higher (8 percent) than the current rate:

Sensitivity of the NPL to Changes in the Discount Rate			
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Plan Net Pension Liability	\$ 381,245,598	\$ 301,240,677	\$ 232,665,696

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

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



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

<b>Summary of Deferred Outflows and Inflows of Resources</b>		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,443,617	\$ --
Change in assumptions	--	23,409,522
Difference between expected and actual investment earnings	--	31,457,536
Change in proportion and difference between employer contribution and proportion share of contribution	1,401	53,246
Due to proportion change on beginning NPL	351,520	
Employer contributions subsequent to the measurement date	43,474,438	--
<b>Total</b>	<b>\$ 45,270,976</b>	<b>\$ 54,920,304</b>

Deferred outflows associated with contributions subsequent to the measurement date will be recognized as a reduction to net pension liability in FY 2016. 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:

<b>Amortization Schedule of Deferred Outflows and Inflows of Resources</b>		
	Deferred Outflows	Deferred Inflows
Year Ended June 30,		
2016	\$ 202,334	\$ (10,515,444)
2017	202,334	(10,515,444)
2018	202,334	(10,515,444)
2019	202,334	(10,515,443)
2020	202,334	(2,651,060)
2021	202,334	(2,651,060)
2022	202,334	(2,651,060)
2023	202,334	(2,651,060)
2024	177,866	(2,254,289)
<b>Total</b>	<b>\$ 1,796,538</b>	<b>\$ (54,920,304)</b>

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 1,865 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:

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



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

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

RRS Financials can be accessed at: [www.richmondgov.com/retirement/publications.aspx](http://www.richmondgov.com/retirement/publications.aspx)

**Virginia Retirement System (VRS)**

**A. Plan Description**

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

- Members hired before July 1, 2010 and who were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit as early as age 55 with at least five years of service credit or age 50 with at least 10 years of service credit
- Members hired or rehired on or after July 1, 2010 and who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Non-hazardous duty employees hired on or after January 1, 2014 are covered under the Hybrid Plan. The VRS Hybrid Retirement Plan combines features of a defined benefit and a defined contribution plan. Employees covered under the VRS Hybrid Plan are eligible for an unreduced benefit when they reach their normal Social Security retirement age or when their age and service equal the sum of 90. Benefits are payable monthly for life in an amount equal to 1% of their Average Final Salary (AFS) for each year of credited service. Hybrid members make mandatory contributions to the defined contribution component of the plan and may make additional voluntary contributions to the plan, which the employer is required to match. Employees vest in the matching employer contributions based upon a tiered schedule. Employees are 100% vested in all matching employer contributions upon reaching 4 years of creditable service.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 %. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. The multiplier for Plan 2 members was reduced to 1.65% 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%; under Plan 2, the COLA cannot exceed 3%. During years of



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

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

**B. Contribution Policy**

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

The City's contractually required contribution rate for the year ended June 30, 2015 was 13.63% of covered employee payroll. This rate was based on an actuarially determined rate from an actuarial valuation of June 30, 2013. 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.

**C. Plan Membership**

At June 30, 2015, City Membership in the VRS was comprised as follows:

Active Members	518
Inactive Members	
Members or their beneficiaries receiving benefits	303
Members active elsewhere in VRS	216
Non-vested members	181
Vested members	104
Sub-total Inactive Members	804
Total Members	1,322



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**D. Net Pension Liability**

A detailed schedule of changes in the net pension liability is presented under required supplementary information. This information is intended to help users assess the extent of the City's obligation to the Defined Benefit Plan. The net pension liability of the City at June 30, 2015 for the VRS was as follows.

Total Pension Liability	\$112,895,060
VRS Fiduciary Net Position	(100,409,862)
Net Pension Liability	<u>\$12,485,198</u>
Plan Fiduciary Net Position as a Percentage of total pension liability	88.9%
Covered Employee Payroll	\$25,652,406
City's Net Pension Liability as a Percentage of Covered Employee Payroll	48.7%

**E. Actuarial Methods and Assumptions**

The City's net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2013, using updated actuarial assumptions, applied to every period included in the measurement and rolled forward to the measurement date of June 30, 2014.

**Actuarial Assumptions for General Employees**

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

- Inflation 2.5%
- Salary Increase 3.5%-5.35%
- Investment Rate of Return net of pension plan investment expense 7.00%
- Mortality rates: Assumed to be service related deaths 14.00%



**CITY OF RICHMOND, VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2015**

<b>General Employees</b>		
<b>Largest 10 – Non-LEOS</b>		
<b>Mortality Rates</b>		
<u>Pre-Retirement</u>	<u>Post-Retirement</u>	<u>Post-Disablement</u>
RP-2000 employee Mortality Table Projected with Scale AA to 2020 with males set forward 3 years and females set back 2 years.	RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year	RP-2000 disability Life Mortality Table Projected to 2020 with males set back 3 year and no provision for future mortality improvement
<b>All Others (Non 10 Largest ) - Non-LEOS</b>		
<b>Mortality Rates</b>		
<u>Pre-Retirement</u>	<u>Post-Retirement</u>	<u>Post-Disablement</u>
RP-2000 employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years.	RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year	RP-2000 disability Life Mortality Table Projected to 2020 with males set back 3 year and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

**Largest 10 – Non-LEOS:**

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

**All Others (Non 10 Largest) – Non-LEOS:**

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

**Actuarial Assumptions – Public Safety Employees**

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

- Inflation 2.5%
- Salary Increase 3.5%-4.75%
- Investment Rate of Return net of pension plan investment expense 7.00%
- Mortality rates: Assumed to be service related deaths 60.00%

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



<b>Public Safety Employees</b>		
<b>Largest 10 – Non-LEOS</b>		
<b>Mortality Rates</b>		
<u>Pre-Retirement</u>	<u>Post-Retirement</u>	<u>Post-Disablement</u>
RP-2000 employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years.	RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year	RP-2000 disability Life Mortality Table Projected to 2020 with males set back 3 year and no provision for future mortality improvement
<b>All Others (Non 10 Largest ) - Non-LEOS</b>		
<b>Mortality Rates</b>		
<u>Pre-Retirement</u>	<u>Post-Retirement</u>	<u>Post-Disablement</u>
RP-2000 employee Mortality Table Projected with Scale AA to 2020 with males set forward 2 years and females set back 2 years.	RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year	RP-2000 disability Life Mortality Table Projected to 2020 with males set back 3 year and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

**Largest 10 – LEOS:**

- Update mortality table
- Decrease in male rates of disability

**All Others (Non 10 Largest) – LEOS:**

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

**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:



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

<b>Long Term Expected Rate of Return</b>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	19.50%	6.46%
Developed Non U.S. Equity	16.50%	6.28%
Emerging Market Equity	6.00%	10.00%
Fixed Income	15.00%	0.09%
Emerging Debt	3.00%	3.51%
Rate Sensitive Credit	4.50%	3.51%
Non-Rate Sensitive Credit	4.50%	5.00%
Convertibles	3.00%	4.81%
Public Real Estate	2.25%	6.12%
Private Real Estate	12.75%	7.10%
Private Equity	12.00%	10.41%
Cash	1.00%	-1.50%

**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, 2013. 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 actuarially determined contribution rates adopted by the VRS board and the member rate.

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

<b>Summary of Deferred Outflows and Inflows of Resources</b>		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ -	\$ 6,076,240
Employer contribution subsequent to the measurement date	2,525,666	-
<b>Total</b>	<u>\$ 2,525,666</u>	<u>\$ 6,076,240</u>

The deferred inflows of the VRS are amortized over a period of 5 years and are presented below to show the amount to be recognized in pension expense in future years. The deferred outflows made subsequent to the measurement date will be recognized as a reduction to NPL in 2016 and are not amortized.

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



<b>Amortization Schedule of Deferred Inflows of Resources</b>	
Year Ended June 30,	
2016	\$ (1,519,060)
2017	(1,519,060)
2018	(1,519,060)
2019	(1,519,060)
Five-Year Total	<u>\$ (6,076,240)</u>

Changes in the discount rate affect the measurement of the TPL. As a result, a small change in the discount rate could result in a significant change in the NPL. To show the impact of a 1% change in the discount rate the following table is presented with a rate of 6% and 8% comparing the total change in the NPL for a 1 percentage increase or decrease.

<b>Sensitivity of the NPL to Changes in the Discount Rate</b>			
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Plan Net Pension Liability	\$ 27,028,308	\$ 12,485,198	\$ 401,991

**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. Recognition of the liability accumulated from prior years will be phased in over 13 years.

**A. Plan Description**

The City provides continuous medical insurance coverage for some full-time employees who retire directly from the City, have continuously been enrolled in the health plans for 5 years prior to retirement, and are eligible to receive an early or regular retirement benefit from the City. In addition, they must be employed with the City for at least 10 years of creditable service at retirement. Dental insurance also continues after retirement at the retiree rate.

The plan has been changed to only value participants who are currently retired and active members that were hired prior to January 1, 1997. Sworn Police, Sworn Fire, Sworn VRS, and Executives currently not in the defined contribution group are also able to participate in the post-retirement medical coverage even if they were hired after January 1, 1997. All other members hired after this date are assumed to pay the full cost of the program with no implicit rate subsidy and, therefore, have no liability reported under GAAP.

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

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

Surviving spouses of retirees may elect to remain in the deceased member's health insurance plan for up to 36 months after the death of the member. They pay the same rate as the retiree, but without the City's contribution.



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

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

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

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

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

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

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

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

The number of employee participants as of July 1, 2014, 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	1,648
Retired Employees	470
Total	2,118

**B. Contribution Policy**

The City currently pays for postemployment healthcare benefits on a pay-as-you-go basis. Although the City is studying the establishment of trusts that would be used to accumulate and invest assets necessary to pay for any accumulated liability on an actuarial basis, these financial statements assume that pay-as-you-go funding will continue.

**C. 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

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



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.

The liabilities were computed using the projected unit credit method and the 13 year level Percentage Amortization dollar amortization. The actuarial assumptions utilized a 4% discount rate. Because the plan is unfunded, reference to the general assets, which are short-term in nature (such as money market funds), was considered in the selection of the 4% rate. The valuation assumes a 8% healthcare cost trend increase for plan year 2014, reduced by decrements to a rate of 5.0% after 6 years. These estimates reflect the potential impact of the Patient Protection and Affordable Care Act (PPACA).

***The assumptions used in the basis of the July 2015 valuation include:***

- Salary Scale – Not applicable
- Discount Rate – 4.0% per annum
- Valuation Date-July 1, 2014
- Expected Long-Term Rate of Return on Plan Assets – Not applicable
- Dependent Coverage – 30% of retirees who elect coverage at retirement will also cover their spouse at retirement
- Participation Assumption – 65% of employees will elect coverage at retirement.

***Actuarial Methods:***

- Asset Valuation Method – Not applicable
- Actuarial Cost Method – Retiree postemployment benefit expenses are determined under the Projected Unit Credit actuarial cost method. Under this method, benefits are projected for life and their present value is determined. The present value is then amortized from the hire date to the date of full eligibility.

**Sources:**

- Mortality - 1983 Group Annuity Mortality Table for males and females
- Disability - Same disability table as used for the City's prior valuation combined general and duty disability based on age.
- Termination Tables - Same termination table used for the City's prior valuation based on age.
- Retirement Tables – 2004 Fire and Police retirement table that was used for the City's prior valuation based on age and years of service.

**D. Annual Per Capita Healthcare Cost**

Effective for the July 1, 2015 actuarial valuation, an analysis of the City's claims experience was performed for the purposes of setting the retiree medical claims cost. The main purpose is to project the expected annual per capita claims cost for current retirees and future retirees who are currently active.

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

July 1, 2014 annual per capita claim	<u>Medical/RX*</u>
Retiree Age 65 Pre-Medicare	\$11,455
Spouse Age 65 Pre-Medicare	\$11,455

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

**E. Sensitivity Analysis**

The valuation results shown should be viewed as an estimate of the actual results that will occur in the future. The actual results could be higher or lower than the estimate and certain assumptions more critically affect the volatility of the actual results than others. As an illustration, as the healthcare cost trend rate changes so does the estimate of the annual required contribution. Sensitivity results are shown below for the revision of health care cost trend rates. The health care



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

cost trend rate is the rate of change in per capita health claims cost over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

	<u>Base Trend</u>	<u>Trend +1%</u>	<u>Trend -1%</u>
Annual Required Contribution	\$ 8,687,683	\$9,907,428	\$7,664,582

**G. Net OPEB Obligation**

The City's OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of City's annual OPEB cost for the year, annually required contribution to the plan, and changes in the City's net OPEB obligation:

<b>NET OPEB OBLIGATION</b>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net OPEB Obligation - July 1	\$ 14,820,954	\$ 15,269,554	\$ 15,700,699
Annual Required Contribution	8,687,683	5,668,526	5,840,887
Interest on Net OPEB Obligation	592,838	610,782	628,028
Adjustment on Annual Required Contribution	(1,266,717)	(1,305,058)	(1,341,907)
Annual OPEB Cost	<u>8,013,804</u>	<u>4,974,250</u>	<u>5,127,008</u>
Estimated Employer Payments for Retiree Benefits	<u>(3,607,535)</u>	<u>(5,422,850)</u>	<u>(5,558,153)</u>
Increase/(Decrease) in Net OPEB Obligation	<u>4,406,269</u>	<u>(448,600)</u>	<u>(431,145)</u>
Net OPEB Obligation - June 30	<u>\$ 19,227,223</u>	<u>\$ 14,820,954</u>	<u>\$ 15,269,554</u>
Percent of Annual OPEB Cost Contributed	45%	109%	108%

	Actuarial Value of Assets	Actuarial Accrued Liability			Funded Ratio	Normal Cost Beginning of Year	Amortization Factor	Annual Covered Payroll	UAAL as Percent of Covered Payroll
		Retired Employees	Active Employees	Unfunded Actuarial Liability (UAAL)					
2010	\$ -	\$ 26,912,382	\$ 35,772,758	\$ 62,685,140	0%	\$ 1,040,076	12	\$ 90,519,083	69%
2011	-	23,847,131	38,285,348	62,132,479	0%	1,081,679	13	90,516,083	69%
2012	-	27,543,353	32,860,214	60,403,567	0%	848,691	13	73,016,515	83%
2013	-	22,751,160	35,057,261	57,808,421	0%	882,639	13	61,547,770	94%
2014	-	18,340,649	49,674,241	68,014,890	0%	917,945	13	76,526,909	89%
2015	-	18,340,649	49,674,241	68,014,890	0%	2,818,765	13	82,182,110	83%



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



**13. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code (IRC) Section 457. The Plan is available to all City employees and permits deferral until future years of up to 100% of salary with a maximum deferral of \$18,000 for calendar year 2015, whichever is less. The compensation deferred is not available to employees until termination, retirement, death, an unforeseeable emergency, or a small balance account withdrawal. Employees are eligible to initiate a one-time disbursement of an account if the balance is greater than \$1,000 but less than \$5,000 and neither the employee nor the employer has contributed to the account for at least two years. If the balance is under \$1,000, the participant is automatically notified by ICMA-RC and provided a form to request the distribution. In accordance with the amended provisions of IRC Section 457, all assets and income of the plan were transferred to a trust and are held for the exclusive benefit of participants and their beneficiaries. The City is the Trustee for the plan and has contracted with a nongovernmental third party administrator to administer the plan. This plan is reported in accordance with GAAP as an Other Employee Benefits Trust Fund.

At June 30, 2015, the contributions for the year ended and the fair value of the plan investments were \$8,602,452 and \$92,097,708, respectively.

**14. LEASES**

All lease transactions have been determined to be operating leases. At June 30, 2015, the annual operating lease commitments are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2016	\$ 2,931,981
2017	1,383,998
2018	1,278,135
2019	837,736
2020	440,053
Total minimum lease payments	<u>6,871,903</u>
Lease expenses for the year ended June 30, 2015	<u>\$ 2,826,457</u>

**15. CONTINGENCIES, COMMITMENTS, AND OTHER MATTERS**

**A. Combined Sewer Overflow (CSO)**

The City operates an advanced wastewater treatment facility with a service area of 81.3 square miles that collects and treats a dry weather flow up to 45 million gallons per day (MGD) and a combination of dry weather flow and combined storm water at flows up to 75 MGD. Within the City's service area, 35 percent of the main lines and interceptor lines are combined sewers. A system of retention facilities, storage tunnels, intercepting and trunk sewers links the separate and combined systems with the wastewater treatment plant. There is a mechanical or hydraulic regulator structure at each of the 29 CSO outfalls and each has the capacity to divert dry weather flow and some storm water flow to the wastewater treatment plant for complete treatment. Phases I and II of the City's CSO control plan are complete. Phase III has begun and will continue into the future.

The City has been cooperating with the Virginia State Water Control Board (Board) since the mid-1970's to address combined sewer overflow impacts and the discharge of partially treated sewage on the James River. The City developed a CSO control plan to meet CSO Policy (EPA's April 19, 1994 CSO Control Policy, published at 59 Fed Reg. 18688, and incorporated into the Clean Water Act pursuant to the Wet Weather Water Quality Act, Section 402(q) of the Clean Water Act, 33 U.S.C. sec. 1342) and updated that control plan in 2007. The Board adopted the technical components of the CSO Plan, and continues to regulate and monitor the City's program through the current Virginia Pollutant Discharge Elimination System permit and CSO Special Order issued by the Virginia Department of Environmental Quality with oversight from the Environmental Protection Agency (EPA).



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

The City CSO control plan was estimated at \$295 million in 1995 dollars and is now estimated at \$776 million in 2011 dollars (\$278 million spent to date). Funding for the CSO control plan implementation is a combination of ratepayer dollars, state revolving loan funds, bond proceeds, and state and federal grants. By agreement with the Board, the City is required to raise revenue for implementation of its CSO Control Plan by raising and maintaining sewer rates such that the annual sewer bill for a typical residential customer will be at least 1.25% of the median household income (MHI) supplemented by the availability of federal and state grants. The City's sewer rates have exceeded the 1.25% of MHI requirement since July 2009 and are at 1.7% of MHI as of July 2015.

**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. In addition, these 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 2028. The aggregate commitments under these contracts amounted to approximately \$652 million at June 30, 2015.

**D. Subsequent Events**

On July 15, 2015, the City issued \$56,715,000 of General Obligation Public Improvement Bonds, Series 2015A, which were purchased by a commercial bank. The proceeds of the 2015A General Obligation bonds were used to refund certain outstanding maturities of the City's outstanding Series 2005A and 2005B General Obligation bonds at lower interest rates and to pay for the costs of issuance. The refunded 2005A bonds totaling \$22,140,000, along with the 2005B General Obligation bonds totaling \$34,375,000, were called for early redemption and paid off. The refunding of these General Obligation bonds was undertaken to reduce the City's debt service payments over the next eight years by \$3,886,060 and to achieve an economic gain equal to \$3,564,766. The Series 2015A General Obligation Bonds were issued with a fixed coupon interest rate of 2.34 percent with interest being payable on January 15 and July 15 of each year. Principal amounts of between \$6,070,000 and \$16,110,000 are payable on July 15, with a final maturity on the debt due on July 15, 2023.

On November 10, 2015, the City established a \$100.0 million Bond Anticipation Note Line of Credit with a commercial bank to provide interim financing for certain capital improvement projects of the City. This interim financing vehicle is being used to finance General Government capital projects budgeted in the City's Capital Improvement Program (CIP). Interest on this bank line accrues at a spread over the index, One-Month LIBOR (London Interbank Offered Rate), with interest payments on outstanding borrowings due quarterly. This borrowing facility has an April 18, 2017 final maturity and is expected to be repaid prior to that date from proceeds of long term General Obligation bonds to be issued in the next fiscal year.

On December 8, 2015, the City issued \$62,795,000 of tax-exempt General Obligation Public Improvement Bonds, Series 2015B, and \$23,000,000 of taxable General Obligation Public Improvement Bonds, Series 2015C. At the time of the debt offering, Moody's, Standard & Poor's, and Fitch Ratings affirmed the City's long-term General Obligation bond ratings of Aa2, AA+ and AA+, respectively. All three rating agency indicated a stable outlook. The \$62,795,000 par amount of the Series 2015B General Obligation bond proceeds, along with an \$3,369,760 premium received, were used to fund general capital projects as well as to pay for the costs of issuance. The Series 2015B bonds have coupon interest rates ranging from 3 percent to 5 percent, with interest being payable on March 1 and September 1 of each year. Serial annual principal amounts of between \$975,000 and \$4,050,000 are payable on March 1, with a final maturity due on March 1, 2038. The \$23,000,000 Series 2015C taxable General Obligation bond proceeds, along with a \$75,923 premium, were used to finance the construction of the Stone Brewing Project. The Series 2015C General Obligation Bonds have coupon interest rates ranging from .9 percent to four percent with interest payable on June 1 and December 1 of each year. Serial annual principal amounts of between \$585,000 and \$1,385,000 are payable on June 1 of each year, with a final maturity due on June 1, 2041.

In February 2016, the City re-acquired title and ownership of the Richmond Coliseum and the Main Branch Public Library by transferring these properties to the City from the RRHA for a nominal cost. Both of these properties were transferred from the City to RRHA in the mid-1990s to support a RRHA Bond issue, which has been paid in full.

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



In March 2016, the title and ownership of the 730 Theater Row Building was transferred from RRHA to the City for a nominal cost. Originally built in 1992, using funds made available by the City, the RRHA has owned and managed the property from 1992 to the present. The building serves as office space for several City departments.

On April 28, 2016 the City received a payment of \$32,756,397 from the Commonwealth of Virginia as reimbursement for 25% of the qualifying construction cost of the new Richmond Justice Center (Jail) Facility. The Commonwealth's payment included \$31,195,969 as reimbursement of qualified construction costs plus \$1,560,428 as reimbursement of a portion of the Jail related interest expense the City had incurred. These funds were used to pay off the outstanding \$31,235,000 Series 2013A Note and to pay a portion of the interest incurred related to the Justice Center.

The City will be paying \$2.8M to settle a class action lawsuit from social service workers who were incorrectly classified as exempt employees. The result was they were denied overtime pay they were due had they been properly classified as non-exempt. The settlement addresses overtime wages for a 3 year period. Funds will be appropriated from the city reserve and transferred to Risk Management to fund the claim in FY16.

## **16. CREATION OF A PARKING ENTERPRISE FUND**

### **A. Background**

A Parking Enterprise Fund was created in FY 2015 to maximize the opportunity for greater efficiency, accountability and to allow parking related operating expenses and debt service to be supported by parking revenue. The establishment of a properly structured City-wide Parking Enterprise Fund system added to the City's ability and capacity to affect economic development. A self-supporting Parking Enterprise Fund now segregates the parking related revenue streams, operations and maintenance, and existing debt service.

For many years, the City and related entities, such as the Broad Street Community Development Authority, the Richmond Redevelopment and Housing Authority, and the Richmond Metropolitan Authority, operated numerous public parking structures in downtown Richmond. There was little or no coordination between the four public entities as to pricing or in choosing parking management operators. From FY 2010 through FY 2014, the City began to take back ownership, control, and day-to-day management of each of these parking facilities by initially establishing a Parking Division within the Department of Public Works.

With the creation of the Parking Enterprise Fund on July 1, 2014, \$74,028,269 of outstanding General Obligation Bond debt was reallocated to the Fund. This amount represented the portion of the City's debt which had been issued to finance the acquisition and construction of seven of the parking garages and surface lots.

A good parking management system:

- Allows for a centralized organization;
- Establishes financial unity among assets;
- Provides a clear mission statement with a singular focus on delivering parking;
- Enhances growth in the Central Business District;
- Creates incentive for visitors and restaurant goers to come downtown;
- Develops adequate revenue to support parking infrastructure improvements;
- Provides a clearer mission statement with a singular focus on delivering parking; and
- Potentially will allow for bonding capacity for future parking initiatives (construction and renovation).

### **B. Ordinances**

The City took steps to consolidate parking operations with the adoption of the following ordinances of parking facilities managed by other entities:

1. Ordinance No. 2010-213-196, adopted November 22, 2010, authorized the Chief Administrative Officer to execute an Agreement on behalf of the City for the purpose of purchasing the assets of the Broad Street Community Development Authority (CDA). By acquiring all of the CDA's assets, the City took over the management of the five public parking facilities. The acquisition added a total of 1,945 off-street parking spaces to the City's inventory.
2. Ordinance No. 2012-139-107, adopted July 9, 2012, declared a public necessity for and to authorize the acquisition of the parcel of real property owned by the Richmond Redevelopment and Housing Authority located at 501 N. 7th Street (Coliseum Garage) and 1310-D E. Canal Street (Shockoe Plaza Garage). The acquisition added a total of 1,457 off-street parking spaces to the City's inventory.



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

3. Ordinance No. 2013-76-48, adopted April 8, 2013, declared a public necessity for and to authorize the acquisition of the parcel of real property owned by the Richmond Metropolitan Authority located at 7 S. Crenshaw Street and 16 S. Colonial Street. The acquisition added a total of 220 off-street parking spaces to the City's inventory.
4. Ordinance No. 2013-122-126, adopted June 24, 2013, declared a public necessity for and to authorize the acquisition of the parcel of real property owned by the Richmond Metropolitan Authority located at 201 E. Grace Street. The acquisition added a total of 350 off-street parking spaces to the City's inventory.
5. Ordinance No. 2013-167-184, adopted October 14, 2013, declared a public necessity for and to authorize the acquisition of the parcel of real property owned by the Richmond Metropolitan Authority located at 901 E. Canal Street. The acquisition added a total of 991 off-street parking spaces to the City's inventory.

**C. Parking Facilities**

The Parking Enterprise consists of 1,475 on-street spaces and 5,463 off-street spaces at the following parking facilities:

1. Former (CDA) five parking facilities:
  - a. 401 E. Broad Street surface lot - (117 parking spaces)
  - b. 609 E. Grace Street surface lot - (124 parking spaces)
  - c. 500 E. Marshall Street garage - (1,000 parking spaces)
  - d. 607 E. Marshall Street garage - (610 parking spaces)
  - e. 612 E. Franklin Street garage - (94 parking spaces)
2. Biotech Garage, 600 N. 5th St, is a shared facility with six levels; i.e. three below grade level operated by the State of Virginia and three above grade level operated by the City. Biotech facilities staff (Commonwealth of Virginia) performs general maintenance. There is a condominium agreement in place between the City and the State, and all expenses are reconciled between the two. (216 parking spaces)
3. Former RRHA parking facilities:
  - a. Coliseum garage, 501 N. 7th Street - (923 parking spaces)
  - b. Shockoe Plaza garage, 1310-D E. Canal Street - (534 parking spaces)
4. Former Richmond Metropolitan Transportation Authority (RMTA) parking facilities:
  - a. Carytown garages - 7 S. Crenshaw Street and 16 S. Colonial Street (220 parking spaces)
  - b. 201 East Grace Street garage (350 parking spaces)
  - c. Downtown Expressway garage - 901 E. Canal Street (991 parking spaces)
5. 8th & Clay Street surface lot - (70 parking spaces)
6. 17th Street Farmers Market - (145 parking spaces)
7. 100 block of W. Grace Street - (69 parking spaces)

**D. Accounting and Operations**

As part of the City's consolidation, the parking functions of the Departments of Finance, Police, and Public Works were integrated into the new parking division as part of the Department of Public Works (DPW) which is responsible for payment and fine collections, processing of parking tickets, scheduling times for citizens to appear in General District Court to appeal their parking tickets, final administrative voids, and the administration of the distribution and tracking for the residential parking permit program. DPW is the collection liaison with Clancy Systems Inc., the vendor responsible for the computer system that issues parking tickets. Clancy Systems Inc. also supplies on-street enforcement, with ticket writing devices, envelopes, and citations. The DPW, in conjunction with the Police Department, has the responsibility to enforce parking regulations. However, as with many police departments of comparable size and demographics, this responsibility has been partially outsourced to ensure that adequate attention is given to the issuance of parking citations, although the Police Department still retains the sole responsibility for towing both abandoned and illegally parked vehicles.

In 2012, the City hired a third-party operator, SP Plus, to handle day to day operations of both on and off street parking operations. The scope of work includes all services required to manage and operate the City's parking assets, including but not limited to: 1) operational maintenance, 2) bookkeeping, accounting and auditing functions, 3) administering and accounting for monthly parkers, and 4) maintaining all operating equipment to successfully manage the listed parking facility spaces. The operator shall manage facilities in a clean, safe, secure, and presentable manner at all times, furnish

**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**



all labor, equipment, materials, tools, insurance, and all other items necessary to manage successfully all off-street parking facilities, on-street parking enforcement, immobilization, parking meter collections, parking citation management, and parking meter maintenance and replacement services program.

As of July 1, 2014, capital assets associated with the Parking Enterprise Fund were transferred from General Government funds to the Parking Enterprise Fund. Total book values of assets and related debt cost transferred as follows:

**Capital Assets transferred from Governmental Activities to  
 Business-type Activities-Parking Enterprise Fund**

<u>Assets:</u>	<u>Book Value</u>
Buildings and Structures	\$ 32,164,448
Land and Improvements	14,199,915
Equipment	783,680
Total	<u>\$ 47,148,043</u>
<u>Liabilities:</u>	
Debt	<u>\$ 74,028,269</u>
<u>Net Position</u>	
Net investment in capital assets	<u>\$ (26,880,226)</u>

The related operating activities were reported previously in the Special Revenue Fund and are now reported in Business-type Activities Non-Major Enterprise Funds.

**17. CHANGE IN REPORTING ENTITY AND RESTATEMENT OF BEGINNING BALANCES**

The City has restated the FY 2015 beginning balance of governmental activities for capital assets. The majority of this is a result of decreasing construction work in progress by \$12.4 million due to the title transfer of the Landmark Theater to the Economic and Community Development Authority of the City of Richmond and decreasing capital assets due to transferring assets from the Governmental Activities to Business-type Activities (Parking Fund), net of depreciation, by \$47.1 million. The remaining amount was due to prior period adjustments related to General Government Infrastructure.

In November 2013, GASB issued Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB No. 68. The principal objective to address amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The following two schedules illustrate these changes:



**CITY OF RICHMOND, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015**

Primary Government - Governmental Activities	June 30, 2014		
	As Previously		June 30, 2014
	Reported	Restatement	As Restated
<b>Capital Asset Change</b>			
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 108,012,051	\$ (14,199,921)	\$ 93,812,130
Construction In Progress	311,614,843	(12,401,610)	299,213,233
Works of Art/Historical Treasures	6,990,396	-	6,990,396
Total Capital Assets Not Being Depreciated	426,617,290	(26,601,531)	400,015,759
Capital Assets Being Depreciated:			
Infrastructure	810,051,111	(5,114,592)	804,936,519
Building and Structures	544,318,837	(33,086,708)	511,232,129
Equipment and Other Assets	122,965,229	(6,153,488)	116,811,741
Improvements Other Than Buildings	17,554,496	1,051,205	18,605,701
Total Other Capital Assets	1,494,889,673	(43,303,583)	1,451,586,090
Less Accumulated Depreciation For:			
Infrastructure	505,485,897	1,087,631	506,573,528
Building and Structures	300,121,959	(1,489,521)	298,632,438
Equipment and Other Assets	100,758,592	(4,325,667)	96,432,925
Improvements Other Than Buildings	6,282,020	443,166	6,725,186
Total Accumulated Depreciation	912,648,468	(4,284,391)	908,364,077
Total Capital Assets Being Depreciated, Net	582,241,205	(39,019,192)	543,222,013
Governmental Activities' Capital Assets, Net	\$ 1,008,858,495	\$ (65,620,723)	\$ 943,237,772

**Other Business-type Activities:**

	June 30, 2014		
	As Previously		June 30, 2014
	Reported	Restatement	As Restated
<b>Capital Asset Change</b>			
Capital Assets Not Being Depreciated -			
Land and Land Improvements	\$ 12,770,860	\$ 14,268,255	\$ 27,039,115
Capital Assets Being Depreciated -			
Buildings and Structures	33,982,882	35,074,276	69,057,158
Equipment and Other Capital Assets	5,756,731	1,658,611	7,415,342
Total Capital Assets Being Depreciated	39,739,613	36,732,887	76,472,500
Less - Accumulated Depreciation For:			
Buildings and Structures	33,547,672	2,954,366	36,502,038
Equipment and Other Assets	5,829,133	140,914	5,970,047
Total Accumulated Depreciation	39,376,805	3,095,280	42,472,085
Total Capital Assets Being Depreciated, Net	362,808	33,637,607	34,000,415
Other Business-type Activity Capital Assets, Net	\$ 13,133,668	\$ 47,905,862	\$ 61,039,530



Fiscal Year 2015 Net Position balance net adjustments are as follows:

	Enterprise Funds										Internal Service Funds (ISF)					
	Governmental Activities	Business- type Activities	Gas	Water	Wastewater	Stormwater	Other			Fleet <sup>2</sup>	Radio <sup>2</sup>	Health Self- Insurance <sup>2</sup>	Advantage Richmond Corporation	Electric	Saves	Total ISF
							Cemeteries	Parking <sup>1</sup>	Coliseum							
June 30, 2014, Balance as previously reported	\$ 355,080,840	\$ 656,321,309	\$ 147,918,503	\$ 207,652,070	\$ 272,304,727	\$ 17,468,243	\$ (949,447)	\$ 7,731,677	\$ --	\$ (6,734,133)	\$ (3,798,104)	\$ (286,226)	\$ 6,795,909	\$ 29,281,802	\$ 6,177,536	\$ 31,436,784
Change in Reporting Entry																
Parking Fund Debt Transfer	74,028,269	(74,028,269)							(74,028,269)							
Parking Fund-Capital Assets	(47,148,043)	46,890,115							46,890,115							
Restatements																
- Capital Assets-Governmental & BTA	(18,472,680)	1,015,748					1,015,748			(819,952)	49,785					(770,167)
- GASB #68-Person Restatement	(256,021,666)	(36,464,927)	(13,169,252)	(6,235,004)	(10,048,969)	(3,284,158)	(1,220,456)	(179,037)	(2,029,845)	(92,445)	(1,612,552)				(327,031)	(4,061,673)
- Leases	1,337,932															
June 30, 2014, Balance as Restated	\$ 108,804,232	\$ 595,733,976	\$ 134,749,251	\$ 199,417,066	\$ 262,254,738	\$ 14,202,085	\$ 66,301	\$ 6,511,221	\$ (27,317,191)	\$ (9,583,930)	\$ (3,840,764)	\$ (286,226)	\$ 6,795,909	\$ 27,669,250	\$ -5,650,505	\$ 26,604,744

Parking's negative fund balance will be mitigated in the future by the positive changes in net position for FY 2015. Internal Service Funds' negative fund balance will be alleviated by increases in user fees.



Fiscal Year 2015 Net Position balance net adjustments are as follows:

Fiduciary Funds	Component Units						Component Units Total
	Richmond Public Schools	Richmond Economic Development	Richmond Behavioral Health	Richmond Redevelopment & Housing	Richmond Ambulance Authority	Richmond	
June 30, 2014, Balance as previously reported	\$ 634,110,024	\$ (14,739,002)	\$ 8,841,695	\$ 13,187,904	\$ 130,222,697	\$ 10,835,552	\$ 148,348,846
Restatements:							
- Adj to non-depreciable capital assets	--	--	--	--	(5,524,418)	--	(5,524,418)
- Loan Adjustment	1,534	--	--	--	--	--	--
- GASS #68-Pension Restatement	--	(273,658,472)	--	(9,033,864)	--	--	(282,692,336)
June 30, 2014, Balance as Restated	\$ 634,111,558	\$ (288,397,474)	\$ 8,841,695	\$ 4,154,040	\$ 124,698,279	\$ 10,835,552	\$ (139,867,908)





***REQUIRED SUPPLEMENTARY  
INFORMATION***



**CITY OF RICHMOND, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2015**

**EXHIBIT H-1**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
<b>City Taxes</b>				
Real Estate	\$ 219,000,000	\$ 219,000,000	\$ 223,491,278	\$ 4,491,278
Sales-1% Local	32,500,000	32,500,000	32,567,648	67,648
Sales Tax for Education	24,951,256	25,077,183	25,102,851	25,668
Personal Property	46,500,000	46,500,001	49,260,306	2,760,305
Machinery and Tools	15,500,000	15,500,000	12,838,347	(2,661,653)
Utility Sales Tax Gas	4,600,000	4,600,000	4,872,622	272,622
Utility Sales Tax Electric	12,200,000	12,200,000	12,479,100	279,100
Utility Sales Tax Telephone	-	-	294,792	294,792
State Communication Taxes	17,200,000	17,200,000	16,691,917	(508,083)
Bank Stock	8,500,000	8,500,000	8,816,474	316,474
Prepared Food	30,000,000	30,000,000	31,686,926	1,686,926
Lodging Tax	7,100,000	7,100,000	5,456,014	(1,643,986)
Admission	2,500,000	2,500,000	2,357,256	(142,744)
Real Estate Taxes - Delinquent	9,000,000	9,000,000	9,155,708	155,708
Personal Property Taxes - Delinquent	11,000,000	10,999,999	8,867,316	(2,132,683)
Private Utility Poles and Conduits	157,000	157,000	160,950	3,950
Penalties and Interest	4,700,000	4,699,999	4,384,082	(315,917)
Titling Tax-Mobile Home	6,000	6,000	9,083	3,083
State Recordation	750,000	750,000	661,291	(88,709)
Property Rental 1%	135,000	135,000	82,388	(52,612)
Vehicle Rental Tax	600,000	600,000	937,779	337,779
Telephone Commissions	338,000	338,000	538,474	200,474
<b>Total City Taxes</b>	<u>447,237,256</u>	<u>447,363,182</u>	<u>450,712,602</u>	<u>3,349,420</u>
<b>Licenses, Permits and Privilege Fees</b>				
Business and Professional	34,000,000	34,000,000	32,513,821	(1,486,179)
Vehicle	3,700,000	3,700,000	4,679,369	979,369
Transfers, Penalties, Interest & Delinquent Collections	-	8,817	10,407	1,590
Parking Fees & Permits	-	-	164,643	164,643
Utilities Right of Way Fees	775,000	775,000	1,025,928	250,928
Other Licenses, Permits and Fees	1,300,000	1,291,182	959,377	(331,805)
<b>Total Licenses, Permits and Privilege Fees</b>	<u>39,775,000</u>	<u>39,774,999</u>	<u>39,353,545</u>	<u>(421,454)</u>
<b>Intergovernmental</b>				
State Shared Expense	18,800,000	18,957,106	19,768,747	811,641
Total State Block Grant	4,500,000	4,500,000	4,267,702	(232,298)
Department of Social Services	40,775,001	43,859,367	42,713,448	(1,145,919)
Federal Revenues	500,000	500,000	1,263	(498,737)
Street Maintenance	24,500,000	24,500,000	25,294,781	794,781
State Aid to Localities	13,600,000	13,600,000	13,471,242	(128,758)
Service Charges on Tax Exempt Property (State PILOT)	3,400,000	3,400,000	3,012,581	(387,419)
All Other Intergovernmental Revenues	724,999	702,749	857,235	154,486
<b>Total Intergovernmental</b>	<u>\$ 106,800,000</u>	<u>\$ 110,019,222</u>	<u>\$ 109,386,999</u>	<u>\$ (632,223)</u>

(Continued)



**CITY OF RICHMOND, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2015**

**EXHIBIT H-1, Continued**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Service Charges</b>				
Commercial Dumping Fees	\$ 200,000	\$ 200,000	\$ 10,839	\$ (189,161)
Refuse Collection Fees	11,900,000	11,984,023	12,121,805	137,782
Safety Related Charges	200,000	200,000	246,055	46,055
Rental of Property	349,999	349,999	423,776	73,777
Building Service Charges	700,000	764,905	1,076,339	311,434
Inspection Fees	4,500,000	1,955,730	5,165,072	3,209,342
Recycling Proceeds	1,600,000	1,600,000	1,565,514	(34,486)
Health Related Charges	92,000	92,000	83,401	(8,599)
Other Sales - Income	200,001	200,001	231,443	31,442
Printing and Telecom Charges	250,000	250,000	602,497	352,497
Self Insurance	5,990,700	5,990,700	172,609	(5,818,091)
Other Service Charges	1,900,000	1,815,977	1,719,466	(96,511)
<b>Total Service Charges</b>	<u>27,882,700</u>	<u>25,403,335</u>	<u>23,418,816</u>	<u>(1,984,519)</u>
<b>Fines and Forfeitures</b>				
Richmond Public Library	89,000	89,000	80,935	(8,065)
Circuit Court	4,000,000	4,000,000	4,592,932	592,932
General District Court	1,600,000	1,600,000	1,240,870	(359,130)
Juvenile and Domestic Relations District Court	8,000	8,000	5,765	(2,235)
Parking Violations	-	-	(97,620)	(97,620)
<b>Total Fines and Forfeitures</b>	<u>5,697,000</u>	<u>5,697,000</u>	<u>5,822,882</u>	<u>125,882</u>
<b>Utility Payments</b>				
Utility Pilot Payment	25,642,100	25,642,100	25,642,100	-
Utility Payment - City Services	2,950,900	2,950,900	2,950,900	-
Utilities Payment for Collection Service	558,500	558,500	255,885	(302,615)
<b>Total Utility Payments</b>	<u>29,151,500</u>	<u>29,151,500</u>	<u>28,848,885</u>	<u>(302,615)</u>
<b>Miscellaneous Revenues</b>				
Department of Information Technology Charges	550,000	550,000	652,888	102,888
Reimbursement of Interest on Long-term Debt	566,269	566,269	578,184	11,915
Internal Service Fund Payments	350,000	350,000	390,896	40,896
Miscellaneous Revenues	400,000	1,332,423	4,676,498	3,344,075
Other Payments to General Fund	600,000	599,999	1,590,617	990,618
<b>Total Miscellaneous Revenues</b>	<u>2,466,269</u>	<u>3,398,691</u>	<u>7,889,083</u>	<u>4,490,392</u>
<b>Total General Fund Revenues</b>	<u>\$ 659,009,725</u>	<u>\$ 660,807,929</u>	<u>\$ 665,432,812</u>	<u>\$ 4,624,883</u>

(Continued)



**CITY OF RICHMOND, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2015**

EXHIBIT H-1, Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures</b>				
<b>Current</b>				
<b>General Government</b>				
City Council	\$ 1,309,290	\$ 1,366,901	\$ 1,258,950	\$ 107,951
City Clerk	908,650	925,208	855,622	69,586
Planning and Development Review	9,228,148	9,088,272	8,433,143	655,129
Assessor of Real Estate	3,086,738	2,909,310	2,773,671	135,639
City Auditor	1,939,641	1,723,724	1,621,637	102,087
Department of Law	2,624,909	2,594,041	2,477,493	116,548
General Registrar	1,749,347	1,750,670	1,425,069	325,601
Department of Information Technology	23,749,464	24,036,014	23,881,821	154,193
Chief Administrative Officer	1,513,663	1,547,071	1,509,695	37,376
Budget and Strategic Planning	1,181,094	1,179,620	1,121,681	57,939
Department of Human Resources	3,291,528	3,132,325	2,823,097	309,228
Department of Finance	22,382,415	22,959,523	21,217,645	1,741,878
Procurement Services	1,092,909	1,243,419	1,156,912	86,507
Office of Press Secretary to Mayor	492,811	492,786	461,299	31,487
City Treasurer	183,982	189,081	188,993	88
Economic/Community Development	6,175,606	6,948,629	5,158,463	1,790,166
Council Chief of Staff	1,216,795	1,198,603	1,157,656	40,947
Minority Business Development	734,762	736,575	673,044	63,531
City Mayor's Office	1,057,285	1,055,143	955,248	99,895
Total General Government	<u>83,919,037</u>	<u>85,076,915</u>	<u>79,151,139</u>	<u>5,925,776</u>
<b>Public Safety and Judiciary</b>				
Judiciary	10,378,831	10,583,900	10,265,211	318,689
Juvenile and Domestic Relations District Court	401,854	488,279	379,956	108,323
City Sheriff	35,283,996	36,950,397	36,787,084	163,313
Department of Police	83,735,072	85,375,126	84,706,272	668,854
Department of Emergency Communications	3,626,491	3,870,262	3,880,229	(9,967)
Department of Fire and Emergency Services	43,947,284	46,131,732	44,720,143	1,411,589
Animal Control	1,662,011	1,702,126	1,627,179	74,947
Total Public Safety and Judiciary	<u>179,035,539</u>	<u>185,101,822</u>	<u>182,366,074</u>	<u>2,735,748</u>
<b>Highways, Streets, Sanitation and Refuse</b>				
Department of Public Works	<u>59,025,645</u>	<u>61,209,540</u>	<u>59,848,392</u>	<u>1,361,148</u>
<b>Human Services</b>				
Office of DCAO for Human Services	2,025,723	1,989,384	1,904,160	85,224
Department of Social Services	49,833,074	48,568,368	48,805,564	(237,196)
Justice Services	10,071,054	9,201,685	9,231,485	(29,800)
Department of Public Health	3,668,726	3,853,726	3,853,726	--
Total Human Services	<u>65,598,577</u>	<u>63,613,163</u>	<u>63,794,935</u>	<u>(181,772)</u>
<b>Culture and Recreation</b>				
Richmond Public Library	5,587,121	5,542,860	5,506,243	36,617
Department of Parks, Recreation and Community Facilities	15,983,168	15,809,795	18,490,741	(2,680,946)
Total Culture and Recreation	<u>21,570,289</u>	<u>21,352,655</u>	<u>23,996,984</u>	<u>(2,644,329)</u>
<b>Education</b>				
Richmond Public Schools	\$ 159,771,063	\$ 162,170,840	\$ 162,170,840	\$ --



'Continued'

**CITY OF RICHMOND, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2015**

**EXHIBIT H-1, Concluded**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Non-Departmental</b>				
Payments to Other Government Agencies	\$ 12,763,671	\$ 17,513,278	\$ 18,142,961	\$ (629,683)
Tax Relief	3,000,000	3,000,000	2,895,210	104,790
GRTC	13,244,049	13,244,049	13,244,050	(1)
RRS Contributions/Retiree's Health Care Program	4,237,416	4,237,416	5,211,810	(974,394)
Contributions	23,436,522	17,081,143	12,858,689	4,222,454
<b>Total Non-Departmental</b>	<u>56,681,658</u>	<u>55,075,886</u>	<u>52,352,720</u>	<u>2,723,166</u>
<b>Total General Fund Expenditures</b>	<u>625,601,808</u>	<u>633,600,821</u>	<u>623,681,084</u>	<u>9,919,737</u>
Excess of Revenues Over Expenditures	<u>33,407,917</u>	<u>27,207,108</u>	<u>41,751,728</u>	<u>14,544,620</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In - Other Funds	7,111,695	2,832,700	2,832,700	--
Transfers Out - Other Funds	<u>(68,850,789)</u>	<u>(68,321,141)</u>	<u>(64,768,637)</u>	<u>3,552,504</u>
<b>Total Other Financing Sources (Uses), Net</b>	<u>(61,739,094)</u>	<u>(65,488,441)</u>	<u>(61,935,937)</u>	<u>3,552,504</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(28,331,177)</u>	<u>(38,281,333)</u>	<u>(20,184,209)</u>	<u>18,097,124</u>
Fund Balance - Beginning of Year	<u>126,350,523</u>	<u>126,350,523</u>	<u>126,350,523</u>	<u>--</u>
Fund Balance - End of Year	<u>\$ 98,019,346</u>	<u>\$ 88,069,190</u>	<u>\$ 106,166,314</u>	<u>\$ 18,097,124</u>



**CITY OF RICHMOND, VIRGINIA**  
**NOTE TO BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2015**

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 in 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 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 the total expenditures of any department or agency must be approved by the City Council.
- Formal budgetary integration is employed as a management control device during the year for all funds
- Budgets for the General Fund, Debt Service Fund, 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 the fiscal year, 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, 2015:

Department of Emergency Communications	(9,967)
Department of Social Services	(237,196)
Justice Services	(29,800)
Department of Parks, Recreation and Community Facilities	(2,680,946)
Payments to Other Government Agencies	(629,683)
GRTC	(1)
RRS Contributions/Retiree's Health Care Program	(974,394)

**REQUIRED SUPPLEMENTARY INFORMATION  
PENSION LIABILITY**



**Richmond Retirement System**

**Table 1  
Schedule of Changes in the Employers' Net Pension Liability and Related Ratios  
For the Fiscal year Ended June 30, 2015**

<b>Total pension liability</b>	
Service cost	\$ 10,368,390
Interest	60,753,726
Changes of benefit terms	8,476,904
Differences between expected and actual expenses	1,608,297
Changes of assumptions	(26,079,951)
Benefit Payments, including refunds of member contributions	<u>(65,549,787)</u>
<b>Net change in total pension liability</b>	<b>(10,422,421)</b>
<b>Total pension liability - beginning</b>	<b>842,232,056</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 831,809,634</u></b>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 41,228,673
Contributions - member	2,062,759
Net investment income	74,451,688
Benefit payments, including refunds of member contributions	(65,549,788)
Administrative expense	(1,283,342)
Other	--
<b>Net change in plan fiduciary net position</b>	<b>50,909,990</b>
<b>Plan fiduciary net position - beginning</b>	<b>479,658,967</b>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 530,568,957</u></b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 301,240,677</b>
Plan fiduciary net position as a percentage of the total pension liability	63.8%
<b>Covered-employee payroll</b>	<b>\$ 107,834,516</b>
City's net pension liability as a percentage of covered-employee payroll	279.4%

**Table 2  
Schedule of Employer's Contribution  
For the Fiscal year Ended June 30, 2015**

Actuarially determined contribution	\$ 42,342,620
Contribution in relation to the actuarially determined contribution	<u>42,342,620</u>
Contribution deficiency/(excess)	<u>\$ --</u>
Covered employee payroll	\$ 107,834,516
Contribution as a percentage of covered employee payroll	39.3%



**REQUIRED SUPPLEMENTARY INFORMATION  
PENSION LIABILITY**

**Methods and Assumptions Used to Determine Contribution Rates  
For the Fiscal Year Ended June 30, 2015**

Valuation Date	July 1, 2013 Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.
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	Twenty years for remaining unfunded accrued liability as of July 1, 2006; 20 years for subsequent changes.
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	3.0%
Salary Increases - General Employees	3.0% to 5.0%
Salary Increases - Police and Fire Employees	3.0% to 4.5%
Investment Rate of Return	7.5%
Retirement Age - General Employees	Twenty percent in the first year of unreduced retirement eligibility; three percent at age 55, increasing to 100 percent at age 75.
Retirement Age - Police and Fire Employees	Forty percent in the first year of unreduced retirement eligibility; nine percent at age 50, increasing to 100 percent at age 64.
Mortality - General Employees	RP-2000 Mortality Table with two-year set-forward for males.
Mortality - Police and Fire Employees	RP-2000 Mortality Table
Schedule of Investment Returns	
Annual Money-weighted Rate of Return, Net of Investment Expense	15.5%

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 and were provided to NEPC by the client. The methodology used to determine the money-weighted rate of return is different from the calculation of the fiscal year rate of return (which was 15.9% net of fees). Cash flows have a larger impact on the money-weighted rate of return than the fiscal year rate of return, which uses a time-weighted calculation.



**REQUIRED SUPPLEMENTARY INFORMATION  
PENSION LIABILITY**



**Virginia Retirement System**

**Table 1  
Schedule of Changes in the Employers' Net Pension Liability and Related Ratios  
For the Fiscal year Ended June 30, 2015**

<b>Total pension liability</b>	
Service cost	\$ 3,295,894
Interest	7,369,694
Differences between expected and actual expenses	(479,419)
Benefit payments, including refunds of member contributions	<u>(5,623,313)</u>
Net change in total pension liability	\$ 4,562,856
Total pension liability - beginning	\$ 108,332,204
<b>Total pension liability - ending (a)</b>	<b><u>\$ 112,895,060</u></b>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 3,497,052
Contributions - member	1,276,061
Net investment income	13,713,152
Benefit payments, including refunds of member contributions	(6,101,732)
Administrative expense	(74,396)
Other	723
Net change in plan fiduciary net position	<u>\$ 12,310,860</u>
Plan fiduciary net position - beginning	\$ 88,099,002
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 100,409,862</u></b>
<b>City's net pension liability - ending (a) minus (b)</b>	<b>\$ 12,485,198</b>
Plan fiduciary net position as a percentage of the total pension liability	88.9%
Covered employee payroll	\$ 25,652,406
City's net pension liability as a percentage of covered employee payroll	48.7%

**Table 2  
Schedule of City's Contribution  
For the Fiscal year Ended June 30, 2015**

Actuarially determined contribution	\$ 3,497,052
Contribution in relation to the actuarially determined contribution	3,497,052
Contribution excess	<u>\$ --</u>
Covered employee payroll	\$ 25,652,406
Contribution as a percentage of covered employee payroll	13.6%



## REQUIRED SUPPLEMENTARY INFORMATION PENSION LIABILITY

### Method and Assumptions Used to Determine Contribution Rates - VRS

For the fiscal year ended June 30, 2015, the City's annual pension costs of \$3,497,052 was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2013 actuarial valuation, using the entry age actuarial cost method. The actuarial methods and assumptions used in calculations to determine contributions included:

- An investment rate of return (net of pension plan investment expense, including inflation) of 7%
- Projected salary increases of 3.50% to 5.35% per year
- A cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees.
- Amortization method - Level percent, closed
- Remaining amortization period 30 years
- Asset valuation method - 5-year smoothed market

### Mortality Rates

Fourteen percent of deaths are assumed to be service related.

#### A. Largest 10 – Non-LEOS

1. Pre-Retirement: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward four years and females were set back two years;
2. Post-Retirement: RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward one year;
3. Post-Disablement: RP-2000 Disability Life Mortality Table Projected to 2020 with males set back three years and no provision for future mortality improvement.

#### B. All Others (Non 10 Largest) – Non-LEOS

1. Pre-Retirement: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward four years and females were set back two years;
2. Post-Retirement: RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward one year;
3. Post-Disablement: RP-2000 Disability Life Mortality Table Projected to 2020 with males set back three years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

#### A. Largest 10 – Non-LEOS

1. Update mortality table
2. Decrease in rates of service retirement
3. Decrease in rates of disability retirement
4. Reduce rates of salary increase by 0.25% per year

#### B. All Others (Non 10 Largest) – Non-LEOS

1. Update mortality table
2. Decrease in rates of service retirement
3. Decrease in rates of disability retirement
4. Reduce rates of salary increase by 0.25% per year



## **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, Emergency Shelter, H.O.M.E. Investment Partnerships 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.*

#### **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.*

#### **Memorial**

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



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**CITY OF RICHMOND, VIRGINIA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2015**

**EXHIBIT I-1**

	Special Revenue		Permanent Funds			Total
	Grant Revenue Funds	Consolidated HUD Funds*	Memorial	Recreation	Richmond Public Library	
<b>Assets</b>						
Cash and Cash Equivalents	\$ -	\$ 1,508,072	\$ -	\$ -	\$ -	\$ 1,508,072
Accounts Receivable, Net	245,965	11,981,277	-	-	-	12,227,242
Due From Other Funds	18,210,432	-	-	-	-	18,210,432
Due From Other Governments	5,692,361	906,419	-	-	-	6,598,780
Restricted Assets	-	-	6,536	33,057	33,718	73,311
Total Assets	<u>24,148,758</u>	<u>14,395,768</u>	<u>6,536</u>	<u>33,057</u>	<u>33,718</u>	<u>38,617,837</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts Payable	5,650,249	1,717,247	-	-	-	7,367,496
Accrued Liabilities	71,717	8,542	-	-	-	80,259
Due To Other Funds	2,961,483	2,547,223	64	-	-	5,508,770
Due To Other Governments	-	92,796	-	-	-	92,796
Total Liabilities	<u>8,683,449</u>	<u>4,365,808</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>13,049,321</u>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue-Grant Proceeds	509,630	10,185,636	-	-	-	10,695,266
Total Deferred Inflows of Resources	<u>509,630</u>	<u>10,185,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,695,266</u>
<b>Fund Balances:</b>						
Nonspendable	-	-	1,930	25,000	12,000	38,930
Restricted	-	-	4,542	8,057	21,718	34,317
Assigned*	14,955,679	(155,676)	-	-	-	14,800,003
Total Fund Balances*	<u>14,955,679</u>	<u>(155,676)</u>	<u>6,472</u>	<u>33,057</u>	<u>33,718</u>	<u>14,873,250</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 24,148,758</u>	<u>\$ 14,395,768</u>	<u>\$ 6,536</u>	<u>\$ 33,057</u>	<u>\$ 33,718</u>	<u>\$ 38,617,837</u>

\*HUD's negative Fund Balance was primarily due to timing differences. This should be alleviated in FY16.



**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, 2015**

EXHIBIT I-2

	Special Revenue		Permanent Funds			
	Grant Revenue	Consolidated			Richmond Public	Total
	Funds	HUD Funds*	Memorial	Recreation	Library	
<b>Revenues</b>						
Intergovernmental	\$ 17,287,788	\$ 7,892,240	\$ --	\$ --	\$ --	\$ 25,180,028
Investment Income	8,747	--	--	37	22	8,806
Miscellaneous	6,441,259	424,115	265	--	3	6,865,642
Total Revenues	<u>23,737,794</u>	<u>8,316,355</u>	<u>265</u>	<u>37</u>	<u>25</u>	<u>32,054,476</u>
<b>Expenditures</b>						
Current:						
General Government	4,267,520	7,750,149	65	832	555	12,019,121
Public Safety and Judiciary	7,925,157	--	--	--	--	7,925,157
Highways, Streets, Sanitation and Refuse	1,872,223	--	--	--	--	1,872,223
Human Services	18,036,877	58,871	--	--	--	18,095,748
Culture and Recreation	2,210,403	4,654	--	--	--	2,215,057
Total Expenditures	<u>34,312,180</u>	<u>7,813,674</u>	<u>65</u>	<u>832</u>	<u>555</u>	<u>42,127,306</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(10,574,386)</u>	<u>502,681</u>	<u>200</u>	<u>(795)</u>	<u>(530)</u>	<u>(10,072,830)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In-Other Funds	7,410,976	--	--	--	--	7,410,976
Transfers Out-Other Funds	--	(658,357)	--	--	--	(658,357)
Total Other Financing Sources (Uses), Net	<u>7,410,976</u>	<u>(658,357)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,752,619</u>
Net Change in Fund Balances	<u>(3,163,410)</u>	<u>(155,676)</u>	<u>200</u>	<u>(795)</u>	<u>(530)</u>	<u>(3,320,211)</u>
Fund Balance - Beginning of Year	18,119,089	--	6,272	33,852	34,248	18,193,461
Fund Balance - End of Year*	<u>\$ 14,955,679</u>	<u>\$ (155,676)</u>	<u>\$ 6,472</u>	<u>\$ 33,057</u>	<u>\$ 33,718</u>	<u>\$ 14,873,250</u>

\*HUD's negative Fund Balance was primarily due to timing differences. This should be alleviated in FY16.



**CITY OF RICHMOND, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
For the Fiscal Year Ended June 30, 2015**

EXHIBIT I-3

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental Revenues and Service Charges	\$ 40,240,000	\$ 57,485,738	\$ 8,635,077	\$ (48,850,661)
Total Intergovernmental Revenues	40,240,000	57,485,738	8,635,077	(48,850,661)
<b>Investment Earnings and Contributions</b>				
Interest Earned on Restricted Funds	-	-	17,852	17,852
Local Matches and Contributions	100,000	520,000	601,965	81,965
Total Investment Earnings	100,000	520,000	619,817	99,817
<b>Miscellaneous Revenues</b>				
Special Revenue Funds	260,000	260,000	-	(260,000)
Miscellaneous	-	-	50,000	50,000
Total Miscellaneous Revenues	260,000	260,000	50,000	(260,000)
Total Revenues	40,600,000	58,265,738	9,304,894	(49,010,844)
<b>Expenditures</b>				
<b>Capital Outlay:</b>				
City Facility Maintenance & Improvements	3,697,770	3,697,770	6,034,710	(2,336,940)
Culture & Recreation	11,300,759	11,300,759	10,196,338	1,104,421
Economic & Community Development	16,227,444	40,727,444	13,553,024	27,174,420
Education	38,827,659	39,727,659	28,502,135	11,225,524
Public Safety	11,515,807	11,515,807	15,292,138	(3,776,331)
Transportation	31,679,402	46,488,834	32,583,445	13,905,389
City Equipment & Other Infrastructure Investment	5,190,487	5,926,793	376,721	5,550,072
Debt Issuance Cost	-	-	1,324,747	(1,324,747)
Total Expenditures	118,439,328	159,385,066	107,863,258	51,521,808
Excess(Deficiency) of Revenues Over(Under) Expenditures	(77,839,328)	(101,119,328)	(98,558,364)	2,510,964
<b>Other Financing Sources (Uses)</b>				
Proceeds from Issuance of General Obligation Bonds	76,108,841	99,108,841	40,000,000	(59,108,841)
Transfers In-Other Funds	1,930,487	1,930,487	3,313,234	1,382,747
Transfers Out-Other Funds	(200,000)	(200,000)	-	200,000
Total Other Financing Sources, Net	77,839,328	100,839,328	43,313,234	(57,526,094)
Net Change in Fund Balance	-	(280,000)	(55,245,130)	(55,015,130)
Fund Balance - Beginning of Year	4,075,107	40,705,107	(46,318,729)	(87,023,836)
Fund Balance - End of Year	\$ 4,075,107	\$ 40,425,107	\$ (101,563,859)	\$ (142,038,966)



**CITY OF RICHMOND, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2015**

**EXHIBIT I-4**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Principal Payments</b>				
<b>General Obligation Bonds</b>				
General Government Projects	\$ 15,592,341	\$ 15,592,341	\$ 15,592,341	\$ -
Justice Center Project	1,546,257	1,546,257	1,546,257	-
Carpenter Center Project	983,075	983,075	983,075	-
Transportation Projects	3,504,089	3,504,089	3,504,089	-
School Capital Improvement Projects	6,828,406	6,828,406	6,828,406	-
Landmark Theatre Project	452,837	452,837	452,837	-
730 Theater Row Building Project	1,063,725	1,063,725	1,063,725	-
Total General Obligation Bonds	<u>29,970,730</u>	<u>29,970,730</u>	<u>29,970,730</u>	<u>-</u>
<b>Other Debt Instruments</b>				
HUD Section 108 Notes	570,000	570,000	570,000	-
Leigh Street Project	2,000,000	2,000,000	500,000	1,500,000
Total Other Debt Instruments	<u>2,570,000</u>	<u>2,570,000</u>	<u>1,070,000</u>	<u>1,500,000</u>
Total Principal Payments	<u>32,540,730</u>	<u>32,540,730</u>	<u>31,040,730</u>	<u>1,500,000</u>
<b>Interest Payments</b>				
<b>General Obligation Bonds</b>				
General Government Projects	9,717,093	11,655,961	9,571,750	2,084,211
Justice Center Project	3,699,432	3,885,737	3,884,887	850
Carpenter Center Project	982,152	982,152	819,648	162,504
Transportation Projects	2,442,115	2,530,031	2,449,671	80,360
Schools Capital Improvement Projects	6,531,900	6,896,258	6,851,061	45,197
Landmark Theater Project	52,736	52,736	52,736	-
730 Theater Row Project	135,215	135,215	135,215	-
New FY2015 GO Bond Issue	2,577,447	-	-	-
Total General Obligation Bonds	<u>26,138,090</u>	<u>26,138,090</u>	<u>23,764,968</u>	<u>2,373,122</u>
<b>Other Debt Instruments</b>				
HUD Section 108 Notes	260,544	260,544	7,419	253,125
Total Other Debt Instruments	<u>260,544</u>	<u>260,544</u>	<u>7,419</u>	<u>253,125</u>
<b>Interest - Short Term Debt</b>				
GO Bond Anticipation Notes	1,875,000	1,875,000	239,150	1,635,850
Leigh Street Projects	250,000	250,000	65,928	184,072
Total Interest Payments	<u>28,523,634</u>	<u>28,523,634</u>	<u>24,077,465</u>	<u>4,446,169</u>
Total	<u>\$ 61,064,364</u>	<u>\$ 61,064,364</u>	<u>\$ 55,118,195</u>	<u>\$ 5,946,169</u>





## **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.*

*The Non-major Proprietary Funds are:*

**Richmond Coliseum**

*(Coliseum) promotes and operates the Coliseum facility.*

**Cemeteries**

*(Cemeteries) maintains and operates cemeteries.*

**Parking Enterprise**

*(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, 2015**

EXHIBIT J-1

	Coliseum	Cemeteries	Parking Garages*	Total
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,718,605	\$ 1,718,605
Accounts Receivable, Net	1,153,118	65,749	-	1,218,867
Due from Other Funds	-	216,459	-	216,459
Prepaid Expenses and Other Current Assets	54,157	-	-	54,157
<b>Total Current Assets</b>	<b>1,207,275</b>	<b>282,208</b>	<b>1,718,605</b>	<b>3,208,088</b>
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Land	4,582,160	8,188,700	14,268,255	27,039,115
Buildings and Structures	34,366,689	601,429	34,089,040	69,057,158
Equipment	5,723,463	213,268	1,478,611	7,415,342
Less Accumulated Depreciation	(39,056,113)	(629,113)	(4,507,427)	(44,192,653)
<b>Total Noncurrent Assets</b>	<b>5,616,199</b>	<b>8,374,284</b>	<b>45,328,479</b>	<b>59,318,962</b>
<b>Total Assets</b>	<b>6,823,474</b>	<b>8,656,492</b>	<b>47,047,084</b>	<b>62,527,050</b>
<b>Deferred Outflow of Resources</b>				
Pension Related Activities	-	198,168	29,071	227,239
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>198,168</b>	<b>29,071</b>	<b>227,239</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts Payable	943,161	45,426	469,125	1,457,712
Advance Sales	345,258	-	-	345,258
Due To Other Funds	425,000	611,059	-	1,036,059
Accrued Interest on Bonds	84,822	6,161	1,300,588	1,391,571
General Obligation Bonds	628,667	49,698	4,466,518	5,144,883
Compensated Absences	-	61,290	16,092	77,382
<b>Total Current Liabilities</b>	<b>2,426,908</b>	<b>773,634</b>	<b>6,252,323</b>	<b>9,452,865</b>
<b>Noncurrent Liabilities:</b>				
General Obligation Bonds	3,776,228	249,034	65,268,255	69,293,517
Compensated Absences	-	18,313	18,315	36,628
Net Pension Liability	-	1,319,236	193,528	1,512,764
<b>Total Noncurrent Liabilities</b>	<b>3,776,228</b>	<b>1,586,583</b>	<b>65,480,098</b>	<b>70,842,909</b>
<b>Total Liabilities</b>	<b>6,203,136</b>	<b>2,360,217</b>	<b>71,732,421</b>	<b>80,295,774</b>
<b>Deferred Inflow of Resources</b>				
Pension Related Activities	-	240,510	35,282	275,792
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>240,510</b>	<b>35,282</b>	<b>275,792</b>
<b>Net Position</b>				
Net Investment in Capital Assets	1,211,303	8,075,551	(24,406,294)	(15,119,440)
Unrestricted	(590,965)	(1,821,618)	(285,254)	(2,697,837)
<b>Total Net Position</b>	<b>\$ 620,338</b>	<b>\$ 6,253,933</b>	<b>\$ (24,691,548)</b>	<b>\$ (17,817,277)</b>

\*Parking's negative Net Position will be alleviated in the future with positive changes to net position.



**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, 2015**

EXHIBIT J-2

	Coliseum	Cemeteries	Parking Garages	Total
<b>Operating Revenues</b>				
Charges for Goods and Services	\$ 1,585,548	\$ 1,592,307	\$ 14,803,836	\$ 17,981,691
<b>Operating Expenses</b>				
Salaries and Wages	-	1,470,813	385,107	1,855,920
Materials and Supplies	303,909	65,537	2,762	372,208
Rents and Utilities	498,792	31,485	-	530,277
Maintenance and Repairs	114,776	48,811	4,769,757	4,933,344
Depreciation and Amortization	135,883	23,050	1,561,636	1,720,569
Miscellaneous Operating Expenses	1,332,202	260,299	1,267,783	2,860,284
Total Operating Expenses	2,385,562	1,899,995	7,987,045	12,272,602
Operating Income (Loss)	(800,014)	(307,688)	6,816,791	5,709,089
<b>Non-Operating Revenues (Expenses)</b>				
Government Subsidies and Contributions	1,540,337	63,938	-	1,604,275
Interest and Fiscal Charges	(186,286)	(13,538)	(4,191,148)	(4,390,972)
Total Non-Operating Revenues(Expenses), Net	1,354,051	50,400	(4,191,148)	(2,786,697)
 Change In Net Position	 554,037	 (257,288)	 2,625,643	 2,922,392
Net Position - Beginning of Year (Restated)	66,301	6,511,221	(27,317,191)	(20,739,669)
Net Position - End of Year	\$ 620,338	\$ 6,253,933	\$ (24,691,548)	\$ (17,817,277)

Parking's negative Net Position will be alleviated in the future with positive changes to net position.



**CITY OF RICHMOND, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

**EXHIBIT J-3**

	Coliseum	Cemeteries	Parking Garages	Total
<b>Cash Flows From Operating Activities</b>				
Receipts from Customers	\$ 1,506,514	\$ 1,604,716	\$ 14,803,836	\$ 17,915,066
Payments to Suppliers	(2,226,909)	(367,931)	(5,571,177)	(8,166,017)
Payments to Employees	—	(1,329,691)	(329,998)	(1,659,689)
Net Cash Provided by (Used In)				
Operating Activities	(720,395)	(92,906)	8,902,661	8,089,360
<b>Cash Flows From Noncapital Financing Activities</b>				
Government Subsidies and Contributions	1,540,337	63,938	—	1,604,275
Due from Other Funds	—	(156,496)	—	(156,496)
Due to Other Funds	—	249,403	—	249,403
Net Cash Provided By				
Noncapital Financing Activities	1,540,337	156,845	—	1,697,182
<b>Cash Flows From Capital and Related Financing Activities</b>				
Repayments of GO Bonds and Capital Leases	(620,256)	(49,354)	(4,293,496)	(4,963,106)
Interest Paid on Long-Term Debt	(199,686)	(14,585)	(2,890,560)	(3,104,831)
Net Cash Used In				
Capital and Related Financing Activities	(819,942)	(63,939)	(7,184,056)	(8,067,937)
Net Increase in Cash and Cash Equivalents	—	—	1,718,605	1,718,605
Cash and Cash Equivalents at July 1, 2014	—	—	—	—
Cash and Cash Equivalents at June 30, 2015	\$ —	\$ —	\$ 1,718,605	\$ 1,718,605
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>				
Operating Income (Loss)	\$ (800,014)	\$ (307,688)	\$ 6,816,791	\$ 5,709,089
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	135,883	23,050	1,561,636	1,720,569
Pension Expense	—	141,122	20,702	161,824
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:				
Accounts Receivable	1,562,748	12,408	—	1,575,156
Prepaid Expenses	12,179	—	—	12,179
Accounts Payable	10,591	38,202	469,125	517,918
Advance Sales	(1,641,782)	—	—	(1,641,782)
Compensated Absences	—	—	34,407	34,407
Total Adjustments	79,619	214,782	2,085,870	2,380,271
Net Cash Provided by (Used In) Operating Activities	\$ (720,395)	\$ (92,906)	\$ 8,902,661	\$ 8,089,360



## **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.*

*The Internal Service Funds are:*

### **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.*

### **Joint Healthcare**

*is 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.*

### **Electric Utility**

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

### **Stores and Transportation Division**

*provides supplies and vehicles related services exclusively to utilities departments.*



**CITY OF RICHMOND, VIRGINIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2015**

EXHIBIT K-1

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Electric Utility	Stores and Transportation Division	Total
<b>Assets</b>							
<b>Current Assets:</b>							
Cash and Cash Equivalents	\$ -	\$ -	\$ 4,750,992	\$ 5,901,176	\$ 8,228,681	\$ 1,594	\$ 18,882,443
Accounts Receivable, Net	92,493	18,781	6,912,901	-	4,656,549	-	11,680,724
Due From the General Fund	63,738	17,126	541,477	-	-	-	622,341
Due from Component Unit	12,226	23,508	-	-	-	-	35,734
Inventory	-	287,769	-	-	-	4,226,317	4,514,086
Prepaid Expenses	-	-	-	-	144,457	83,002	227,459
<b>Total Current Assets</b>	<b>168,457</b>	<b>347,184</b>	<b>12,205,370</b>	<b>5,901,176</b>	<b>13,029,687</b>	<b>4,310,913</b>	<b>35,962,787</b>
<b>Noncurrent Assets:</b>							
<b>Capital Assets:</b>							
Land	98,000	-	-	3,000,000	265,389	1,686,532	5,049,921
Buildings and Structures	1,211,217	-	-	9,000,000	55,578,510	3,516,513	69,306,240
Equipment	78,739,293	374,875	-	-	1,078,214	31,737,698	111,930,080
Less Accumulated Depreciation	(68,677,010)	(330,445)	-	(2,207,426)	(36,690,059)	(33,966,587)	(141,871,527)
Construction in Progress	-	-	-	-	178,942	-	178,942
<b>Total Capital Assets</b>	<b>11,371,500</b>	<b>44,430</b>	<b>-</b>	<b>9,792,574</b>	<b>20,410,996</b>	<b>2,974,156</b>	<b>44,593,656</b>
<b>Total Noncurrent Assets</b>	<b>11,371,500</b>	<b>44,430</b>	<b>-</b>	<b>9,792,574</b>	<b>20,410,996</b>	<b>2,974,156</b>	<b>44,593,656</b>
<b>Total Assets</b>	<b>11,539,957</b>	<b>391,614</b>	<b>12,205,370</b>	<b>15,693,750</b>	<b>33,440,683</b>	<b>7,285,069</b>	<b>80,556,443</b>
<b>Deferred Outflow of Resources</b>							
Deferred Losses on Refundings	-	-	-	-	10,665	-	10,665
Pension Related Activities	329,590	15,011	-	-	261,834	53,100	659,535
<b>Total Deferred Outflows of Resources</b>	<b>329,590</b>	<b>15,011</b>	<b>-</b>	<b>-</b>	<b>272,499</b>	<b>53,100</b>	<b>670,200</b>
<b>Liabilities</b>							
<b>Current Liabilities:</b>							
Accounts Payable	1,637,866	41,678	-	68,391	97,397	992,946	2,838,278
Accrued Liabilities	18,682	3,603	3,543,001	751	2,070,743	3,511	5,640,291
Due To Other Funds	10,717,341	4,538,166	3,340,623	1,793,684	-	112,871	20,502,685
Accrued Interest on Bonds and Notes Payable	44,669	-	-	79,615	12,861	-	137,145
General Obligation Bonds Payable	615,899	-	-	-	115,486	-	731,385
Revenue Bond Payable	-	-	-	873,345	-	-	873,345
Notes Payable	1,925,000	-	-	-	-	-	1,925,000
Compensated Absences	69,584	9,967	-	-	76,328	19,082	174,961
<b>Total Current Liabilities</b>	<b>15,029,041</b>	<b>4,593,414</b>	<b>6,883,624</b>	<b>2,815,786</b>	<b>2,372,815</b>	<b>1,128,410</b>	<b>32,823,090</b>
<b>Noncurrent Liabilities:</b>							
General Obligation Bonds Payable	2,298,387	-	-	-	794,459	-	3,092,846
Revenue Bond Payable	-	-	-	5,125,893	-	-	5,125,893
Notes Payable	1,875,000	-	-	-	-	-	1,875,000
Compensated Absences	57,446	2,129	-	-	16,107	4,027	79,709
Net Pension Liability	2,194,136	99,927	-	-	1,743,070	353,500	4,390,633
<b>Total Noncurrent Liabilities</b>	<b>6,424,969</b>	<b>102,056</b>	<b>-</b>	<b>5,125,893</b>	<b>2,553,636</b>	<b>357,527</b>	<b>14,564,081</b>
<b>Total Liabilities</b>	<b>21,454,010</b>	<b>4,695,470</b>	<b>6,883,624</b>	<b>7,941,679</b>	<b>4,926,451</b>	<b>1,485,937</b>	<b>47,387,171</b>
<b>Deferred Inflows of Resources:</b>							
Pension Related Activities	400,012	18,218	-	-	317,778	64,446	800,454
<b>Total Deferred Inflows of Resources</b>	<b>400,012</b>	<b>18,218</b>	<b>-</b>	<b>-</b>	<b>317,778</b>	<b>64,446</b>	<b>800,454</b>
<b>Net Position</b>							
Net Investment in Capital Assets	4,657,216	44,430	-	3,793,336	19,511,716	2,974,156	30,980,854
Unrestricted	(14,641,691)	(4,351,493)	5,321,746	3,958,735	8,957,237	2,813,630	2,058,164
<b>Total Net Position</b>	<b>\$ (9,984,475)</b>	<b>\$ (4,307,063)</b>	<b>\$ 5,321,746</b>	<b>\$ 7,752,071</b>	<b>\$ 28,468,953</b>	<b>\$ 5,787,786</b>	<b>\$ 33,039,018</b>

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, 2015**

EXHIBIT K-2

	Fleet Management*	Radio Maintenance*	Health Self-Insurance	Advantage Richmond Corporation	Electric Utility	Stores and Transportation Division	Total
<b>Operating Revenues</b>							
Charges for Goods and Services	\$ 17,403,869	\$ 782,877	\$ 44,708,138	\$ 2,400,000	\$ 8,794,313	\$ 665,373	\$ 74,754,570
<b>Operating Expenses</b>							
Cost of Goods and Services Sold	12,737,022	639,362	--	--	--	--	13,376,384
Salaries and Wages and Benefits	1,186,780	388,865	--	--	2,166,324	452,844	4,194,813
Data Processing	5,783	1,936	--	--	--	--	7,719
Materials and Supplies	118,733	6,057	--	--	603,789	3,397	731,976
Rents and Utilities	171,923	16,501	--	194,639	2,771,887	19,455	3,174,405
Maintenance and Repairs	86,798	--	--	392,817	463,734	--	943,349
Depreciation and Amortization	2,685,945	34,107	--	225,000	2,102,486	116,940	5,164,478
Claims and Settlements	--	--	35,644,487	--	22,512	--	35,666,999
Miscellaneous Operating Expenses	687,312	162,348	3,455,679	305,667	539,790	170,271	5,321,067
Total Operating Expenses	17,680,296	1,249,176	39,100,166	1,118,123	8,670,522	762,907	68,581,190
Operating Income (Loss)	(276,427)	(466,299)	5,607,972	1,281,877	123,791	(97,534)	6,173,380
<b>Non-Operating Revenues (Expenses)</b>							
Government Subsidies and Contributions	--	--	--	--	769,709	--	769,709
Interest and Fiscal Charges	(124,118)	--	--	(325,715)	(27,005)	--	(476,838)
Miscellaneous Revenue (Expenses)	--	--	--	--	(66,792)	34,815	(31,977)
Total Non-Operating Revenues (Expenses), Net	(124,118)	--	--	(325,715)	675,912	34,815	260,894
Change In Net Position	(400,545)	(466,299)	5,607,972	956,162	799,703	(62,719)	6,434,274
Net Position - Beginning of Year	(9,583,930)	(3,840,764)	(286,226)	6,795,909	27,669,250	5,850,505	26,604,744
Net Position - End of Year	\$ (9,984,475)	\$ (4,307,063)	\$ 5,321,746	\$ 7,752,071	\$ 28,468,953	\$ 5,787,786	\$ 33,039,018

\*Internal Service Funds' negative Net Position will be addressed by increases in user fees.



**CITY OF RICHMOND, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

EXHIBIT K-3

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Electric Utility	Stores and Transportation Division	Total
<b>Cash Flows From Operating Activities</b>							
Receipts from Customers	\$ 17,515,087	\$ 773,638	\$ 41,537,886	\$ 2,400,000	\$ 8,451,587	\$ 665,373	\$ 71,343,571
Payments to Suppliers	(13,965,091)	(907,149)	(41,399,805)	(963,040)	(4,002,934)	169,365	(61,068,654)
Payments to Employees	(920,809)	(383,026)	-	-	(1,981,121)	(415,344)	(3,700,300)
Receipts/(Payments) From/To Other Funds	(63,738)	(17,126)	-	-	(443,014)	(154,666)	(678,544)
Other Receipts or (Payments)	-	-	-	-	27,651	34,689	62,340
Net Cash Provided By (Used In)							
Operating Activities	<u>2,565,449</u>	<u>(533,663)</u>	<u>138,081</u>	<u>1,436,960</u>	<u>2,052,169</u>	<u>299,417</u>	<u>5,958,413</u>
<b>Cash Flows From Noncapital Financing Activities</b>							
Government Subsidies and Contributions	-	-	-	-	769,709	-	769,709
Due From Other Funds	-	-	(541,477)	-	-	-	(541,477)
Due to Other Funds	4,106,776	454,273	199,853	266,138	-	(297,823)	4,729,217
Net Cash Provided By (Used In)							
Noncapital Financing Activities	<u>4,106,776</u>	<u>454,273</u>	<u>(341,624)</u>	<u>266,138</u>	<u>769,709</u>	<u>(297,823)</u>	<u>4,957,449</u>
<b>Cash Flows From Capital and Related Financing Activities</b>							
(Acquisition)/Disposal of Capital Assets	(3,382,512)	79,390	-	-	(828,610)	-	(4,131,732)
Repayments of Revenue and GO Bonds	(728,571)	-	-	(828,667)	(112,536)	-	(1,669,774)
Repayments of Notes Payable	(2,425,000)	-	-	-	-	-	(2,425,000)
Interest Paid on Long-Term Debt	(136,142)	-	-	(336,712)	(30,805)	-	(503,659)
Net Cash Provided by (Used In)							
Capital and Related Financing Activities	<u>(6,672,225)</u>	<u>79,390</u>	<u>-</u>	<u>(1,165,379)</u>	<u>(971,951)</u>	<u>-</u>	<u>(8,730,165)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(203,543)	537,719	1,849,927	1,594	2,185,697
Cash and Cash Equivalents at July 1, 2014	-	-	4,954,535	5,363,457	6,378,754	-	16,696,746
Cash and Cash Equivalents at June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,750,992</u>	<u>\$ 5,901,176</u>	<u>\$ 8,228,681</u>	<u>\$ 1,594</u>	<u>\$ 18,882,443</u>
<b>Reconciliation of Operating Income (Loss)</b>							
To Net Cash Provided By (Used In) Operating Activities							
Operating Income (Loss)	\$ (276,427)	\$ (466,299)	\$ 5,607,972	\$ 1,281,877	\$ 123,791	\$ (97,534)	\$ 6,173,380
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:							
Depreciation	2,685,945	34,107	-	225,000	2,102,486	116,940	5,164,478
Pension Expense	234,714	10,689	-	-	186,463	37,815	469,681
Miscellaneous Income	-	-	-	-	(66,792)	34,815	(31,977)
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Accounts Receivable	123,444	14,269	(3,170,252)	-	(320,214)	-	(3,352,753)
Due From General Fund	(63,738)	(17,126)	-	-	-	-	(80,864)
Due From Component Unit	(12,226)	(23,508)	-	-	-	-	(35,734)
Inventories of Material and Supplies	-	(61,926)	-	-	-	(368,148)	(430,074)
Prepaid Expenses	-	-	-	-	72,638	196,845	269,483
Accounts Payable	(157,520)	(22,622)	2,502,361	(69,918)	(845,615)	375,487	1,782,173
Accrued Liabilities	18,682	3,603	(4,802,000)	1	800,671	3,511	(3,975,532)
Compensated Absences	12,575	(4,850)	-	-	(1,259)	(314)	6,152
Total Adjustments	<u>2,841,876</u>	<u>(67,364)</u>	<u>(5,469,891)</u>	<u>155,083</u>	<u>1,928,378</u>	<u>396,951</u>	<u>(214,967)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,565,449</u>	<u>\$ (533,663)</u>	<u>\$ 138,081</u>	<u>\$ 1,436,960</u>	<u>\$ 2,052,169</u>	<u>\$ 299,417</u>	<u>\$ 5,958,413</u>





## **Fiduciary Funds**

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

*The Fiduciary Funds are:*

### **Trust Funds**

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

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

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

*is a deferred compensation plan created in accordance with the Internal Revenue Code (IRC) Section 457. The plan is available to all City employees and permits deferral until future years of up to 25% of salary with a maximum deferral of \$15,500 per year.*

### **Agency Funds**

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



**CITY OF RICHMOND, VIRGINIA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2015**

EXHIBIT L-1

	Richmond Retirement System	Other Employee Benefits	Total
<b>Assets:</b>			
Cash and Short-term Investments	\$ 8,176,567	\$ --	\$ 8,176,567
<b>Receivables:</b>			
Due from Brokers on Sale of Securities	3,886,944	--	3,886,944
Interest and Dividends	227,165	--	227,165
Contributions from Participating Employees	2,124,654	--	2,124,654
Other Accounts Receivable	156,889	2,877,923	3,034,812
<b>Investments, at Fair Value:</b>			
U.S. Government and Agency Obligations	9,104,639	--	9,104,639
Corporate Bonds	18,384,960	--	18,384,960
Common Stock	152,660,798	--	152,660,798
International Stocks	90,845,778	--	90,845,778
International Bonds	41,454,020	--	41,454,020
Real Estate Investment Trusts	5,199,534	--	5,199,534
Emerging Market Debt	4,332,956	--	4,332,956
Hedge Funds	69,751,058	--	69,751,058
Mutual Funds	17,159,740	--	17,159,740
Private Debt	19,032,349	89,219,785	108,252,134
Private Equity	15,423,158	--	15,423,158
Private Real Estate	26,887,181	--	26,887,181
Opportunistic Fixed Income	75,126,113	--	75,126,113
Total Investments, at Fair Value	545,362,284	89,219,785	634,582,069
Cash Collateral Received - Security Lending Program	32,381,743	--	32,381,743
Assets	592,316,246	92,097,708	684,413,954
<b>Fixed Assets:</b>			
Furniture Fixtures and Equipment	232,962	--	232,962
Leasehold Improvement	346,788	--	346,788
Total Fixed Assets	579,750	--	579,750
Total Assets	592,895,996	92,097,708	684,993,704
<b>Liabilities:</b>			
Accounts Payable	20,453,386	--	20,453,386
Payable for Collateral Received - Security Lending Program	32,381,743	--	32,381,743
Total Liabilities	52,835,129	--	52,835,129
Net Position Held in Trust for Pension Benefits and Other Purposes	\$ 540,060,867	\$ 92,097,708	\$ 632,158,575



**CITY OF RICHMOND, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

EXHIBIT L-2

	Richmond Retirement System	Other Employee Benefits	Total
<b>Additions:</b>			
<b>Contributions:</b>			
City of Richmond	\$ 45,330,242	\$ --	\$ 45,330,242
Richmond Behavioral Health Authority	1,128,002	--	1,128,002
Richmond Public Schools	78,625	--	78,625
Revenue for DC Plan Expense	147,631	--	147,631
Plan Members	2,347,163	8,602,452	10,949,615
<b>Total Contributions</b>	<b>49,031,663</b>	<b>8,602,452</b>	<b>57,634,115</b>
<b>Investment Income:</b>			
Net Appreciation in Fair Value of Investments	11,736,262	3,337,896	15,074,158
Interest	2,463,194	15,235	2,478,429
Dividends	3,808,161	--	3,808,161
<b>Net Income Earned On Securities Lending Transactions:</b>			
Securities Lending Income	95,201	--	95,201
Securities Lending Expense	(41,141)	--	(41,141)
<b>Total Net Income Earned on Securities Lending Transactions</b>	<b>54,060</b>	<b>--</b>	<b>54,060</b>
Investment Income	18,061,677	3,353,131	21,414,808
Less Investment Expense	2,420,344	--	2,420,344
Net Investment Income	15,641,333	3,353,131	18,994,464
<b>Total Additions, Net</b>	<b>64,672,996</b>	<b>11,955,583</b>	<b>76,628,579</b>
<b>Deductions:</b>			
Benefits	(68,140,450)	(9,004,732)	(77,145,182)
Refunds of Member Contributions	(127,818)	--	(127,818)
Administrative Expenses	(1,248,162)	(60,400)	(1,308,562)
<b>Total Deductions</b>	<b>(69,516,430)</b>	<b>(9,065,132)</b>	<b>(78,581,562)</b>
<b>Net (Decrease) Increase</b>	(4,843,434)	2,890,451	(1,952,983)
<b>Net Position Held In Trust For Pension Benefits and Other Purposes - Beginning of Year</b>	<b>544,904,301</b>	<b>89,207,257</b>	<b>634,111,558</b>
<b>Net Position Held In Trust For Pension Benefits and Other Purposes - End of Year</b>	<b>\$ 540,060,867</b>	<b>\$ 92,097,708</b>	<b>\$ 632,158,575</b>



**CITY OF RICHMOND, VIRGINIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For the Fiscal Year Ended June 30, 2015**

EXHIBIT L-3

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,907,703	\$ 2,244,604	\$ 1,683,210	\$ 2,469,097
Accounts Receivable	-	27,375	-	27,375
Due From Other Funds	1,079,417	413	-	1,079,830
Total Assets	<u>\$ 2,987,120</u>	<u>\$ 2,272,392</u>	<u>\$ 1,683,210</u>	<u>\$ 3,576,302</u>
<b>Liabilities</b>				
Refundable Deposits	\$ 784,996	\$ 342,548	\$ 217,821	\$ 909,723
Due to Other Funds	1,553,500	-	-	1,553,500
Due to Various Agents	648,624	1,929,844	1,465,389	1,113,079
Total Liabilities	<u>\$ 2,987,120</u>	<u>\$ 2,272,392</u>	<u>\$ 1,683,210</u>	<u>\$ 3,576,302</u>



## **Statistical Section**

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

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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



**CITY OF RICHMOND, VIRGINIA  
MISCELLANEOUS STATISTICAL DATA  
June 30, 2015**

**DATE OF INCORPORATION**

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

**AREA OF CITY**

The area of the City consists of 62.46 square miles.

**POPULATION**

United States Census 2004 <sup>(1)</sup>	.....	197,401
United States Census 2005 <sup>(1)</sup>	.....	197,861
United States Census 2006 <sup>(1)</sup>	.....	198,624
United States Census 2007 <sup>(1)</sup>	.....	200,123
United States Census 2008 <sup>(1)</sup>	.....	202,002
United States Census 2009 <sup>(1)</sup>	.....	204,451
United States Census 2010 <sup>(1)</sup>	.....	204,214
United States Census 2011 <sup>(1)</sup>	.....	205,533
United States Census 2012 <sup>(1)</sup>	.....	210,309
United States Census 2013 <sup>(1)</sup>	.....	214,114
United States Census 2014 <sup>(1)</sup>	.....	217,853

<sup>(1)</sup> Source: U.S. Department of Commerce. U.S. Census Bureau.

**FORM OF GOVERNMENT**

The City is organized under the Strong Mayoral-Council form of government, which consists of a City Mayor, elected at-large, and a City Council serving 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. He 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.

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



## ASSESSMENTS

The City Assessor of Real Estate assesses real estate annually at "fair market value". The assessment to sales ratio is estimated to be 95.0%. The 2015 real estate assessments for the semi-annual real estate billing were based on an effective valuation date of January 1, 2015. The due dates for the semi billing were January 14 and June 14 in the 2015 tax year. The 2016 Land Book will be updated with fair market values as of July 1, 2015; new construction and renovations will be added to the land book through December 31, 2015.

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 weed clearance, refuse clearance, boarding, partial and full demolition of building and fixtures on property. If the special assessment is not paid during the current year, charges are added to the real estate tax bill of the upcoming billing and become a lien on the property.

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

## TAX RATES

### Real Estate:

- \$1.20 per \$100 of Assessed Value: 2008 - 2015
- \$1.23 per \$100 of Assessed Value: 2007
- \$1.29 per \$100 of Assessed Value: 2006
- \$1.33 per \$100 of Assessed Value: 2005
- \$1.37955 per \$100 of Assessed Value: 2003 - 2004
- \$1.38975 per \$100 of Assessed Value: 2002

### Tangible Personal Property:

- \$3.70 per \$100 of Assessed Value: 1992 - 2015

### Machinery and Tools Used for Manufacturing and Mining:

- \$2.30 per \$100 of Assessed Value: 1992 - 2015

### 2015 Other taxes and fees imposed include:

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

**PSC – Public Service Corporation:** companies 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 estate and personal property accounts.

### Utility Consumers' Tax:

- Monthly Residential Billing:
  - Electricity – \$1.40 plus .015116 per kilowatt-hour and the amount of tax shall not exceed \$4.00 per month.



- Gas – \$1.78 plus .010091 per 100 CCF delivered per month and the amount of tax shall not exceed \$4.00 per month.
- Monthly Commercial and Industrial Billing:
  - Commercial Metered Electricity- \$2.75 plus .016462 per kilowatt-hour (kWh) first 8,945, and .002160 per kWh in excess of 8,945 kWh.
  - Industrial Metered Electricity- \$2.75 plus .0119521 per kilowatt-hour (kWh) first 1,232, .001837 per kWh in excess of 1,232 kWh.
  - Commercial Gas - \$2.88 plus \$.01739027 per CCF delivered (small volume).
  - Commercial Gas - \$ 24.00 plus \$.07163081 per CCF delivered (large volume).
  - Industrial Metered Gas- \$ 120.00 plus \$.0011835 per CCF delivered.
  - Commercial Telephone – 5% Communication Tax.\*
- Electric Utility Consumption Tax:
  - Less than 2,500 kWh per month .00038 per kWh.
  - Excess of 2,501 kWh per month but not in excess of 50,000 kWh per month .00024 per kWh.
  - All excess of 50,000 kWh per month .00018 per kWh.

**Business, Professional, and Occupational Licenses:**

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

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

**Motor Vehicle License:**

- Private passenger vehicles - \$23 on 4,000 lbs. or less; \$28 on 4,001 lbs. or more
- Trucks - Rates graduated in accordance with gross weight; minimum rate \$17; maximum rate \$250

**Admission Tax:**

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

**Bank Franchise Tax:**

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





#### Sales and Use Tax:

- 4% State and 1% Local: 2004-2015

#### Prepared Meals Tax:

- A tax of 6% on prepared meals sold in the City in addition to the Sales Tax, effective January 1, 2004. The 1% increase from the prior meals tax is deposited into a Special Revenue Fund for the development of a downtown performing arts center.

#### Lodging Tax:

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

#### Cable TV Tax:

- 5% Communications Tax\*

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

### TAXES DUE

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

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

### DELINQUENT TAXES

As of January 1, 2015, real estate taxes are billed semi-annually with due dates of January 14 and June 14. Taxes will be reported as delinquent on January 15 and June 15, respectively of the tax year for which assessed. Personal property taxes are reported as delinquent on June 6th of the tax year for which assessed or 61 days after acquiring taxable situs. A penalty of 5% and a \$30 administrative fee is added to all delinquent taxes. Interest at a rate equal to the interest rate established and announced for the underpayment of State income taxes by the Virginia Department of Taxation for the first calendar quarter of each tax year is added to the delinquent tax. Business personal property taxes incur an additional 10% late payment penalty if not paid within 60 days of the due date.

### OVERLAPPING AREAS AND DEBT

The City is autonomous and entirely independent of any county or any other political subdivision of the state, being a separate and distinct political unit.

It is not coterminous with, nor subject to any county or school district taxation, and is not liable for any indebtedness other than its own. It has the power to levy taxes on all real estate and tangible personal property without limitation of rate or amount.



## CITY INDEBTEDNESS

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

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

There are neither special assessments nor special revenue bonds issued or outstanding.

Bonds of the City are legal investments for savings banks and trust funds in New York.

## DEBT MANAGEMENT POLICIES

The City Council adopted a resolution in 1989 that was amended in 1991 and again in 2012 (Resolution No. 2012-R9-24), establishing guidelines for the planning, issuance and management of debt, for and on behalf of, the City. 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 (e.g. 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 (i.e. Utilities). 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 4.5% of the combined total assessed taxable valuation of taxable real estate, personal property, and machinery & tools.
- Debt Service to be paid on total debt shall not exceed 10% of the General Fund and Richmond Public Schools (RPS) budget, 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 POLICY

The City Council adopted a Fund Balance Policy on March 14, 1988, which established major policy goals. On October 26, 1992, the City Council amended the Fund Balance Policy, raising the required level of the unassigned fund balance from 3% to 5%, and again November 26, 2001 from 5% to 7% of budgeted General Fund expenditures over a period of years. During 2012, City Council adopted Resolution No. 2012-R42-72 which further increased the required level of unassigned fund balance to 10% of budgeted General Fund expenditures.

On June 27, 2011 the City Council approved an amendment to the Fund Balance Policy in conformity with the implementation requirements of Statement No. 54, effective July 1, 2010, as established by GASB. In relation to the Fund Balance Policy the statement altered the category and terminology used to describe fund balance from "undesignated" to "unassigned." As of June 30, 2015, the Unassigned General Fund Balance was \$85.0 million. The Unassigned Fund Balance Policy states:

- The Mayor will prepare and administer General Fund budgets that will provide operating surpluses of one-half of one percent (1/2%) of expenditures until the unassigned General Fund balance reaches at least 10% of the total budgeted expenditures. Total budgeted expenditures will include General Fund Budgeted Expenditures plus RPS Budgeted Expenditures, less the budgeted transfer to RPS from the General Fund to prevent double counting in the calculation.
- The City Council, in adoption of the annual operating General Fund budget, will provide that General Fund budget operating surpluses be no less than those recommended by the City Mayor in the submission of the General Fund budget.
- The City will not make appropriation from the Unassigned General Fund balance except when faced with an unusual, unanticipated and seemingly insurmountable hardship, and only after all other reserve or contingency funds have been exhausted.
- To the extent that the Unassigned General Fund balance is ever drawn upon, the City shall budget the replenishment of the amount drawn over the next three subsequent fiscal years.



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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 257,995,107	\$ 276,834,506	\$ 304,606,896	\$ 311,326,711	\$ 280,800,936	\$ 198,531,273	\$ 269,060,408	\$ 240,536,212	\$ 306,400,000	\$ 314,046,028
Restricted	11,902,266	14,911,689	14,992,862	15,356,206	5,772,722	12,590,642	16,458,462	31,900,000	21,269,101	4,292,533
Unrestricted	25,435,347	26,438,982	45,954,323	21,676,936	67,421,848	71,414,987	103,428,935	46,700,000	(219,000,000)	(272,324,391)
Total Governmental Activities' Net Position	\$ 295,332,720	\$ 318,185,177	\$ 365,554,081	\$ 348,359,853	\$ 353,995,506	\$ 282,536,902	\$ 388,947,805	\$ 319,136,212	\$ 108,669,101	\$ 46,014,170
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 305,313,014	\$ 302,815,193	\$ 316,259,057	\$ 351,767,886	\$ 369,683,330	\$ 381,909,942	\$ 419,526,304	\$ 488,600,000	\$ 497,111,667	\$ 495,162,064
Unrestricted	69,958,764	79,842,538	78,044,664	55,610,764	58,319,963	64,745,678	51,318,531	125,800,000	98,609,642	143,122,363
Total Business-type Activities' Net Position	\$ 375,271,778	\$ 382,657,731	\$ 394,303,721	\$ 407,378,650	\$ 428,003,293	\$ 446,655,620	\$ 470,844,835	\$ 614,400,000	\$ 595,721,309	\$ 638,284,427
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 563,308,121	\$ 579,649,699	\$ 620,865,953	\$ 663,094,597	\$ 650,484,266	\$ 580,441,215	\$ 688,586,712	\$ 729,136,212	\$ 803,511,667	\$ 809,208,092
Restricted	11,902,266	14,911,689	14,992,862	15,356,206	5,772,722	12,590,642	16,458,462	31,900,000	21,269,101	4,292,533
Unrestricted	95,394,111	106,281,520	123,998,987	77,287,700	125,741,811	136,160,665	154,747,466	172,500,000	(120,390,358)	(129,202,028)
Total Primary Government Activities' Net Position	\$ 670,604,498	\$ 700,842,908	\$ 759,857,802	\$ 755,738,503	\$ 781,998,799	\$ 729,192,522	\$ 859,792,640	\$ 933,536,212	\$ 704,390,410	\$ 684,298,597



**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 108,538,958	\$ 108,443,704	\$ 82,078,049	\$ 132,001,804	\$ 137,836,800	\$ 135,582,802	\$ 126,274,797	\$ 145,700,000	\$ 105,469,866	\$ 150,935,993
Public Safety and Judiciary	159,938,162	175,163,038	170,498,404	185,538,625	175,820,069	178,142,702	182,724,471	187,800,000	177,484,337	233,338,534
Highways, Streets, Sanitation and Refuse	75,459,598	72,673,872	90,808,054	59,964,571	61,502,223	104,103,996	86,067,163	88,900,000	83,158,894	94,672,443
Human Services	90,316,538	95,346,598	110,423,497	105,618,194	93,697,780	95,333,003	84,629,401	79,000,000	75,400,022	96,529,866
Culture and Recreation	21,978,162	24,350,136	41,009,121	25,635,473	26,009,978	28,502,174	24,348,709	25,000,000	25,139,948	33,004,436
Education	152,646,701	165,971,219	158,858,678	164,359,364	163,586,697	173,214,073	155,173,806	158,000,000	152,309,002	166,128,726
Transportation	8,216,356	9,405,588	10,460,000	11,950,000	11,600,000	11,600,000	12,143,357	11,600,000	12,161,841	13,244,050
Interest and Fiscal Changes	40,153,584	42,083,543	23,925,768	20,204,271	20,204,271	21,418,947	18,646,049	19,800,000	26,100,820	22,885,035
Total Governmental Activities Expenses	657,248,057	693,437,698	689,166,227	708,991,797	690,257,818	747,897,697	690,009,753	716,600,000	657,224,730	810,737,083
<b>Business-Type Activities:</b>										
Gas	248,535,630	216,255,114	216,059,214	221,285,311	183,063,730	154,527,763	120,738,025	133,137,550	167,603,757	144,436,371
Water	41,362,442	44,232,832	46,158,648	49,934,491	49,934,491	52,819,429	53,201,110	49,803,247	57,086,227	53,276,025
Wastewater	44,944,833	51,596,901	48,364,007	53,000,556	50,679,153	54,073,862	54,615,656	58,438,940	66,927,803	67,382,447
Stormwater	--	--	--	--	7,613,092	7,541,005	7,487,569	4,744,194	6,817,610	7,610,350
Coliseum	5,249,095	5,968,440	5,846,334	5,718,103	5,171,178	4,692,080	4,066,315	3,218,416	2,750,878	2,571,848
Landmark Theatre	1,835,924	1,788,114	1,829,565	567,990	--	--	--	--	--	--
Cemeteries	1,416,174	1,399,208	1,641,821	1,472,725	1,399,493	1,419,756	1,410,964	1,343,807	1,597,086	1,913,533
Parking	--	--	--	--	--	--	--	--	--	12,178,193
Total Business-type Activities Expenses	343,344,098	321,240,609	319,899,589	331,118,753	277,861,137	275,063,896	241,519,639	250,688,155	302,783,361	289,368,767
<b>Total Primary Government Expenses</b>	<b>\$ 1,000,592,155</b>	<b>\$ 1,014,678,307</b>	<b>\$ 1,009,065,816</b>	<b>\$ 1,040,110,550</b>	<b>\$ 968,118,955</b>	<b>\$ 1,022,961,593</b>	<b>\$ 931,529,392</b>	<b>\$ 967,286,155</b>	<b>\$ 960,008,091</b>	<b>\$ 1,100,105,850</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government	\$ 46,887,330	\$ 48,008,623	\$ 43,593,817	\$ 51,086,930	\$ 52,084,531	\$ 58,638,216	\$ 126,215,625	\$ 65,019,167	\$ 56,368,769	\$ 49,393,546
Culture and Recreation	759,632	109,692	719,586	686,911	727,597	406,036	377,643	428,613	216,679	216,679
Other Activities	29,109,017	27,360,011	30,450,928	29,948,260	30,759,315	26,053,492	26,053,492	27,544,471	25,115,211	22,248,389
Operating Grants and Contributions	147,151,168	159,269,020	169,105,387	155,689,284	151,876,522	154,172,480	149,546,405	141,500,000	144,367,918	136,101,577
Capital Grants and Contributions	3,714,468	18,929,229	12,566,194	5,228,211	5,545,450	7,312,467	8,364,411	26,780,248	35,250,158	44,185,991
Total Governmental Activities Program Revenues	\$ 227,621,615	\$ 253,684,575	\$ 256,435,912	\$ 242,639,596	\$ 240,995,415	\$ 247,096,739	\$ 310,557,576	\$ 261,272,499	\$ 261,318,805	\$ 252,178,316
<b>Business-Type Activities:</b>										
Charges for Services:										
Gas	\$ 255,994,336	\$ 225,162,779	\$ 225,892,538	\$ 231,136,014	\$ 172,587,241	\$ 164,890,242	\$ 130,742,982	\$ 148,282,997	\$ 176,794,050	\$ 162,802,984
Water	47,689,474	49,895,955	51,616,053	54,406,899	57,386,552	59,596,957	61,814,881	67,827,452	67,512,427	63,912,519
Wastewater	51,484,083	55,541,836	56,795,731	58,803,531	60,220,635	61,356,769	65,709,241	68,533,168	73,393,727	82,343,230
Stormwater	--	--	--	9,537,834	9,537,834	9,778,441	9,505,006	9,845,346	11,330,268	11,137,971
Coliseum	2,284,149	2,149,644	2,202,374	1,829,195	1,463,233	1,255,551	1,423,979	1,686,346	1,384,868	1,585,548
Landmark Theatre	594,775	255,549	463,078	520	--	--	--	--	--	--
Cemeteries	1,458,283	1,395,957	1,423,292	1,368,588	1,320,251	1,222,954	1,198,476	1,329,673	1,477,507	1,592,307
Parking	--	--	--	--	--	--	--	--	--	14,803,836
Operating Grants and Contributions	4,928,275	4,779,151	7,967,059	10,819,719	14,624,603	15,013,658	15,143,172	19,608,232	20,001,217	20,401,711
Total Business-type Activities Program Revenues	364,433,375	339,280,871	346,360,165	358,364,466	317,140,348	313,114,571	285,537,737	317,113,214	351,894,064	358,680,106
<b>Total Primary Government Program Revenues</b>	<b>\$ 592,054,990</b>	<b>\$ 592,965,446</b>	<b>\$ 602,796,078</b>	<b>\$ 601,004,062</b>	<b>\$ 558,135,763</b>	<b>\$ 560,211,311</b>	<b>\$ 596,095,313</b>	<b>\$ 578,385,713</b>	<b>\$ 613,212,869</b>	<b>\$ 610,858,422</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (429,626,442)	\$ (439,753,123)	\$ (432,730,315)	\$ (466,352,201)	\$ (449,262,403)	\$ (500,800,958)	\$ (379,452,177)	\$ (455,327,501)	\$ (395,905,925)	\$ (558,558,767)
Business-type Activities	21,089,277	18,040,281	26,460,577	27,245,713	39,279,211	38,050,675	44,018,098	66,427,059	49,110,703	69,311,339
<b>Total Primary Government Net Expense</b>	<b>\$ (408,537,165)</b>	<b>\$ (421,712,842)</b>	<b>\$ (406,269,738)</b>	<b>\$ (439,106,488)</b>	<b>\$ (409,983,192)</b>	<b>\$ (462,750,283)</b>	<b>\$ (335,434,079)</b>	<b>\$ (388,900,442)</b>	<b>\$ (346,795,222)</b>	<b>\$ (489,247,428)</b>



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Real Estate	\$ 202,214,700	\$ 211,480,260	\$ 225,336,583	\$ 231,467,579	\$ 219,121,286	\$ 217,159,681	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082
Sales-1% Local	27,116,326	31,019,396	31,274,790	30,935,300	26,093,786	26,315,613	30,595,853	30,549,022	30,944,459	32,567,648
Sales Tax For Education	-	27,558,938	26,959,337	25,312,005	24,943,835	25,914,852	26,406,848	23,673,198	23,612,726	25,102,851
Personal Property	25,156,191	42,095,364	55,220,158	45,878,338	50,186,338	38,461,849	44,579,120	48,005,747	46,100,586	49,740,946
Machinery and Tools	15,140,256	13,149,199	13,486,040	13,762,378	17,119,371	16,914,447	15,421,045	14,792,937	13,746,350	12,752,759
General Utility Sales	30,413,522	31,586,945	37,118,110	35,253,745	34,483,451	17,098,077	16,378,212	17,066,009	16,680,313	17,946,514
State Communication Taxes	-	-	-	-	-	17,439,622	17,430,526	17,430,526	16,839,049	16,691,917
Bank Stock	2,891,777	3,085,172	3,317,298	4,494,835	8,247,534	13,933,727	12,480,183	9,221,721	9,328,141	8,616,474
Prepared Food	20,889,281	23,154,114	24,076,647	24,489,056	23,756,424	26,429,441	25,051,579	29,986,231	30,065,438	32,290,063
Lodging Tax	-	5,272,618	5,984,286	5,366,015	4,789,681	4,769,957	5,200,817	6,392,330	6,326,387	5,433,289
Admissions	1,218,238	1,073,673	2,447,670	1,604,376	2,181,971	2,335,970	2,399,527	2,448,962	2,923,183	2,666,718
Real Estate Taxes - Delinquent	-	-	-	-	9,711,901	10,746,487	7,006,446	8,953,219	7,895,327	9,155,708
Personal property Taxes - Delinquent	-	-	-	-	5,023,503	4,117,223	3,959,980	8,524,442	5,614,439	8,867,316
Delinquent Tax Payments-All Classes	11,083,065	11,812,062	19,581,751	-	-	-	-	-	-	-
Private Utility Poles and Conduits	94,894	95,067	95,186	96,164	156,478	158,268	154,881	158,568	169,729	160,950
Penalties and Interest	4,676,988	5,319,892	3,657,510	4,570,206	5,423,493	4,948,641	3,660,357	4,471,897	3,642,822	4,384,082
Tiling Tax-Mobile Home	7,197	5,800	9,014	10,635	10,858	4,704	8,051	5,817	6,132	9,083
State Recordation	749,102	843,137	954,315	710,115	759,637	681,049	656,449	731,956	872,407	661,291
Property Rental 1%	144,979	136,469	126,334	126,534	101,748	109,871	131,021	139,796	133,774	82,388
Vehicle Rental Tax	752,941	1,004,229	889,592	626,040	424,599	579,654	1,149,088	371,425	855,582	937,779
Rolling Stock Tax	6,029,547	416,003	-	-	-	-	-	-	-	-
Telephone Commissions	-	-	477,935	449,292	450,000	390,739	338,499	337,349	522,578	538,474
Intergovernmental Revenue Not Restricted to Specific Programs	6,199,363	-	171,162	166,361	156,211	-	-	-	-	-
Investment Earnings	1,764,937	2,425,883	2,102,922	89,955	105,672	165,111	125,526	80,854	36,020	38,344
Miscellaneous	35,950,451	30,585,867	2,224,002	2,319,473	225,661	1,143,368	1,963,714	2,823,922	1,607,458	15,739,412
Transfers	20,165,228	20,884,181	24,282,511	21,560,041	22,340,631	21,459,319	23,147,547	23,612,453	27,377,577	28,080,617
Special Item <sup>1</sup>	-	3,701	-	-	-	-	-	485,000	-	1,500,000
Extraordinary Item	(323,858)	(402,390)	306,076	(130,470)	15,352	-	(1,320,829)	-	-	-
<b>Total Governmental Activities</b>	<b>412,295,135</b>	<b>462,605,580</b>	<b>480,099,219</b>	<b>449,157,973</b>	<b>455,829,421</b>	<b>451,297,670</b>	<b>450,788,961</b>	<b>465,575,039</b>	<b>455,690,181</b>	<b>495,768,705</b>
Business-type Activities:										
Investment Earnings	\$ 4,166,286	\$ 5,626,435	\$ 4,594,016	\$ 5,601,170	\$ 1,060,118	\$ 897,530	\$ 1,736,623	\$ 685,839	\$ 811,070	\$ 675,983
Miscellaneous	3,350,736	4,603,438	4,873,908	1,788,086	1,694,580	1,163,441	1,580,041	1,271,707	(4,802,222)	643,748
Transfers	(20,165,228)	(20,884,181)	(24,282,511)	(21,560,041)	(22,340,631)	(21,459,319)	(23,147,547)	(23,612,453)	(27,377,577)	(28,080,617)
<b>Total Business-type Activities</b>	<b>(12,648,206)</b>	<b>(10,654,309)</b>	<b>(14,814,587)</b>	<b>(14,170,765)</b>	<b>(19,585,933)</b>	<b>(19,398,349)</b>	<b>(19,828,883)</b>	<b>(21,654,907)</b>	<b>(31,388,729)</b>	<b>(26,760,886)</b>
<b>Total Primary Government</b>	<b>\$ 399,646,929</b>	<b>\$ 451,951,272</b>	<b>\$ 465,284,632</b>	<b>\$ 434,987,188</b>	<b>\$ 436,243,488</b>	<b>\$ 431,899,322</b>	<b>\$ 430,960,078</b>	<b>\$ 443,920,132</b>	<b>\$ 424,321,452</b>	<b>\$ 469,007,819</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (17,331,307)	\$ 22,852,457	\$ 47,368,904	\$ (17,194,228)	\$ 6,567,018	\$ (49,503,288)	\$ 71,336,784	\$ 10,247,538	\$ 59,784,256	\$ (62,790,062)
Business-type Activities	8,441,071	7,385,953	11,645,990	13,074,928	19,693,278	18,652,327	24,189,215	44,772,152	17,741,974	42,550,453
<b>Total Primary Government</b>	<b>(8,890,236)</b>	<b>\$ 30,238,410</b>	<b>\$ 59,014,894</b>	<b>\$ (4,119,300)</b>	<b>\$ 26,260,296</b>	<b>\$ (30,850,961)</b>	<b>\$ 95,525,999</b>	<b>\$ 55,019,690</b>	<b>\$ 77,526,230</b>	<b>(20,239,609)</b>

**\*Special Item:**

- Fiscal Year 2007 - Disaster Recovery
- Fiscal Year 2013 - Gain on Sale of Land
- Fiscal Year 2015 - Bargain Purchase of Property-Diamond

Note: The changes in net position for both Governmental and Business-type activities are explained in the Management's Discussion and Analysis Section Note: In FY09, the City classified current and delinquent taxes as a combined unit.



**CITY OF RICHMOND, VIRGINIA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**

Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>City Taxes</b>										
Real Estate	\$ 202,214,700	\$ 211,480,260	\$ 225,336,583	\$ 231,467,579	\$ 219,121,286	\$ 217,159,681	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704	\$ 221,704,082
Sales-1% Local	27,116,326	31,019,396	31,274,790	30,935,300	26,093,786	26,315,613	30,595,853	30,549,022	30,944,459	32,567,648
Sales Tax for Education	-	27,568,938	26,959,337	25,312,005	24,943,835	25,914,852	26,406,848	23,673,198	23,612,726	25,102,851
Personal Property	25,156,191	42,095,364	55,220,158	45,878,338	50,186,338	38,461,849	44,579,120	48,005,747	46,100,586	49,740,946
Machinery and Tools	15,140,256	13,149,199	13,486,040	13,762,378	17,119,371	16,914,447	15,421,045	14,792,937	13,746,350	12,752,759
General Utility Sales	30,413,522	31,586,945	37,118,110	35,253,745	34,483,451	17,098,077	16,378,212	17,066,009	16,680,313	17,646,514
State Communication Taxes	-	-	-	-	-	17,439,622	17,085,208	17,130,526	16,839,049	16,691,917
Bank Stock	2,891,777	3,085,172	3,317,298	4,494,835	8,247,534	13,933,727	12,480,183	9,221,721	9,328,141	8,816,474
Prepared Food	20,889,281	23,154,114	24,076,647	24,489,056	23,756,424	26,429,441	25,051,579	29,986,231	30,065,438	32,290,063
Transient Lodging	-	5,272,618	5,984,286	5,366,015	4,789,681	4,789,957	5,200,817	6,392,330	6,326,387	5,433,289
Admissions	1,218,238	1,073,673	2,447,670	1,604,376	2,181,971	2,335,970	2,399,527	2,448,962	2,923,183	2,866,718
Real Estate Taxes - Delinquent	-	-	-	-	9,711,901	10,746,487	7,006,446	8,953,219	7,895,327	9,155,708
Personal Property Taxes - Delinquent	-	-	-	-	5,023,503	4,117,223	3,959,980	8,524,442	5,614,439	8,867,316
Delinquent Tax Payments-All Classes	11,083,065	11,812,062	19,581,751	-	-	-	-	-	-	-
Private Utility Poles and Conduits	94,894	95,067	95,186	96,164	156,478	158,268	154,881	158,568	169,729	160,950
Penalties and Interest	4,676,998	5,319,892	3,657,510	4,570,206	5,423,493	4,948,641	3,660,357	4,471,897	3,642,822	4,384,082
Titling Tax-Mobile Home	7,197	5,800	9,014	10,635	10,858	4,704	8,051	5,817	6,132	9,083
State Recordation	749,102	843,137	954,315	710,115	759,637	681,049	656,449	731,956	872,407	661,291
Property Rental 1%	144,979	136,469	126,334	126,534	101,748	109,871	131,021	139,796	133,774	82,388
Vehicle Rental Tax	752,941	1,004,229	889,582	626,040	424,599	579,654	1,149,088	371,425	855,582	937,779
Rolling Stock Tax	6,029,547	416,003	-	-	-	-	-	-	-	-
Telephone Commissions	-	-	477,935	449,292	450,000	390,739	338,499	337,349	522,578	538,474
<b>Total Primary Government</b>	<b>\$ 348,579,014</b>	<b>\$ 409,108,338</b>	<b>\$ 451,012,546</b>	<b>\$ 425,152,613</b>	<b>\$ 432,985,894</b>	<b>\$ 428,529,872</b>	<b>\$ 426,873,003</b>	<b>\$ 438,572,810</b>	<b>\$ 426,669,126</b>	<b>\$ 450,410,332</b>

Note: In FY09, the City classified current and delinquent taxes as a combined unit.  
 Note: In FY11, the City modified the classification and grouping of General Fund Revenues compared to prior years.



**CITY OF RICHMOND, VIRGINIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund:</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,029,600	\$ 1,029,600	\$ 1,029,600	\$ -	\$ 382,200
Restricted	-	-	-	-	-	1,391,917	-	-	-	-
Committed	-	-	-	-	-	14,672,765	53,073,041	39,427,954	10,793,000	13,000,000
Assigned	-	-	-	-	-	15,460,647	35,002,000	11,573,916	35,163,526	7,788,553
Unassigned	-	-	-	-	-	64,062,309	72,908,854	75,000,000	80,393,997	84,995,561
Reserved	16,144,418	15,894,601	16,908,547	2,094,186	16,598,886	-	-	-	-	-
Unreserved	45,442,420	47,507,086	47,638,753	48,644,484	59,423,096	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 61,586,838</b>	<b>\$ 63,401,687</b>	<b>\$ 64,547,300</b>	<b>\$ 50,738,670</b>	<b>\$ 76,021,982</b>	<b>\$ 96,617,238</b>	<b>\$ 162,013,495</b>	<b>\$ 127,031,470</b>	<b>\$ 126,350,523</b>	<b>\$ 106,166,314</b>
<b>All Other Governmental Funds:</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,141	\$ 193,729	\$ 74,327	\$ 74,372	\$ 38,930
Restricted	-	-	-	-	-	16,262,282	16,264,733	15,294,132	19,024,423	4,253,603
Committed	-	-	-	-	-	9,426,306	9,756,967	5,587,993	745,000	-
Assigned	-	-	-	-	-	295,105	(138,320)	866,410	3,468,218	14,800,003
Unassigned	-	-	-	-	-	(37,000,000)	(3,508,434)	(168,475,248)	(49,720,104)	(101,563,859)
Reserved	22,836,669	48,645,510	25,399,353	17,029,761	6,822,405	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	12,894,614	7,502,105	7,478,784	8,385,421	10,861,875	-	-	-	-	-
Capital Project Funds	-	-	-	(67,443,896)	-	-	-	-	-	-
Debt Service Fund	(8,058)	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 35,723,225</b>	<b>\$ 56,147,615</b>	<b>\$ 32,878,137</b>	<b>\$ (42,028,714)</b>	<b>\$ 17,684,280</b>	<b>\$ (10,804,166)</b>	<b>\$ 22,568,675</b>	<b>\$ (146,652,386)</b>	<b>\$ (26,408,091)</b>	<b>\$ (82,471,323)</b>

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

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

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





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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Taxes	\$ 350,466,022	\$ 409,441,193	\$ 435,895,263	\$ 427,338,579	\$ 425,707,122	\$ 433,732,081	\$ 431,705,312	\$ 433,518,092	\$ 430,868,542	\$ 450,712,602
Licenses, Permits and Privilege Fees	37,275,652	37,543,533	35,514,381	36,190,387	35,374,043	34,326,099	39,403,213	42,404,133	38,093,334	39,403,545
Intergovernmental	158,577,638	164,137,422	163,894,270	156,307,233	151,219,441	152,816,149	152,837,949	133,166,823	150,232,431	144,718,110
Service Charges	20,421,258	21,119,157	21,761,128	21,451,494	24,407,838	25,589,661	26,390,218	28,093,614	23,205,623	23,437,359
Fines and Forfeitures	11,429,454	11,023,780	10,706,248	9,246,562	9,760,055	9,583,749	9,744,457	10,200,629	10,221,786	5,822,892
Payment in Lieu of Taxes	18,898,355	18,635,194	19,357,177	19,234,942	19,780,983	-	-	-	-	-
Utility Payments	-	-	-	-	19,780,983	22,577,356	24,141,572	25,266,237	27,175,174	28,846,885
Investment Income	1,764,937	2,425,882	2,103,022	540,676	105,672	165,111	125,528	80,854	36,019	38,344
Miscellaneous	70,850,022	64,820,190	27,454,098	19,653,520	22,718,453	20,903,222	79,323,182	18,100,687	10,564,344	15,345,228
<b>Total Revenues</b>	<b>669,683,338</b>	<b>729,146,651</b>	<b>716,285,587</b>	<b>689,963,393</b>	<b>689,073,607</b>	<b>699,713,428</b>	<b>763,671,429</b>	<b>690,831,049</b>	<b>690,397,253</b>	<b>708,326,955</b>
<b>Expenditures:</b>										
General Government	80,895,144	76,901,063	77,967,920	90,936,507	92,896,369	86,018,066	90,060,892	99,140,475	77,804,633	91,170,260
Public Safety and Judiciary	157,743,772	175,232,251	167,022,262	177,057,319	169,704,353	168,930,921	177,042,195	179,438,014	178,712,513	190,291,231
Highways, Streets, Sanitation and Refuse	57,844,351	62,404,860	61,007,410	44,632,867	46,687,139	58,398,783	61,164,440	60,345,016	67,017,239	61,720,615
Human Services	88,715,030	96,880,070	105,963,727	101,196,059	89,445,759	89,251,029	80,913,299	74,156,376	76,378,633	81,890,683
Culture and Recreation	19,540,997	21,399,788	22,420,298	22,869,119	21,791,546	23,274,978	22,988,592	22,746,568	24,326,572	26,212,041
Education	142,303,624	159,927,313	158,658,678	159,155,815	151,332,379	150,585,819	150,651,924	153,265,535	154,267,395	162,170,840
Non-Departmental	33,373,394	41,164,869	51,273,499	50,990,595	46,454,002	43,629,933	46,835,962	72,870,264	44,145,152	52,352,720
Capital Outlay	35,531,084	26,247,426	37,969,088	81,224,196	55,093,465	125,069,224	98,796,091	179,946,671	153,252,930	106,538,511
<b>Debt Service:</b>										
Principal Retirement	48,061,126	48,020,066	33,368,115	28,077,064	31,748,820	29,839,337	30,683,823	36,604,656	37,129,045	31,040,730
Interest Payments	39,385,830	38,490,977	25,054,610	24,805,037	19,193,765	19,710,167	22,026,533	19,517,107	24,157,031	24,077,465
Insurance Costs	671,476	846,451	-	955,068	806,838	647,705	-	-	738,870	1,324,747
<b>Total Expenditures</b>	<b>704,065,828</b>	<b>747,515,154</b>	<b>740,925,597</b>	<b>781,859,646</b>	<b>725,154,435</b>	<b>795,385,962</b>	<b>779,163,751</b>	<b>887,970,702</b>	<b>837,930,213</b>	<b>828,789,843</b>
<b>Other Financing Sources (Uses):</b>										
Transfers In	61,784,636	60,691,246	82,480,356	70,306,914	67,559,251	66,240,273	66,995,617	67,750,346	73,001,130	69,642,441
Transfers Out	(59,386,273)	(57,501,875)	(79,507,387)	(67,126,142)	(64,147,702)	(63,243,383)	(63,886,695)	(65,335,266)	(68,123,692)	(66,809,741)
Proceeds from Refunding Bonds	90,847,799	-	-	-	-	-	-	-	193,218,870	-
Payment to Escrow Agent	(90,622,799)	-	-	-	-	-	-	-	(150,000,000)	-
Payments for Refunding Bonds	-	-	-	-	-	-	-	-	-	(137,285,000)
Proceeds from Issuance of Bonds	-	42,194,332	-	-	100,917,875	80,341,209	113,379,713	36,487	124,144,030	183,106,648
Premium on Issuance of Bonds	-	-	(762,900)	-	6,585,000	4,441,245	-	-	-	-
<b>Total Other Financing Sources, Net</b>	<b>2,623,363</b>	<b>45,383,703</b>	<b>2,210,069</b>	<b>3,180,772</b>	<b>110,894,424</b>	<b>87,779,344</b>	<b>116,488,645</b>	<b>2,451,567</b>	<b>171,240,338</b>	<b>44,215,447</b>
<b>Special Items:</b>										
Gain on Sale of Land	-	-	-	-	-	-	-	485,000	-	-
<b>Total Special Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>485,000</b>	<b>-</b>	<b>-</b>
<b>Extraordinary Item:</b>										
Disaster Costs	(323,858)	(402,390)	306,076	-	15,352	-	1,320,829	-	-	-
<b>Total Extraordinary Item</b>	<b>(323,858)</b>	<b>(402,390)</b>	<b>306,076</b>	<b>-</b>	<b>15,352</b>	<b>-</b>	<b>1,320,829</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (32,082,985)</b>	<b>\$ 28,612,810</b>	<b>\$ (22,123,865)</b>	<b>\$ (88,715,481)</b>	<b>\$ 74,628,948</b>	<b>\$ (7,893,190)</b>	<b>\$ 99,675,494</b>	<b>\$ (204,203,066)</b>	<b>\$ 23,707,378</b>	<b>\$ (76,247,441)</b>
Debt Service as a Percentage of Noncapital Expenditures <sup>1</sup>	12.8%	11.6%	8.2%	7.2%	7.9%	6.7%	7.4%	6.9%	8.2%	7.3%

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

Note: In FY11, the City modified the classification and grouping of General Fund Revenue compared to prior years.

(1) In FY11, the Debt Service as a Percentage of Noncapital Expenditures calculation has changed. Current and prior year percentages have been revised to reflect this change.



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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Real Estate	\$ 195,007,601	\$ 211,744,174	\$ 220,312,237	\$ 227,921,229	\$ 218,027,758	\$ 221,948,834	\$ 216,991,101	\$ 213,234,953	\$ 216,006,348	\$ 223,491,278
Sales-1% Local	27,116,326	31,019,396	31,274,790	30,935,300	26,093,786	26,315,613	30,595,853	30,549,022	30,944,459	32,567,648
Sales Tax for Education	-	27,568,938	26,959,337	25,312,005	24,943,835	25,914,852	26,406,848	23,673,198	23,612,726	25,102,851
Personal Property	43,819,129	42,147,896	44,734,218	51,107,922	44,081,997	44,343,976	43,780,792	47,234,956	44,753,528	49,260,306
Machinery and Tools	14,729,382	13,165,608	13,679,043	14,265,110	17,038,468	16,857,051	15,519,223	15,001,324	13,607,934	12,838,347
Utility Sales Tax Gas	-	-	-	-	-	4,617,822	4,256,292	4,761,197	4,633,897	4,872,622
Utility Sales Tax Electric	-	-	-	-	-	12,480,255	12,121,920	12,303,832	11,463,513	12,479,100
Utility Sales Tax Tele	-	-	-	-	-	-	-	-	382,903	294,792
General Utility Sales	30,413,522	31,586,945	37,118,110	35,253,745	34,483,451	-	-	-	-	-
State Communication Taxes	-	-	-	-	-	17,439,622	17,085,208	17,130,526	16,839,049	16,691,917
Bank Stock	2,891,777	3,085,172	3,317,298	4,494,835	8,247,534	13,933,727	12,480,183	9,221,721	9,328,141	8,816,474
Prepared Food	17,404,622	23,154,114	24,076,647	24,489,056	23,756,424	21,726,664	26,991,476	28,320,613	30,444,280	31,686,926
Lodging Tax	-	5,272,618	5,984,286	5,366,015	4,789,881	4,623,900	5,685,427	6,018,453	5,974,584	5,456,014
Admission	1,218,238	1,073,673	2,447,670	1,604,376	2,181,971	1,843,129	2,726,217	2,372,848	2,964,390	2,357,256
Real Estate Taxes - Delinquent	-	-	-	-	9,711,901	10,746,487	7,006,446	8,953,219	7,895,327	9,155,708
Personal Property Taxes - Delinquent	-	-	-	-	5,023,503	4,117,223	3,959,980	8,524,442	5,614,439	8,867,316
Delinquent Tax Payments-All Classes	11,083,065	11,812,062	19,581,751	-	-	-	-	-	-	-
Private Utility Poles and Conduits	94,894	95,067	95,186	96,164	156,478	158,268	154,881	158,568	169,729	160,950
Penalties and Interest	4,676,998	5,319,892	3,657,510	4,570,206	5,423,493	4,948,641	3,660,357	4,471,897	3,642,822	4,384,082
Titling Tax-Mobile Home	7,197	5,800	9,014	10,635	10,858	4,704	8,051	5,817	6,132	9,083
State Recordation	749,102	843,137	954,315	710,115	759,637	681,049	656,449	731,956	872,407	661,291
Property Rental 1%	144,979	136,469	126,334	126,534	101,748	109,871	131,021	139,796	133,774	82,388
Vehicle Rental Tax	752,941	1,004,229	869,582	626,040	424,599	579,654	1,149,088	371,425	855,582	937,779
Telephone Commissions	356,249	416,003	477,935	449,292	450,000	390,739	338,499	337,349	522,578	538,474
<b>Total General Governmental Tax Revenues</b>	<b>\$ 350,466,022</b>	<b>\$ 409,441,193</b>	<b>\$ 435,695,263</b>	<b>\$ 427,338,579</b>	<b>\$ 425,707,122</b>	<b>\$ 433,782,081</b>	<b>\$ 431,705,312</b>	<b>\$ 433,517,112</b>	<b>\$ 430,868,542</b>	<b>\$ 450,712,602</b>

Note: In FY09, the City classified current and delinquent taxes as a combined unit.  
 Note: In FY11, the City modified the classification and grouping of General Fund Revenue compared to prior years.



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

Calendar Year	Real Property		Commercial Property	Personal Property	Machinery & Tools	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Real Property	Personal Property	Machinery & Tools	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Property										
2006	\$ 10,739,603,660	\$ 9,246,483,112	\$ 9,246,483,112	\$ 1,522,890,436	\$ 637,469,276	\$ 3,914,062,202	\$ 18,232,384,282	\$ 1.29	\$ 3.70	\$ 2.30	\$ 18,232,384,282	100.00%
2007	\$ 12,273,304,550	\$ 11,495,448,724	\$ 11,495,448,724	\$ 1,418,934,404	\$ 647,387,014	\$ 4,726,230,820	\$ 21,108,843,872	\$ 1.23	\$ 3.70	\$ 2.30	\$ 21,108,843,872	100.00%
2008	\$ 13,189,929,800	\$ 12,416,702,435	\$ 12,416,702,435	\$ 1,468,366,859	\$ 627,888,746	\$ 5,000,713,600	\$ 22,702,174,240	\$ 1.20	\$ 3.70	\$ 2.30	\$ 22,702,174,240	100.00%
2009	\$ 14,501,085,200	\$ 12,117,784,643	\$ 12,117,784,643	\$ 1,387,622,846	\$ 625,752,634	\$ 5,519,840,800	\$ 23,112,404,523	\$ 1.20	\$ 3.70	\$ 2.30	\$ 23,112,404,523	100.00%
2010	\$ 12,657,788,000	\$ 14,263,768,672	\$ 14,263,768,672	\$ 1,420,344,916	\$ 765,588,939	\$ 5,827,518,000	\$ 23,279,982,527	\$ 1.20	\$ 3.70	\$ 2.30	\$ 23,279,982,527	100.00%
2011	\$ 12,019,466,000	\$ 13,786,267,222	\$ 13,786,267,222	\$ 1,484,823,134	\$ 762,284,948	\$ 5,918,281,100	\$ 22,134,560,204	\$ 1.20	\$ 3.70	\$ 2.30	\$ 22,134,560,204	100.00%
2012	\$ 11,908,691,000	\$ 13,751,070,000	\$ 13,751,070,000	\$ 1,475,484,028	\$ 682,677,850	\$ 5,943,230,000	\$ 21,874,692,878	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,874,692,878	100.00%
2013	\$ 11,527,422,000	\$ 13,981,508,000	\$ 13,981,508,000	\$ 1,458,546,482	\$ 636,293,988	\$ 6,024,864,000	\$ 21,578,906,470	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,578,906,470	100.00%
2014	\$ 13,873,758,000	\$ 11,897,960,000	\$ 11,897,960,000	\$ 1,385,403,241	\$ 594,339,539	\$ 6,183,459,000	\$ 21,568,001,780	\$ 1.20	\$ 3.70	\$ 2.30	\$ 21,568,001,780	100.00%
2015	\$ 14,322,697,000	\$ 11,976,725,000	\$ 11,976,725,000	\$ 1,629,774,285	\$ 588,032,927	\$ 6,268,127,000	\$ 22,249,102,212	\$ 1.20	\$ 3.70	\$ 2.30	\$ 22,249,102,212	100.00%

Source: Assessor's Office



**CITY OF RICHMOND, VIRGINIA**  
**REAL ESTATE ASSESSED VALUES OF LARGEST TAXPAYERS**  
**As of January 1, 2015**

2015		2006				
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Total Taxable Assessed Value</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Total Taxable Assessed Value</u>
PHILIP MORRIS INC.	\$634,995,000	1	2.85%	1	\$ 266,051,100	1.60%
HINES RIVERFRONT PLAZA LP	213,000,000	2	0.96%	2	197,000,000	1.18%
JAMES CENTER PROPERTY LLC	174,091,000	3	0.78%	3	164,126,400	0.99%
DOMINION RESOURCES, INC	152,906,000	4	0.69%	4	157,435,000	0.95%
SIR PROPERTIES TRUST	112,610,000	5	0.51%	5	100,336,000	0.60%
CHIPPENHAM HOSPITAL INC.	110,561,000	6	0.50%	6	90,457,000	0.54%
FEDERAL RESERVE BANK	105,256,000	7	0.47%	7	86,500,000	0.52%
TM STONY POINT PARK LP	70,310,000	8	0.32%	8	84,809,600	0.51%
HRIP MILLER & RHOADS	67,205,000	9	0.30%	9	68,998,200	0.41%
PARMENTER 919 MAIN STREET LP	67,039,000	10	0.30%	10	68,500,000	0.41%
AREP RIVERSIDE I LLC	66,779,000	11	0.30%	11	59,526,020	0.36%
AMERICAN RETIREMENT CORP	63,150,000	12	0.28%	12	52,997,000	0.32%
BIOTECH 8 LLC	63,087,000	13	0.28%	13	44,975,000	0.27%
A T MAIN STREET RICHMOND LLC	56,858,000	14	0.26%	14	43,010,200	0.26%
CANAL WALK LOFTS IV LP	56,206,000	15	0.25%	15	40,016,000	0.24%
AH RICHMOND TOWER I LLC	54,832,000	16	0.25%	16	37,024,100	0.22%
GAMBLES HILL LLC	50,658,000	17	0.23%	17	34,265,000	0.21%
ROBINS A H CO. INC	48,065,000	18	0.22%	18	32,997,000	0.20%
SOUTHWOOD APARTMENTS LLC	45,813,000	19	0.21%	19	32,274,300	0.19%
JOHN MARSHAL BUILDING LLC	41,808,000	20	0.19%	20	32,064,220	0.19%
ECK ENTERPRISES INC	39,136,000	21	0.18%	21	29,658,500	0.18%
COLD STORAGE III LP	36,660,000	22	0.16%	22	28,509,100	0.17%
GAMBLES HILL LAB LLC	36,305,000	23	0.16%	23	27,824,400	0.17%
APPLE SEVEN SPE RICHMOND INC	35,722,000	24	0.16%	24	23,957,000	0.14%
HCA HEALTH SERVICES OF VA INC	34,148,000	25	0.15%	25	22,325,400	0.13%
Total of Taxpayers	2,437,200,000		10.95%		1,825,626,540	10.96%
All Other Properties	19,811,902,212		89.05%		14,827,078,980	89.04%
Totals	\$ 22,249,102,212		100.00%		\$ 16,652,705,520	100.00%

Source: City's Real Estate Assessor



**CITY OF RICHMOND, VIRGINIA  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

	2015			2006			
<u>Employer</u>	<u>Approximate Number of Employees</u>	<u>Rank</u>	<u>Percentage of Principal Employment</u>	<u>Employer</u>	<u>Approximate Number of Employees</u>	<u>Rank</u>	<u>Percentage of Principal Employment</u>
Capital One Financial Corp.	11,491	1	10.65%	Commonwealth of Virginia	25,405	1	14.35%
VCU Health System	9,054	2	8.39%	Federal Government	15,100	2	8.53%
HCA Virginia Health System	7,325	3	6.79%	Chesterfield County	10,467	3	5.91%
Bon Secours Richmond Health System	6,852	4	6.35%	Henrico County	9,848	4	5.56%
Walmart	5,526	5	5.12%	Richmond City	8,833	5	4.99%
Dominion Resources Inc.	5,317	6	4.93%	Capital One Financial Corp.	7,057	6	3.99%
SunTrust Banks Inc.	4,010	7	3.72%	HCA, Inc.	6,678	7	3.77%
Food Lion LLC	3,966	8	3.68%	Virginia Commonwealth University Health System	6,729	8	3.80%
Altria Group Inc.	3,900	9	3.61%	Philip Morris, USA	6,300	9	3.56%
Amazon.com	3,300	10	3.06%	Wal-mart Stores, Inc.	5,371	10	3.03%
Wells Fargo & Co.	2,912	11	2.70%	Wachovia Corporation	5,315	11	3.00%
DuPont	2,834	12	2.63%	Dominion Resources, Inc.	4,763	12	2.69%
Anthem Blue Cross and Blue Shield	2,777	13	2.57%	Bon Secours Richmond Health System	4,351	13	2.46%
Bank of America	2,500	14	2.32%	Hanover County	3,853	14	2.18%
UPS	2,426	15	2.25%	Ukrop's Super Markets, Inc.	3,733	15	2.11%
The Kroger Co.	2,172	16	2.01%	Sun Trust Banks, Inc.	3,542	16	2.00%
Federal Reserve Bank of Richmond	1,875	17	1.74%	DuPont	2,900	17	1.64%
Verizon Communications Inc.	1,735	18	1.61%	Bank of America Corporation	3,100	18	1.75%
<b>Total of Principal Employers</b>	<b>79,972</b>		<b>74.12%</b>	<b>Total of Principal Employers</b>	<b>133,345</b>		<b>75.32%</b>
<b>Other Principal Employers<sup>1</sup></b>	<b>27,923</b>		<b>25.88%</b>	<b>Other Principal Employers<sup>1</sup></b>	<b>43,676</b>		<b>24.67%</b>
<b>Totals</b>	<b>107,895</b>		<b>100.00%</b>	<b>Totals</b>	<b>177,021</b>		<b>100.00%</b>

**Other Principal Employers:** These numbers represent the amount and percentage of the remaining top 18 employers for the citizens within the Richmond Metropolitan Statistical Area.  
Source: Richmond Times-Dispatch



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

Tax Year <sup>1</sup>	Tax Rate	Tax Levy/Bill <sup>2</sup>	Current Tax Collections <sup>3</sup>		Delinquent <sup>4</sup> Tax Collections	Total Tax Collections	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	1.33	\$201,274,826	\$191,839,265	95.3%	\$7,619,922	\$199,459,187	99.1%
2006	1.29	\$214,819,901	\$206,416,778	96.1%	\$6,901,572	\$213,318,350	99.3%
2007	1.23	\$224,815,976	\$218,210,831	97.1%	\$5,696,407	\$223,907,238	99.6%
2008	1.20	\$233,179,816	\$221,199,403	94.9%	\$15,227,545	\$236,426,948	101.4%
2009	1.20	\$236,538,376	\$223,155,601	94.3%	\$6,001,432	\$229,157,033	96.9%
2010	1.20	\$234,474,521	\$222,858,692	95.0%	\$9,711,902	\$232,570,594	99.2%
2011	1.20	\$234,035,458	\$222,720,502	95.2%	\$10,742,828	\$233,463,330	99.8%
2012	1.20	\$227,351,927	\$213,930,311	94.1%	\$8,196,450	\$222,126,762	97.7%
2013	1.20	\$224,663,796	\$207,677,432	92.4%	\$9,296,883	\$216,974,315	96.6%
2014*	1.20	\$217,520,214	\$202,460,782	93.1%	\$6,568,610	\$209,029,392	96.1%
2015	1.20	\$225,916,636	\$210,327,124	93.1%	\$9,155,708	\$219,482,832	97.2%

Source: City of Richmond-Department of Finance

**CITY OF RICHMOND, VIRGINIA  
PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Years**

Tax Year <sup>1</sup>	Tax Rate	Tax Levy/Bill <sup>2</sup>	Current Tax Collections <sup>3</sup>		Delinquent <sup>4</sup> Tax Collections	Total Tax Collections	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	3.70	\$48,443,250	\$43,739,697	90.3%	\$4,663,959	\$48,608,656	100.3%
2006	3.70	\$50,187,847	\$43,230,723	86.1%	\$4,328,616	\$47,559,339	94.8%
2007	3.70	\$52,721,272	\$44,112,841	83.7%	\$5,826,972	\$49,939,813	94.7%
2008	3.70	\$53,094,279	\$44,845,028	84.5%	\$2,687,649	\$47,532,677	89.5%
2009	3.70	\$53,145,714	\$45,087,896	84.8%	\$5,957,159	\$51,045,045	96.0%
2010	3.70	\$53,716,305	\$45,700,784	85.1%	\$4,740,164	\$50,440,948	93.9%
2011	3.70	\$49,636,035	\$43,078,673	86.8%	\$4,740,164	\$47,818,837	96.3%
2012	3.70	\$49,995,079	\$44,016,434	88.0%	\$4,779,895	\$48,796,329	97.6%
2013	3.70	\$56,335,465	\$45,804,689	81.3%	\$10,115,195	\$55,919,884	99.3%
2014*	3.70	\$60,309,698	\$50,764,046	84.2%	\$5,614,439	\$56,378,485	93.5%
2015	3.70	\$61,537,220	\$54,479,640	88.5%	\$8,867,316	\$63,346,956	102.9%

Source: City of Richmond-Department of Finance

\* For 2014, real estate delinquent tax collections are restated from \$12,381,260 and personal property delinquent tax collections are restated from \$13,386,275. These adjustments caused total tax collections as a percentage of the levies to fall from 98.8 percent and 106.4 percent, respectively.

Tax Year<sup>1</sup>: The tax year is based on the calendar year, not the fiscal year.

Tax Levy<sup>2</sup>: This column represents the net levy and includes adjustments and abatements. Real estate levies are based on the assessments from the City Assessor and the rate authorized by City Council. Personal property levies are based on the current value of the property and the rates authorized by City Council. The levy determines the original bill, which is adjusted for corrections and abatements. The real estate tax levy does not include the reduced assessment by the City's rehabilitation tax credit program, and the personal property tax levy does not include machinery and tools tax.

Current Tax Collections<sup>3</sup>: These columns represent the amount and percentage on the tax levy within the respective tax year reporting period. The amount is not adjusted to reflect accruals; it shows cash recorded in the City's revenue accounting system.

Delinquent Tax Collections<sup>4</sup>: This column represents delinquent taxes collected within the respective levy year reporting period.



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

Governmental Activities      Business-type Activities      Total Primary Government

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government		
	General Obligation Bonds	Virginia Public School Authority Bonds	General Obligation Notes	HUD Section 108 Notes	Lease Revenue Bond	Certificates of Participation Series 2001A	General Obligation Bonds	Utility Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2006	\$376,095,157	\$2,820,514	\$5,600,000	\$5,020,000	\$12,100,000	\$16,920,000	\$246,092,420	\$320,513,843	\$985,161,934	11.71%	\$4,951
2007	\$387,222,408	\$2,597,288	\$4,700,000	\$4,465,000	\$11,555,580	\$16,230,000	\$234,580,147	\$414,194,548	\$1,075,544,971	12.13%	\$5,360
2008	\$354,881,308	\$2,372,353	\$8,500,000	\$3,910,000	\$10,981,807	\$15,510,000	\$222,734,874	\$406,325,632	\$1,025,215,974	11.28%	\$5,054
2009	\$327,097,155	\$2,145,328	\$63,560,000	\$3,355,000	\$10,377,099	\$14,760,000	\$208,811,286	\$551,289,644	\$1,181,395,512	13.46%	\$5,778
2010	\$400,951,978	\$1,916,098	\$33,220,000	\$2,800,000	\$9,739,788	\$13,980,000	\$191,239,793	\$553,815,743	\$1,207,663,400	14.07%	\$5,914
2011	\$453,213,764	\$1,684,543	\$74,780,000	\$2,245,000	\$9,068,116	\$13,170,000	\$171,845,174	\$554,658,872	\$1,280,665,469	14.41%	\$6,231
2012	\$524,298,582	\$1,450,834	\$14,034,000	\$1,690,000	\$8,360,231	\$12,325,000	\$159,595,376	\$556,645,429	\$1,278,399,452	13.60%	\$6,079
2013	\$495,710,389	\$1,215,155	\$101,155,970	\$11,255,000	\$7,614,180	-	\$141,816,089	\$736,458,640	\$1,495,225,623	15.29%	\$6,983
2014	\$607,682,714	\$977,282	\$107,460,000	\$10,695,000	\$6,827,905	-	\$123,660,034	\$723,448,460	\$1,580,751,395	N/A	\$7,256
2015	\$600,310,584	\$736,976	\$35,035,000	\$10,125,000	\$5,999,238	-	\$176,398,440	\$711,370,939	\$1,539,976,177	N/A	N/A

N/A: Information is not available from the U.S. Department of Commerce Bureau of Economic Analysis  
 Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
 Note: See Demographic and Economic Statistics chart for personal income and population data. These ratios are calculated using personal income and population for the most current year available.  
 Note: The Certificate of Participation was paid off during 2013.

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

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government		
	General Obligation Bonds	Virginia Public School Authority Bonds	General Obligation Notes	HUD Section 108 Notes	Lease Revenue Bond	Certificates of Participation Series 2001A	General Obligation Bonds	Utility Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2006	\$622,187,577	\$2,820,514	\$5,600,000	\$5,020,000	\$12,100,000	\$16,920,000	\$664,648,091	\$320,513,843	\$985,161,934	11.71%	\$4,951
2007	\$621,802,555	\$2,597,288	\$4,700,000	\$4,465,000	\$11,555,580	\$16,230,000	\$661,350,423	\$414,194,548	\$1,075,544,971	12.13%	\$5,360
2008	\$577,616,182	\$2,372,353	\$8,500,000	\$3,910,000	\$10,981,807	\$15,510,000	\$618,890,342	\$406,325,632	\$1,025,215,974	11.28%	\$5,054
2009	\$535,908,441	\$2,145,328	\$63,560,000	\$3,355,000	\$10,377,099	\$14,760,000	\$630,105,868	\$551,289,644	\$1,181,395,512	13.46%	\$5,778
2010	\$592,191,771	\$1,916,098	\$33,220,000	\$2,800,000	\$9,739,788	\$13,980,000	\$653,847,657	\$553,815,743	\$1,207,663,400	14.07%	\$5,914
2011	\$625,068,938	\$1,684,543	\$74,780,000	\$2,245,000	\$9,068,116	\$13,170,000	\$726,006,597	\$554,658,872	\$1,280,665,469	14.41%	\$6,231
2012	\$683,893,958	\$1,450,834	\$14,034,000	\$1,690,000	\$8,360,231	\$12,325,000	\$721,754,023	\$556,645,429	\$1,278,399,452	13.60%	\$6,079
2013	\$637,526,478	\$1,215,155	\$101,155,970	\$11,255,000	\$7,614,180	-	\$758,766,783	\$736,458,640	\$1,495,225,623	15.29%	\$6,983
2014	\$731,342,748	\$977,282	\$107,460,000	\$10,695,000	\$6,827,905	-	\$857,302,935	\$723,448,460	\$1,580,751,395	N/A	\$7,256
2015	\$776,709,024	\$736,976	\$35,035,000	\$10,125,000	\$5,999,238	-	\$828,605,238	\$711,370,939	\$1,539,976,177	N/A	N/A

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





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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 1,665,270,552	\$ 1,904,252,245	\$ 2,060,991,864	\$ 2,109,902,904	\$ 2,109,403,867	\$ 1,988,745,212	\$ 1,971,653,100	\$ 1,949,406,600	\$ 1,958,825,900	\$ 2,003,129,500
Total net debt applicable to limit	635,988,545	633,857,964	592,625,025	605,137,771	630,231,266	703,768,481	701,068,792	751,152,603	850,475,030	822,605,994
Legal Debt Margin	\$ 1,029,282,007	\$ 1,270,394,281	\$ 1,468,366,839	\$ 1,504,765,133	\$ 1,479,172,601	\$ 1,284,976,731	\$ 1,270,584,308	\$ 1,197,253,997	\$ 1,108,350,870	\$ 1,180,523,506

Total net debt applicable to the limit  
as a percentage of debt limit

	38.19%	33.29%	28.75%	28.68%	29.88%	35.39%	35.56%	38.55%	43.42%	41.07%
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**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed Value (Taxable)	\$ 20,031,295,000
Debt limit (10% of total assessed value)	2,003,129,500
General Obligation Bonds	822,605,994
Legal Debt Margin	<u>\$ 1,180,523,506</u>

Source: City of Richmond - Department of Finance

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

The Total Debt Applicable to Limit shown on 6/30/2015 does not include \$711,370,939 of self supporting Public Utility Revenue Bonds or \$5,999,238 of Lease Revenue Bonds that by State law are not required to be included in calculations for legal margin for the creation of additional debt.



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

Fiscal Year	Gross Revenue	Less:	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
		Direct Operating Expenses		Principal	Interest	Total	
2006	\$ 354,513,119	\$ 267,435,241	\$ 87,077,878	\$ 13,877,566	\$ 28,234,697	\$ 42,112,263	2.07
2007	\$ 332,534,070	\$ 264,341,546	\$ 68,192,524	\$ 15,512,828	\$ 28,242,331	\$ 43,755,159	1.56
2008	\$ 335,154,223	\$ 270,811,760	\$ 64,342,463	\$ 20,562,701	\$ 29,429,144	\$ 49,991,845	1.29
2009	\$ 347,058,210	\$ 278,970,601	\$ 68,087,609	\$ 20,508,027	\$ 29,939,215	\$ 50,447,242	1.35
2010 <sup>1</sup>	\$ 297,479,213	\$ 220,452,796	\$ 77,026,417	\$ 21,104,375	\$ 34,343,862	\$ 55,448,237	1.39
2011	\$ 292,376,014	\$ 214,249,704	\$ 78,126,310	\$ 23,548,199	\$ 31,501,282	\$ 55,049,481	1.42
2012	\$ 264,583,790	\$ 185,232,686	\$ 79,351,104	\$ 27,860,480	\$ 30,343,026	\$ 58,203,506	1.36
2013	\$ 291,885,805	\$ 208,615,753	\$ 83,270,052	\$ 29,836,350	\$ 30,284,845	\$ 60,121,195	1.39
2014	\$ 322,906,697	\$ 212,520,886	\$ 110,385,811	\$ 34,088,248	\$ 36,736,199	\$ 70,824,447	1.56
2015	\$ 320,307,318	\$ 208,875,736	\$ 111,431,582	\$ 31,269,119	\$ 35,701,455	\$ 66,970,575	1.66

**Debt Service Coverage Covenant**

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

Source: City of Richmond - Department of Public Utilities

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

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



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

<b>Fiscal</b>		<b>Personal Income</b>	<b>Per Capita</b>		<b>School</b>	<b>City</b>	<b>State</b>
<b>Year</b>	<b>Population(1)</b>	<b>(Amounts expressed</b>	<b>Personal</b>	<b>Median</b>	<b>Enrollment(3)</b>	<b>Unemployment</b>	<b>Unemployment</b>
		<b>in thousands)</b>	<b>Income(2)</b>	<b>Age</b>		<b>Rate(4)</b>	<b>Rate(4)</b>
2006	198,992	\$8,409,514	\$42,261	34.0	24,247	4.6%	3.2%
2007	200,655	\$8,864,854	\$44,105	34.0	23,987	4.4%	3.1%
2008	202,867	\$9,291,735	\$45,941	35.3	24,226	5.8%	4.0%
2009	204,451	\$8,564,729	\$42,050	33.8	23,200	10.2%	7.1%
2010	204,214	\$8,736,377	\$42,772	32.6	22,994	10.5%	7.1%
2011	205,533	\$9,345,201	\$45,151	32.4	23,454	9.3%	6.3%
2012	210,309	\$10,148,048	\$47,975	32.2	23,336	9.0%	6.0%
2013	214,114	9,848,358	45,869	32.6	23,649	8.2%	5.9%
2014	217,853	10,194,285	46,794	32.6	23,775	6.7%	5.3%
2015	NA	NA	NA	NA	23,957	5.2%	4.7%

\*NA-Not Available

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

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

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

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

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

Unemployment rates are not seasonally adjusted.



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

Function	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities:</b>										
General Government	502	650	731	681	696	696	620	764	739	766
Public Safety and Judiciary										
Police	982	979	1,028	1,000	980	942	923	915	918	830
Firefighters and Officers	426	425	463	413	406	434	425	411	439	440
Others	658	588	603	590	577	573	557	528	542	600
Highways, Streets, Sanitation and Refuse										
Engineering & Maintenance	551	538	566	527	452	454	497	389	391	357
Human Services										
Human Services Advocacy	47	26	24	34	35	43	34	13	15	16
Social Services	411	455	481	472	456	443	441	426	353	404
Culture and Recreation	235	295	260	273	276	261	158	161	146	148
Transportation	5	-	-	-	-	-	-	-	-	-
<b>Business-type Activities:</b>										
Stormwater Utility	-	-	-	-	-	-	-	55	52	49
Gas Utility	213	320	322	425	404	359	367	284	291	279
Water Utility	214	101	102	128	110	110	117	106	101	100
Wastewater Utility	61	108	113	164	139	131	168	176	166	160
Electric Utility	32	15	19	24	24	24	39	26	24	25
Stores and Transportation Division	11	12	13	10	6	6	6	6	8	7
Coliseum	28	25	25	25	17	17	14	14	14	15
Landmark Theatre	-	5	5	-	-	-	-	-	-	-
Cemeteries NCO	21	20	20	20	20	21	19	19	17	18
<b>Total</b>	<u>4,397</u>	<u>4,562</u>	<u>4,775</u>	<u>4,786</u>	<u>4,598</u>	<u>4,514</u>	<u>4,385</u>	<u>4,293</u>	<u>4,216</u>	<u>4,214</u>

Source: Various City departments



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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities:</b>										
Police:										
Physical Arrests	17,034	19,210	20,064	20,425	14,487	13,595	13,179	11,184	10,668	11,453
Parking Violations	19,455	73,335	101,675	104,380	134,151	128,038	125,171	125,905	115,961	131,783
Traffic Violations	22,474	25,047	28,195	30,965	31,518	30,454	25,026	18,168	17,233	17,434
Fire:										
Number of calls answered	31,746	28,234	19,864	29,098	29,587	32,450	32,287	33,774	34,236	34,616
Inspections	2,104	2,660	1,322	1,090	5,336	4,093	5,675	6,392	2,921	3,254
Highways and Streets:										
Street resurfacing (miles)	102	85	70	62	122	115	118	108	130	127
Potholes repaired	10,691	7,500	898	6,128	11,409	9,158	15,135	13,126	20,957	20,161
Sanitation and Refuse:										
Refuse collected (tons/day)	338	293	335	374	291	300	290	295	295	300
Recyclables collected (tons/day)	37	35	25	213	21	42	25	37	37	37
Culture and Recreation:										
Parks permits issued	610	584	543	598	579	546	546	546	546	644
<b>Business-type Activities:</b>										
Gas:										
Maximum daily sendout (MCF)	129,755	151,996	147,713	160,509	139,351	153,078	137,485	150,761	169,141	183,745
Annual Sendout (MCF)	16,620,288	16,551,672	17,722,952	17,056,844	16,006,116	17,662,077	14,673,455	17,522,110	19,014,696	19,997,009
Water:										
Average daily consumptions (MGD)	67	63	66	62	58	59	53	57	55	61
Maximum daily consumptions (MCD)	98	98	90	90	89	99	89	88	83	83
Water in Storage (gallons) <sup>1</sup>	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000
Wastewater:										
Average daily sewage treatment (MGD)	51	59	49	49	55	46	52	51	53	46
Maximum daily sewage treatment (MGD)	83	84	84	84	96	84	80	82	79	54
Coliseum:										
Average daily attendance per activity	921	1,220	1,193	4,169	4,895	4,957	4,161	3,889	1,038	994
Landmark Theatre:										
Total tickets sold for all activities <sup>2</sup>	140,097	150,596	139,506	122,645	156,448	100,032	217,104	121,144	143,855	101,878
Total attendance for all activities <sup>2</sup>	220,615	180,155	196,893	195,790	177,105	139,749	234,035	129,800	160,014	156,321
Cemeteries:										
Number of interments	973	777	841	901	790	777	790	860	826	875
Number of lot sales	17	23	18	14	16	20	6	13	7	12
Number of single grave sales	382	664	601	568	504	473	468	607	555	584
Number of foundations	627	525	532	560	494	522	493	519	512	544

Source: Various City departments

Note: Average daily attendance per activity in previous years was calculated differently from FY09.

(1) FY2011 and prior years, water in storage (gallons) amount has been revised to include the Byrd Park Reservoir.

(2) The Landmark Theatre was closed, due to construction, for 5 months during FY2013, which caused a decrease from FY2012 in the total number of tickets sold and attendances for all activities.



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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police:</b>										
Stations	7	10	4	8	7	7	7	7	7	9
Patrol Units	232	222	323	204	173	164	213	223	223	220
<b>Fire:</b>										
Stations	20	20	20	20	20	20	20	20	20	20
Fire trucks	46	55	64	51	54	54	61	51	41	39
<b>Highways and Streets:</b>										
Streets (miles) <sup>1</sup>	1,857	1,865	1,858	822	822	822	822	822	1,860	1,860
Streetlights	32,900	33,188	33,000	30,548	30,783	36,027	35,834	36,230	31,247	31,247
Traffic Signals <sup>2</sup>	502	511	465	468	476	469	474	471	521	475
<b>Sanitation and Refuse:</b>										
Collection Trucks	45	38	37	47	34	33	33	33	33	33
<b>Culture and Recreation:</b>										
Parks acreage	2,807	2,805	2,805	2,818	2,808	2,810	2,808	2,808	2,808	2,844
Parks	67	71	71	71	71	71	72	72	73	73
Baseball/Softball Diamonds	55	48	48	48	48	48	48	48	48	48
Athletic Fields	27	31	31	31	31	31	31	31	31	30
Golf Courses (Driving Range/Par 3 Course)	1	1	1	1	1	1	1	1	1	1
Swimming Pools	9	9	9	8	9	9	9	9	9	9
Tennis Courts	138	130	130	130	140	140	140	140	140	136
Community Centers	24	24	24	24	20	20	20	20	20	20
Theatres	2	1	2	2	2	2	2	2	2	2
Coliseums	1	1	1	1	1	1	1	1	1	1
<b>Gas :</b>										
Miles of Service Lines <sup>3</sup>	1,818	1,850	1,013	1,033	1,050	1,057	1,069	1,138	1,149	1,130
Number of Gate Stations	8	8	8	8	8	8	8	8	8	8
<b>Water:</b>										
Miles of Water Lines	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Water Pumping Stations	13	12	12	12	12	12	12	12	12	12
<b>Wastewater:</b>										
Miles of Sewer Lines	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Miles of Interceptors	47	47	47	47	47	47	47	47	47	47
Sewer Pumping Stations	3	5	5	5	5	5	5	5	5	5

Source: Various City departments

(1) From FY2008 to 2009, the City changed its calculation from Lane Miles (# of lanes x # of miles) to Miles

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

(3) Change in calculation methods caused a change in the amounts reported for FY08-FY10. This revised calculation method was used for the current year, which provides a fair comparison for FY08-FY11. Historic detail information prior to FY08 was not available in order to apply the change in calculation methods; thus, amounts reported for FY2003-FY2007 are based on the historic calculation method.





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

DEPARTMENT OF FINANCE  
900 EAST BROAD STREET, 10<sup>TH</sup> FLOOR  
RICHMOND, VIRGINIA 23219

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