



The City of
Richmond California



Annual
Comprehensive
Financial Report
For The Year Ended June 30, 2022

City of Richmond
California

Annual Comprehensive Financial Report



Fiscal Year Ended June 30, 2022

Prepared by the Finance Department

Delmy Cuellar

Director of Finance/Treasurer

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FINANCE DEPARTMENT



**450 CIVIC CENTER PLAZA
RICHMOND, CA 94804
(510) 620-6740**

February 6, 2023

Citizens of the City of Richmond
The Honorable Mayor and
Members of the City Council

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Richmond, California (City). The Finance Department has prepared this report to present the financial position and the results of the City's operations for the fiscal year ended June 30, 2022, and the cash flows of its proprietary fund types for the year then ended. The basic financial statements and supporting schedules have been prepared in compliance with Article IV, Section 1(b)3 of the City Charter, with California Government Code Sections 25250 and 25253, and in accordance with generally accepted accounting principles (GAAP) for local governments as established by the Governmental Accounting Standards Board (GASB).

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City Council is required to adopt an initial budget for the fiscal year to be effective July 1, for the ensuing fiscal year. Budgeted expenditures are adopted through the passage of a resolution, which constitutes the maximum authorized expenditures for the fiscal year and cannot legally be exceeded except by subsequent amendments of the budget by the City Council. Expenditures are controlled at the fund level for all budgeted departments within the City which means, this is the level at which expenditures may not legally exceed the appropriations.

The City's financial statements have been audited by an independent auditing firm of licensed certified public accountants. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2022, but with a disclaimer of opinion for business-type activities as it relates to the Richmond Housing Authority Enterprise Fund and the aggregate discretely presented component units, as the financial statements of the Richmond Housing Authority and RHA Properties, RHA Housing Corporation and RHA RAD LLC have not been audited for the year ended June 30, 2022. The Independent Auditors' Report is presented as the first component of the Financial Section of this report.

Accounting standards require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The Reporting Entity and Its Services

The City has defined its reporting entity in accordance with GAAP that provide guidance for determining which governmental activities, organizations and functions should be included in the reporting entity. This ACFR presents information on the activities of the city and its component units.

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Discretely presented component units, on the other hand, are reported in a separate column in the basic financial statements to emphasize their legal separateness from the City. Each blended component unit has a June 30 year-end. The City's three discretely presented component units are RHA Properties, RHA Housing Corporation and RHA RAD LLC. Please see note 1 for a detailed discussion of the financial reporting entity.

The City's component units and assessment districts are as follows: the Richmond Housing Authority, the Richmond Joint Powers Financing Authority, the Richmond Neighborhood Stabilization Corporation, the Richmond Surplus Property Authority and Harbor Navigation, Country Club Vista and Atlas Interchange Special Assessment Districts. The City also has one inactive component unit, Richmond Parking Authority.

Profile of the Government

The City of Richmond was chartered as a city in 1909, and is located 16 miles northeast of San Francisco, directly across San Francisco Bay. Richmond is on a peninsula separating San Francisco Bay (on the south) and San Pablo Bay (to the north), spanning 32 total miles of shoreline. The City's total area is 56.1 square miles, 33.8 of which is land area and 22.3 water area. Richmond is situated near major metropolitan cities and major new growth areas. San Francisco is within 35 minutes from Richmond by freeway; Oakland is 20 minutes; San Jose is approximately one hour's drive to the south and Sacramento, the state capitol, is approximately 90 minutes to the east. Central Marin County is 15 minutes from Richmond directly across the Richmond-San Rafael Bridge. Freeways provide direct access from Richmond to major new growth areas along Interstate 80 north and east to Vallejo, Fairfield and Sacramento; along Interstate 680 in central Contra Costa County; and south along Interstate 880 to the San Jose area.

Richmond's population is 115,639. The population within a 30-mile radius of Richmond is over 3.7 million, and within a 70-mile radius is approximately 7.8 million. Richmond is located on the western shore of Contra Costa County, and it is the largest city in the "West County" region consisting of five cities: Richmond, El Cerrito, San Pablo, Hercules and Pinole.

The City of Richmond provides a full range of municipal services, including police and fire protection, construction and maintenance of highways, streets and infrastructure, library services, storm water and municipal sewer systems, wastewater treatment facility and the administration of recreational activities and cultural events. The City also operates the Richmond Memorial Convention Center and the Port of Richmond.

The City Council is the governing body of the City and has six members elected at-large to alternating 4-year terms. The Mayor is elected at large and is a seventh member of the City Council. The City of Richmond is a Council-Manager form of government. The City Manager, appointed by the Mayor and Council, has administrative authority to manage administrative and fiscal operations of the City. In addition to the City Manager, the City Attorney, City Clerk and Investigative Appeals Officer are appointed by the Mayor and Council.

The mission of the City of Richmond is:

The City of Richmond provides services that enhance economic vitality, the environment and the quality of life of our community.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021. The City's allocated amount was \$27.7 million. The City received the first installment in the amount of \$13.8 million in August 2021 and the second installment in the amount of \$13.8 million in August 2022.

COVID-19 pandemic impacts have significantly lessened on the City of Richmond's tax revenues. Revenue reduction reflected in Transient Occupancy Tax (TOT), and fees and rentals collected by both the Police Department and Community Services. The TOT decreased 43% in FY2020-21 compared to FY2019-20. When compared to FY2018-19, a full year of pre-pandemic activity, the decrease is 56%. TOT has stabilized and FY2021-22 revenues increased by 5%.

Property Tax continues to see steady growth with actual General Fund Property Taxes in FY2021-22 being 5% more than the previous year. More recently, the County released 2022-2023 Assessment Roll in July 2022 which indicated growth of the Assessed Valuation (AV) at 8.15% for Secured Property Taxes, which is the main component in changes to secure property taxes year to year.

The City received \$535 million in Sales Tax revenue which is \$5.8M million more than the pre-COVID high of \$44.5M received in FY2018-19, a total increase of 12% over the last three years. The most recent forecast from the City's financial consultants, using the most likely scenarios, expect this trend to continue.

In November 2020, Richmond voters approved Measure U which significantly changed the calculation for the Business License Tax. This changed the tax calculation from based on number of employees or location a percentage of the business gross receipts. Measure U imposes a calculation based on Gross Receipts. This calculation methodology means the business tax collected by the City will change with inflation, with the number of businesses opening and closing. In other words, it will be much more closely tied to the local economy than years past.

Significant Events and Accomplishments

The City of Richmond is committed to providing excellent municipal services to its diverse residents and visitors. Highlights of the City's activities and accomplishments for the fiscal year ended June 30, 2022, include the following:

Employment and Training

- Awarded over \$11 million dollars to provide employment and training services to Richmond residents (Adult workers, Youth, Dislocated Workers, English as Second Language, Youth with Disabilities and Construction Trades)
- Served over 500 youth through year-round, summer employment, and supportive services
- Graduated 3 Pre-Apprenticeship (Construction Trade) Cohorts (60) with 80% placement
- Served over 6,000 residents at the One-Stop Career Center

Library

- Reopened West Side and Bayview Branch libraries for in-person service and expanded hours: Main Library 41 hours per week, West Side and Bayview Branch libraries 20 hours per week
- Lunch @ the Library moves to Free Summer Lunch Sites with a side of books
- Grants Awarded = \$282,000 and Grants Pending = \$10.3 million dollars
- Added new self-guided online learning Courses (Coursera, LinkedIn Learning, GetSetUp, Learning Express, Northstar Digital Library and Skillshare)
- Started a new technology service lending Internet Hotspots and Chromebooks to increase access to Library online resources

Literacy for Every Adult Program (LEAP)

- LEAP received grants to support literacy services including adult literacy instruction, families for literacy services, and English as a Second Language services totaling \$195,200
- LEAP provided literacy services to Richmond residents, offered GED preparation classes at Bay Area Rescue Mission, partnered with Office of Neighborhood Safety, served as host site for YouthWORKS summer youth employees, Richmond Promise mentor and Contra Costa Health Services Health Career Pathways mentor
- 3 adult learners became members of the City of Richmond's Race and Equity Team after completing LEAP's civic engagement training
- 127 active adult learners; 14 GED certificate earned, 6 high school diplomas, 21 adults and 39 children participate in the Families for Literacy Services
- LEAP has a group of dedicated volunteers who donated 1,263 hours, the equivalent of \$34,985 in salary costs
- Entered partnership with T-Mobile Government contracting to secure 25 free tablets for students to continue their education remotely with free hotspots

Recreation

- Youth and adult sports opportunities were reopened
- Transitioned virtual afterschool and summer camps for youth to in-person and hybrid opportunities
- Reinstated In-Person Special Events such as Spring Egg Hunt, Park Rx Day
- Celebrated Willie Mays Day and the reopening of Martin Luther King, Jr. Turf Field
- Aquatic centers were reopened to serve the community
- Senior Centers continued to provide programs in a hybrid format to allow our seniors the freedom to choose programs of their comfort level
- Developing Personal Resources Center continued to provide virtual programs.
- Awarded 8 grants for various facilities and parks improvements
- LYB COVID-19 Mini-Grants were awarded

Transportation

- Commenced the on-demand city-wide shuttle for Richmond residents thereby reducing the need for vehicle trips
- Expanded electric vehicle (EV) charging stations for increased accessibility and EV purchases within Richmond
- Reduced the cost of the ride share LYFT service travel for qualified seniors and disabled persons in Richmond that resulted in the use of efficient transportation modes like transit and other forms of ridesharing
- Expanded the LYFT coverage area to Contra Costa Regional Medical Center, Contra Costa County Government offices and the Veterans Hospital in Martinez, CA
- Implemented Richmond's first bike share program
- Implemented various micro-mobility services including carshare programs and the Richmond MOVES On-Demand Shuttle program

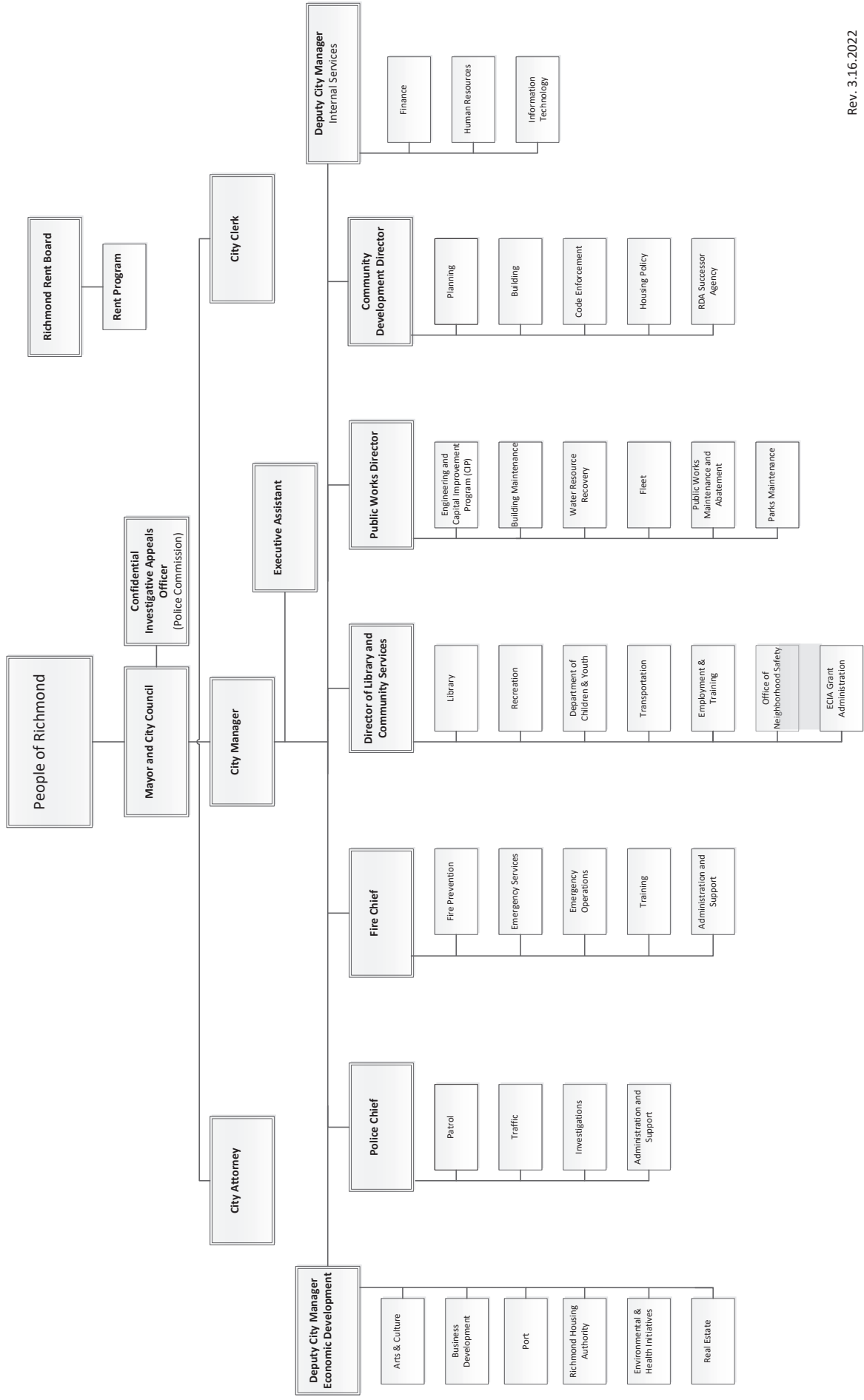
Respectfully submitted,



Delmy Cuellar

Director of Finance/Treasurer

Organizational Chart



CITY OFFICIALS

JUNE 30, 2022

CITY COUNCIL

| | |
|--------------------|---------------------|
| Mayor..... | Tom Butt |
| Vice Mayor | Eduardo Martinez |
| Councilmember..... | Nathaniel Bates |
| Councilmember..... | Claudia Jimenez |
| Councilmember..... | Demnlus Johnson III |
| Councilmember..... | Gayle McLaughlin |
| Councilmember..... | Melvin Willis |

ADMINISTRATION AND EXECUTIVE MANAGEMENT

| | |
|---|------------------|
| City Manager..... | Shasa Curl |
| Deputy City Manager, Internal Services (Interim)..... | Anil Comelo |
| City Attorney..... | Dave Aleshire |
| City Clerk..... | Pamela Christian |
| Director Community Development..... | Lina Velasco |
| Director of Information Technology..... | Sue Hartman |
| Director of Library and Community Services (Interim)..... | LaShonda White |
| Finance Director..... | Delmy Cuellar |
| Fire Chief..... | Angel Montoya |
| Human Resources Director (Acting)..... | Teresa Fairbanks |
| Police Chief (Interim)..... | Louie Tirona |
| Director of Public Works..... | Joe Leach |



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Richmond
Richmond, California

Report on the Audit of the Financial Statements

Disclaimer of Opinion and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Richmond, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements. We were engaged to audit the financial statements of the discretely presented component units as of and for the year ended June 30, 2022. These financial statements collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

| Opinion Unit | Type of Opinion |
|---|-----------------|
| Governmental Activities | Unmodified |
| Business-Type Activities | Disclaimer |
| Aggregate Discretely Presented Component Units | Disclaimer |
| Major Governmental Funds: | |
| General Fund | Unmodified |
| Community Development and Loan Programs Special Revenue | Unmodified |
| Major Enterprise Funds: | |
| Richmond Housing Authority | Disclaimer |
| Port of Richmond | Unmodified |
| Municipal Sewer | Unmodified |
| Aggregate Remaining Fund Information | Unmodified |

Disclaimer of Opinion on Business-Type Activities, Aggregated Discretely Presented Component Units and Richmond Housing Authority

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the business-type activities, Richmond Housing Authority Enterprise Fund, and the aggregate discretely presented component units of the City. Accordingly, we do not express an opinion on these financial statements.

To the Honorable Mayor and Members of the City Council
of the City of Richmond
Richmond, California
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Basis for Disclaimer of Opinion

The financial statements of the Richmond Housing Authority and RHA Properties, RHA Housing Corporation and RHA RAD LLC have not been audited for the year ended June 30, 2022. The Richmond Housing Authority's financial activities are included in the City's basic financial statements as a major enterprise fund and represent 8.22%, 21.42%, and 6.47% of the assets, net position, and revenues, respectively, of the City's business-type activities. The financial activities of the RHA Properties, RHA Housing Corporation and RHA RAD LLC are included in the City's financial activities as discretely presented component units and represent the City's only discretely presented component units.

Unmodified Opinions on Governmental Activities, Major Governmental Funds, Port of Richmond, Municipal Sewer Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, the Community Development and Loan Programs Special Revenue Fund, the Port of Richmond Enterprise Fund, the Municipal Sewer Enterprise Fund, and the aggregate remaining fund information of the City as of June 30, 2022, 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.

Basis for Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other post-employment benefits information on pages 7-20 and 169-193 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 combining and individual nonmajor fund financial statements and schedule and budget comparison information of nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

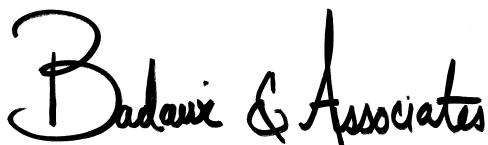
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information included in the ACFR but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and Members of the City Council
of the City of Richmond
Richmond, California
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
February 6, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2022

This narrative overview and analysis of the City of Richmond's (the "City") Basic Financial Statements is for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, basic financial statements, and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$122 million during the fiscal year attributed to a \$95.5 million increase in governmental activities and \$26.5 million increase in business-type activities.
- The liabilities and deferred inflows of the governmental activities of the City exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$160.3 million (net deficit). Alternatively, the assets and deferred outflows of the business-type activities of the City exceeded its liabilities and deferred inflows by \$113.8 million.
- As of June 30, 2022, the City's unrestricted net deficit (governmental and business-type activities) totaled \$454 million, a \$116 million decrease from prior year. The unrestricted net deficits represent the net unfunded liabilities of the government. Over time, increases and decreases in this account will allow the reader to determine if the City's condition is improving or deteriorating. Restricted net position for governmental and business-type activities increased by a net \$483 thousand to \$117.7 million.
- The City's financial statements include a disclaimer of opinion on the financial statements of the Richmond Housing Authority Enterprise Fund ("RHA"), a blended component unit included in the City's business-type activities, and three discretely presented component units, RHA Properties, RHA Housing Corporation and RHA RAD LLC. As of June 30, 2022, the net position of RHA is \$24.4 million or 21.4% of the City's business-type activities. Additional information about the disclaimer of opinion can be found in the Independent Auditor's Report.
- The City's General Fund contingency reserve policy to the minimum 15% of the General Fund's next year's budgeted appropriations or \$28.2 million and the balance was \$44.9 million as of June 30, 2022.
- The Net Pension Liability of \$214.3 million, representing an accounting measure of the City's unfunded pension obligation, decreased by \$138 million from \$352.3 million. The City reports \$84.5 million in the Other Post-Employment Benefit (OPEB) liability for this fiscal year which is a decrease of \$19.3 million from the \$103.8 million obligation reported in the prior year.
- The City's General Fund revenue and other financing sources (uses) exceeded expenditures by \$21.3 million in fiscal year 2022. This is primarily attributable to other taxes and sales tax fee revenues in excess of expectations for the year.

OVERVIEW OF FINANCIAL STATEMENTS

The City's basic financial statements are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

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 private-sector business.

The *Statement of Net Position* presents information on all City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and grants, governmental activities, and business-type activities, which are intended to recover all or a significant portion of their costs through user fees and charges. The City's activities include five blended component units which consist of the Richmond Housing Authority, Richmond Joint Powers Financing Authority, Richmond Neighborhood Stabilization Corporation, Richmond Surplus Property Authority and Richmond Parking Authority. Although legally separate, the City is financially accountable for the activities of these entities which are therefore shown as blended as part of the primary government.

RHA Properties, RHA Housing Corporation and RHA RAD LLC are discretely presented component units of the City that are legally separate reporting entities but are important because the City is financially accountable for them.

The government-wide financial statements can be found on pages 26-29 of the financial report.

Fund Financial Statements

Fund Financial statements are designed to report information about the groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – Governmental funds focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year 2022. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City has twenty-one governmental funds, of which two are considered major funds for presentation purposes. Each major fund is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The City's two major funds are the General Fund and the Community Development and Loan Programs Special Revenue Fund. The basic governmental fund financial statements can be found on pages 38-43 of the financial report. Data from the other nineteen governmental funds are combined into a single, aggregated presentation and reported separately on pages 200-207 of the financial report.

Proprietary Funds – Proprietary funds of the City are two types: (1) enterprise funds; and (2) internal service funds. The City maintains six enterprise funds that provide the same type of information as the government-wide financial statements, only in more detail. The City maintains four internal service funds to account for its vehicle operations, risk management program, police telecommunications and compensated absences. The proprietary fund financial statements can be found on pages 38-43 of the financial report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of third parties outside the government. 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 for the City consist of Pension Trust Funds, City OPEB Plan Trust Fund, RPOA OPEB Plan Trust Fund, Pt. Molate Private-Purpose Trust Fund, Successor Agency to the Richmond Community Redevelopment Agency Private-Purpose Trust Fund, and Custodial Funds. The fiduciary funds financial statements for these funds can be found on pages 45-46 of the financial report.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-193 of the financial report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-wide Net Position

This Comparative financial information includes the long-term and short-term information about the City's overall financial condition. The following table provides the reader with highlights of changes from the prior year.

City of Richmond's Net Position
June 30, 2022 and 2021
(in thousands)

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|----------------------------|---------------------|-----------------------------|------------------|--------------------|---------------------|
| | FY2022 | FY2021 | FY2022 | FY2021 | FY2022 | FY2021 |
| Assets: | | | | | | |
| Current assets | \$ 245,417 | \$ 189,516 | \$ 63,729 | \$ 56,179 | \$ 309,146 | \$ 245,695 |
| Other noncurrent assets | 49,189 | 50,818 | 72,441 | 11,222 | 121,630 | 62,040 |
| Capital assets | 296,418 | 286,156 | 226,354 | 201,775 | 522,772 | 487,931 |
| Total Assets | 591,024 | 526,490 | 362,524 | 269,176 | 953,548 | 795,666 |
| Deferred Outflows of Resources: | | | | | | |
| Deferred outflows related to pensions | 36,064 | 41,853 | 778 | 1,538 | 36,842 | 43,391 |
| Deferred outflows related to OPEB | 4,095 | 2,982 | 122 | 152 | 4,217 | 3,134 |
| Deferred outflows related to fair value of derivative | 21,986 | 35,966 | - | - | 21,986 | 35,966 |
| Deferred charge on refunding | - | - | 5,901 | 6,248 | 5,901 | 6,248 |
| Total Deferred Outflows of Resources | 62,145 | 80,801 | 6,801 | 7,938 | 68,946 | 88,739 |
| Liabilities: | | | | | | |
| Current liabilities | 108,322 | 90,106 | 20,953 | 18,536 | 129,275 | 108,642 |
| Noncurrent liabilities | 561,493 | 719,301 | 161,964 | 167,848 | 723,457 | 887,149 |
| Total Liabilities | 669,815 | 809,407 | 182,917 | 186,384 | 852,732 | 995,791 |
| Deferred Inflows of Resources: | | | | | | |
| Deferred inflows related to pensions | 94,876 | 5,672 | 2,378 | 202 | 97,254 | 5,874 |
| Deferred inflows related OPEB | 47,928 | 50,956 | 1,321 | 2,347 | 49,249 | 53,303 |
| Deferred inflows related to leases | 898 | - | 68,857 | - | 69,755 | - |
| Total Deferred Inflows of Resources | 143,702 | 56,628 | 72,556 | 2,549 | 216,258 | 59,177 |
| Net Position: | | | | | | |
| Net investment in capital assets | 213,930 | 206,420 | 75,469 | 75,738 | 289,399 | 282,158 |
| Restricted | 117,137 | 103,402 | 608 | 13,860 | 117,745 | 117,262 |
| Unrestricted | (491,415) | (568,566) | 37,775 | (1,417) | (453,640) | (569,983) |
| Total Net Position (Deficit) | <u>\$ (160,348)</u> | <u>\$ (258,744)</u> | <u>\$ 113,852</u> | <u>\$ 88,181</u> | <u>\$ (46,496)</u> | <u>\$ (170,563)</u> |

Government-wide Activities

The following table indicates the changes in net position for governmental and business-type activities.

**City of Richmond's Changes in Net Position
For the Years Ended June 30, 2022 and 2021
(in thousands)**

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|----------------------------|----------------------------|--------------------------|-------------------------|---------------------------|----------------------------|
| | FY2022 | FY2021 * | FY2022 | FY2021 * | FY2022 | FY2022 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 26,965 | \$ 26,130 | \$ 43,173 | \$ 43,150 | \$ 70,138 | \$ 69,280 |
| Operating grants/contributions | 37,756 | 29,316 | 2,212 | 3,772 | 39,968 | 33,088 |
| Capital grants/contributions | 10,787 | 4,387 | - | 13 | 10,787 | 4,400 |
| General revenues: | | | | | | |
| Property taxes-current collections | 65,249 | 65,075 | - | - | 65,249 | 65,075 |
| Sales taxes | 53,453 | 48,998 | - | - | 53,453 | 48,998 |
| Utility user taxes | 48,374 | 45,241 | - | - | 48,374 | 45,241 |
| Documentary transfer taxes | 18,612 | 19,858 | - | - | 18,612 | 19,858 |
| Other taxes | 8,177 | 7,424 | - | - | 8,177 | 7,424 |
| Unrestricted Intergovernmental | 7,241 | 6,594 | - | - | 7,241 | 6,594 |
| Use of money and property | 1,594 | 1,461 | 909 | 146 | 2,503 | 1,607 |
| Gain on sale of capital assets | 88 | 71 | - | - | 88 | 71 |
| Other | 2,140 | 1,357 | - | - | 2,140 | 1,357 |
| Total revenues | <u>280,436</u> | <u>255,912</u> | <u>46,294</u> | <u>47,081</u> | <u>326,730</u> | <u>302,993</u> |
| Expenses: | | | | | | |
| General government | 48,312 | 47,854 | - | - | 48,312 | 47,854 |
| Public safety | 68,260 | 93,442 | - | - | 68,260 | 93,442 |
| Public works | 35,555 | 33,980 | - | - | 35,555 | 33,980 |
| Community development | 3,552 | 4,433 | - | - | 3,552 | 4,433 |
| Cultural & recreation | 9,970 | 9,006 | - | - | 9,970 | 9,006 |
| Housing & redevelopment | 3,376 | 3,108 | - | - | 3,376 | 3,108 |
| Interest and fiscal charges | 12,322 | 12,825 | - | - | 12,322 | 12,825 |
| Richmond Housing Authority | - | - | (1,751) | 3,608 | (1,751) | 3,608 |
| Port of Richmond | - | - | 4,764 | 6,263 | 4,764 | 6,263 |
| Municipal Sewer | - | - | 18,141 | 20,467 | 18,141 | 20,467 |
| Richmond Marina | - | - | 245 | 228 | 245 | 228 |
| Storm Sewer | - | - | 1,283 | 1,796 | 1,283 | 1,796 |
| Cable TV | - | - | 665 | 789 | 665 | 789 |
| Total expenses | <u>181,347</u> | <u>204,648</u> | <u>23,347</u> | <u>33,151</u> | <u>204,694</u> | <u>237,799</u> |
| Excess (Deficiency) of Revenues | | | | | | |
| Over (Under) Expenses | 99,089 | 51,264 | 22,947 | 13,930 | 122,036 | 65,194 |
| Transfers | (3,517) | (11,280) | 3,517 | 11,280 | - | - |
| Changes in Net Position | <u>95,572</u> | <u>39,984</u> | <u>26,464</u> | <u>25,210</u> | <u>122,036</u> | <u>65,194</u> |
| Net position (deficit) at beginning of year (July 1, 2021 restated) | <u>(255,920)</u> | <u>(298,728)</u> | <u>87,388</u> | <u>62,971</u> | <u>(168,532)</u> | <u>(235,757)</u> |
| Net position (deficit) at end of year | <u><u>\$ (160,348)</u></u> | <u><u>\$ (258,744)</u></u> | <u><u>\$ 113,852</u></u> | <u><u>\$ 88,181</u></u> | <u><u>\$ (46,496)</u></u> | <u><u>\$ (170,563)</u></u> |

* Governmental Activities beginning balance was restated and increased by \$2.8 million.

Business-type Activities beginning balance was restated and decreased by \$0.91 million in the Richmond Housing Authority and increased by \$0.12 million in the Municipal Sewer

Governmental Activities

Governmental activities increased the City's net position by 95.6 million, accounting for 78% of the City's total increase in net position of \$122 million. Total revenues of \$280.4 million exceeded expenses of \$181.3 million by \$99.1 million. Revenues increased by \$24.5 million or 9.6% from prior year primarily due to an increase in operating grants/contributions and capital grants/contributions. These two categories went from \$29.3 and \$4.4 million in fiscal year 2021 to \$37.8 and \$10.8 million in fiscal year 2022. Expenses decreased \$23.3 million or 11.4% from prior year primarily due to decreases in public safety expenses.

Business Type Activities

Business-type activities increased the City's net position by \$26.5 million. Key factors contributing to the increase in business-type activities are as follows:

- The Richmond Housing Authority's ("RHA") net position increased by \$4.7 million, resulting from an operating income of \$2.5 million, additionally a grant income of \$2.2 million and net transfers of \$949 thousand. Operating income is attributable to the reallocation of the GASB 68 and GASB 75 liability. RHA staff was significantly reduced which affected the allocations and resulted in a credit balance in the Salaries and Benefits.
- The Port of Richmond ("Port") reported operating income of \$5.9 million. During the year, the Port incurred \$169 thousand of interest expense which resulted in a \$6.4 million increase in net position.
- The Municipal Sewer fund reported operating income of approximately \$14.9 million. There were \$4.7 million of non-operating expenses, the majority of which represented interest and swap expenses incurred on various Wastewater Debt issues.
- Other Enterprise funds had a combined \$1.6 million increase in net position, with operating income of approximately \$1.7 million.

Net Program (Expenses) Revenues

Comparisons of the costs of services by functions for the City's government-wide activities are shown in the preceding tables, along with the revenues used to cover the net expenses.

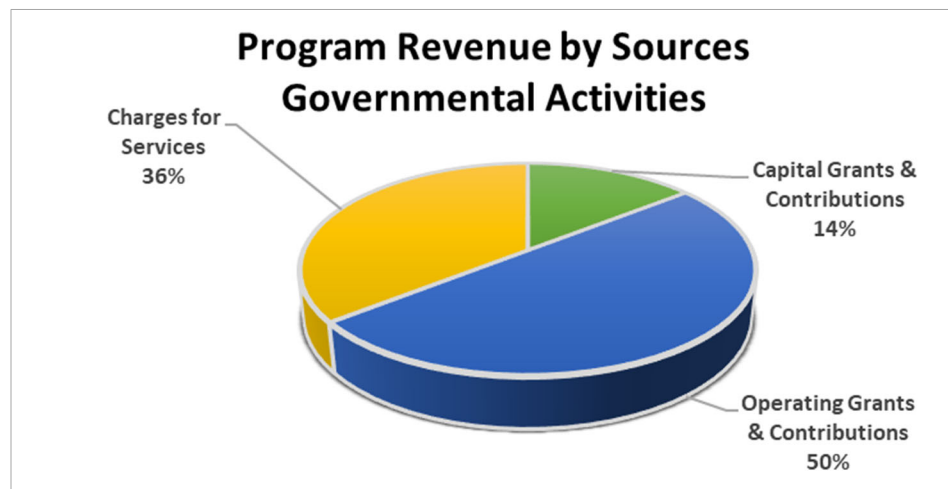
The following table details the net program costs for each of the governmental functions.

**Expenses and Program Revenues
Governmental Activities**

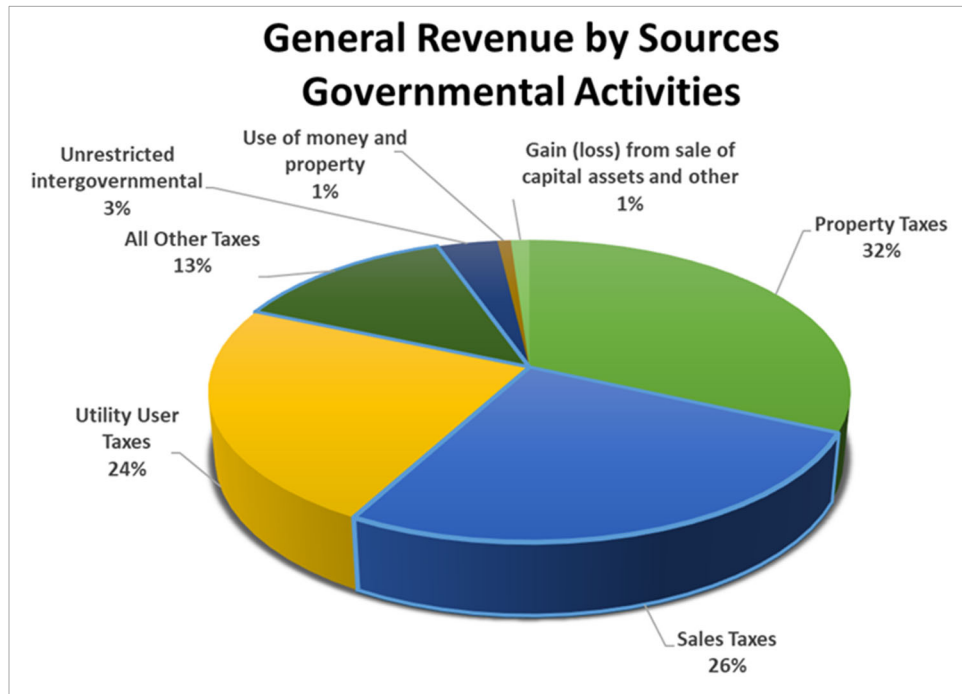
| Functions | | | Net (Expenses) |
|----------------------------|-----------------------|----------------------|------------------------|
| | <u>Expenses</u> | <u>Revenues</u> | <u>Revenues</u> |
| General government | \$ 48,312,143 | \$ 21,516,488 | \$ (26,795,655) |
| Public safety | 68,259,779 | 5,983,657 | (62,276,122) |
| Public works | 35,554,874 | 29,037,759 | (6,517,115) |
| Community development | 3,552,363 | 18,225,944 | 14,673,581 |
| Cultural and recreational | 9,969,799 | 776,163 | (9,193,636) |
| Housing and redevelopment | 3,375,875 | (31,718) | (3,407,593) |
| Interest on long-term debt | 12,322,289 | - | (12,322,289) |
| Total | <u>\$ 181,347,122</u> | <u>\$ 75,508,293</u> | <u>\$(105,838,829)</u> |

Total governmental activities expenses of \$181.3 million were offset by \$75.5 million in program revenues in fiscal year 2022. Program revenues are derived directly from the program itself or from parties outside the reporting government’s taxpayers or citizenry. They reduce the net cost of the function to be financed from the government’s general revenues. During the fiscal year, the net costs funded by the City’s general revenues were \$105.8 million.

As reflected in the pie chart below, 36% of the governmental program revenues came from Charges for Services, which includes licenses, permits, fees, fines, forfeitures, penalties and several other revenues. The remaining 64% of governmental program revenues came from Operating Grants and Capital Grants Contributions, which include restricted revenues such as Gas Tax, Transportation and Sales Tax, and Federal/State Grants.



General revenues are all other revenues not categorized as program revenues and include property taxes, sales taxes, utility users' tax, documentary transfer taxes, investment earnings, grants and contributions not related to specific programs and other miscellaneous general revenues. Total general revenues from governmental activities were \$204.9 million in fiscal year 2022. The three largest components of general revenues received were Property Taxes-current collections of \$65.2 million, Sales Taxes of \$53.5 million and Utility User Taxes of \$48.4 million. The following graph shows the City's general revenues by source.

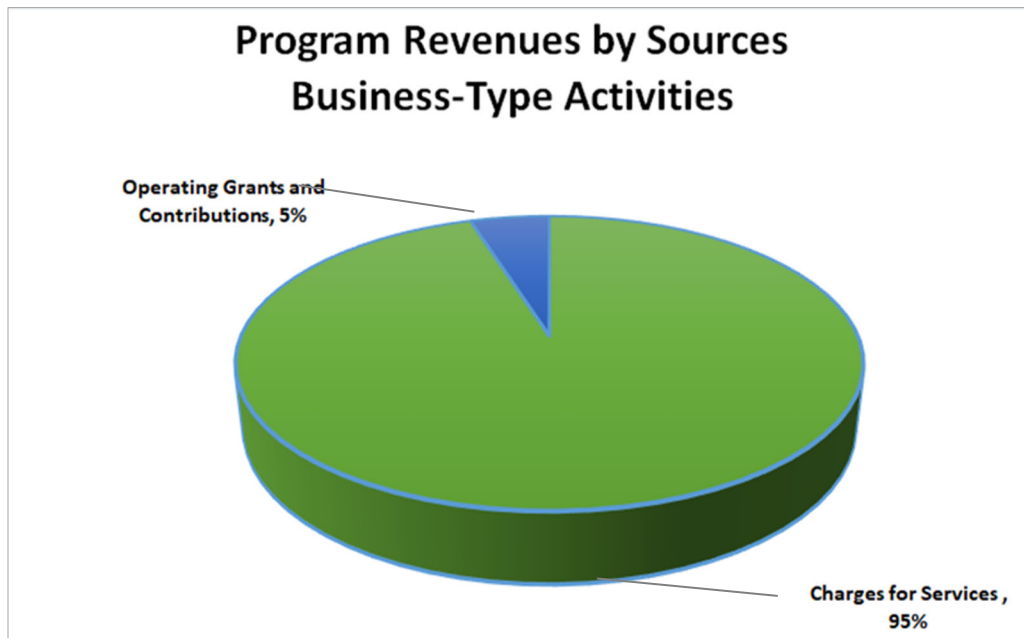


The following table details net program costs for business-type activities. Business-type activities revenue exceeded expenses by \$22 million, as Municipal Sewer, the Port of Richmond, and other Enterprise Funds contributed net revenues of \$10 million, \$5.8 million, and \$6.2 million respectively.

**Expenses and Program Revenues
Business-type Activities**

| | <u>Expenses</u> | <u>Program Revenues</u> | <u>Net (Expenses) Revenues</u> |
|---------------------------------|----------------------|-------------------------|--------------------------------|
| Business-type Activities | | | |
| Richmond Housing Authority | \$ (1,750,799) | \$ 2,994,663 | \$ 4,745,462 |
| Port of Richmond | 4,763,557 | 10,530,653 | 5,767,096 |
| Municipal Sewer | 18,140,943 | 28,168,977 | 10,028,034 |
| Richmond Marina | 246,064 | 524,652 | 278,588 |
| Storm Sewer | 1,282,576 | 2,061,815 | 779,239 |
| Cable TV | 664,656 | 1,103,873 | 439,217 |
| Total | <u>\$ 23,346,997</u> | <u>\$ 45,384,633</u> | <u>\$ 22,037,636</u> |

As reflected in the following pie chart, 95% of the business-type program revenues came from Charges for Services and the remaining 5% were derived from Operating and Capital Grants.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial capacity.

At the end of the fiscal year 2022, the City's governmental funds reported total fund balances of \$157.3 million, an increase of \$27.2 million, or 20.9% from prior year. Financial highlights for the City's major funds are discussed below:

General Fund The General Fund is the primary operating fund of the City. It is used to report the financial results of the daily operations of the City. The major revenue sources are utility users' tax, sales tax, and property taxes. The major expenditures are salaries and administrative expenses. The City's general fund revenues increased by \$14.7 million or 8.2% and expenditures increased by \$6.3 million or 3.9%. The increase in revenues is primarily due to the increased collection of both Sales Tax and Licenses, permits and fees. Sales Tax increased by \$4.5 million or 9.1% and Licenses, permits and fees increased by \$5.5 million, an increase of over 169.9%. The Sales Tax increase is a result of renewed business activity that had either slowed down or shut down completely during the height of the COVID-19 restrictions. The Licenses, permits and fees increase is a result of increase in collection of business tax which Measure U changed the business tax calculation methodology in fiscal year 2022.

General Fund expenditures increased by 4% across several categories with General Government being the major source of increase. In Other Financing Sources and Uses, Operating Transfers-In increased by 4%; however, Operating Transfers Out decreased by 13%. Operating Transfers-Out include negative cash clearing in Engineering Cost Recovery fund, \$3.5 million, Wastewater fund, \$2.7 million, and contribution to the department of children and Youth, \$1.9 million.

At the end of the fiscal year 2022, the total fund balance increased by \$21.3 million from the prior year to \$70.5 million. The General Fund reported an unassigned fund balance of \$44.9 million and committed fund balance of \$3.4 million which details are represented in the following table:

| <u>Committed Fund Balance (Resolution No. 25-20, 78-21 & 142-22)</u> | |
|---|------------------------------|
| COVID-19 | \$ (1,332,367) |
| Reimagining Public Safety | (233,934) |
| Community Facilities Improvements | (1,410,485) |
| Staff Compensation - OTP | <u>(406,667)</u> |
| Committed Fund Balance | <u>\$ (3,383,453)</u> |

Community Development and Loan Programs This fund was established to account for the receipt of Community Development Block Grant, HOME Investment Partnership Program, Neighborhood Stabilization Program grant monies and the use of the grants. In conjunction with the dissolution of the Redevelopment Agency, this fund also accounts for the low and moderate income housing activities of the City as Housing Successor to the former Redevelopment Agency’s low and moderate income housing activities. As of June 30, 2022, fund balance is \$31.4 million which increased slightly by \$212 thousand from prior year.

Proprietary Funds:

The City’s proprietary funds are enterprise and internal service funds. Proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

The City’s major enterprise funds are the Richmond Housing Authority, Port of Richmond, and Municipal Sewer.

Richmond Housing Authority. The Richmond Housing Authority (RHA) provides decent affordable housing for low and very low-income residents of Richmond through federally funded housing programs. RHA’s net position increased by \$5.7 million to \$24.4 million as of June 30, 2022.

The Port of Richmond. The Port of Richmond (“Port”) is a public enterprise established by the City and is administered as a department of the City. Operations include the marine terminal facilities and commercial property rentals. The Port’s net position increased by \$6.4 million to \$22.3 million as of June 30, 2022.

Municipal Sewer Fund. This fund is used to account for a variety of sewer service-related revenues and expenses. Municipal Sewer’s net position increased by \$10.2 million to \$60 million as of June 30, 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

The adopted budget, excluding transfers, bond premium and proceeds from sale of property, reflected \$178.5 million in estimated revenues and \$180 million in appropriations.

Budget adjustments reflected extensive analysis and updates arising from Expenditure Review and Council approved amendments that occurred during the fiscal year.

The final revised budget included a \$3.3 million increase in estimated revenues and appropriations. Actual revenues of \$193.5 million were \$11.6 million more than the revised revenue budget, a variance of 6%. Key elements of the variances in revenues are discussed as follows:

Property Taxes totaled \$ 47.4 million, which is \$2.1 million more than the Revised Budget and \$100 thousand less than the original budget. The increase stems from increases in residual Redevelopment Property Tax Trust Fund (RPTTF) after Recognized Obligation Payments Schedule (ROPS), or in other words, more than expected Successor Agency Residual and Pass-through revenue.

Sales Taxes totaled \$53.5 million, which was \$1.5 million above the Revised Budget and \$3.4 million more than the Original Budget. This corresponded to increases in the regular Sales Tax and proportional increases in both half cent Sales Tax measures.

Utility Users Tax (UUT) totaled \$48.4 million, which was \$1.9 million more than expected. The bulk of the increase was in tax collected related to telecommunications and pre-paid wireless collected at stores and by the State.

Licenses, Permits and Fees totaled \$8.7 million, which was \$587 thousand more than the Revised Budget amount. The bulk of this stemmed from the collection of Medical Marijuana Permits.

The final adjusted appropriations were \$183.6 million, an increase of \$3.6 million from the original adopted budget appropriation of \$180 million. The adopted budget appropriation was increased primarily due to increase adjustments in Public Safety and Engineering services. The final budget appropriation for transfers out was \$19.2 million, an increase of 11.3 million. The increase was due to several adjustments to the budget made during Mid-year adjustment to incorporate the City Council approved set asides for Reimagining Public Safety and several transfers approved as part of year-end clean-up to clear negative cash from other funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounted to \$522.8 million, net of accumulated depreciation. Investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. Details by type are shown in the following table.

Capital Assets by Type
June 30, 2022 and 2021

| | Governmental activities | | Business-type activities | | Total | |
|---|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 24,634,683 | \$ 24,361,564 | \$ 7,195,986 | \$ 7,195,986 | \$ 31,830,669 | \$ 31,557,550 |
| Construction in Progress | 34,549,467 | 34,235,379 | 63,868,930 | 32,958,119 | 98,418,397 | 67,193,498 |
| Building and improvements | 102,746,858 | 105,655,032 | 22,925,841 | 23,674,759 | 125,672,699 | 129,329,791 |
| Machinery and equipment | 13,396,901 | 7,367,001 | 1,612,772 | 2,186,083 | 15,009,673 | 9,553,084 |
| Land improvements and infrastructure | 116,311,619 | 114,536,661 | 129,838,589 | 135,760,413 | 246,150,208 | 250,297,074 |
| Leased building, land, and improvements | 4,778,869 | - | 911,690 | - | 5,690,559 | - |
| Total Capital assets | <u>\$ 296,418,397</u> | <u>\$ 286,155,637</u> | <u>\$ 226,353,808</u> | <u>\$ 201,775,360</u> | <u>\$ 522,772,205</u> | <u>\$ 487,930,997</u> |

The City's infrastructure assets are recorded at their historical costs in the government-wide financial statements.

Additional information about the City's capital assets can be found in Note 6 on pages 81-84.

Debt Administration

Long Term Debt – The City's total debt outstanding increased \$256 thousand to \$406.1 million as of June 30, 2022.

Revenue Bonds had a decrease due to an increase in principal payments for the 2017A Wastewater and the 2019B Wastewater Bonds.

Lease Revenue Bonds had a decrease due to an increase in the principal payment to the 2019B JPFA Lease Revenue Refunding Bond (Pt Potrero) and the 2019A JPFA Lease Revenue Refunding Bond (Civic Center).

Pension Obligation Bonds had a decrease due to large principal payment to the 2005 POB and decrease in SWAP payments.

Outstanding Debt
June 30, 2022 and 2021

| | Governmental Activities | | Business-Type Activities | | Totals | |
|--------------------------|--------------------------------|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
| | FY2022 | FY2021 | FY2022 | FY2021 | FY2022 | FY2021 |
| Revenue bonds | \$ - | \$ - | \$ 134,416,180 | \$ 137,886,366 | \$ 134,416,180 | \$ 137,886,366 |
| Lease revenue bonds | 99,240,012 | 103,543,451 | 9,112,946 | 13,604,419 | 108,352,958 | 117,147,870 |
| Pension obligation bonds | 136,976,078 | 140,816,305 | - | - | 136,976,078 | 140,816,305 |
| Total bonds payable | <u>236,216,090</u> | <u>244,359,756</u> | <u>143,529,126</u> | <u>151,490,785</u> | <u>379,745,216</u> | <u>395,850,541</u> |
| Loans payable | 887,622 | 1,023,223 | 15,229,299 | 3,338,388 | 16,116,921 | 4,361,611 |
| Financed Purchases | 4,581,187 | 5,642,605 | - | - | 4,581,187 | 5,642,605 |
| Lease Liability | 4,852,956 | - | 814,745 | - | 5,667,701 | - |
| Total outstanding debt | <u>\$ 246,537,855</u> | <u>\$ 251,025,584</u> | <u>\$ 159,573,170</u> | <u>\$ 154,829,173</u> | <u>\$ 406,111,025</u> | <u>\$ 405,854,757</u> |

The City does not have any general obligation bonds as of June 30, 2022.

Economic Factors, Next Year’s Budget and Inflation Rates

The City’s economic base has mostly recovered from the slowdown related to the effects of the COVID-19 restrictions. As of January 1, 2022, Property values assessed by the County have increased by 0.15% over the prior year. Flat Assessed Valuation (AV) primarily stemmed from a decreased valuation of the Chevron Refinery in Richmond. While the CPI growth was 1.036% and there were significant property sales during the year, the refinery assessment by the County went from approximately \$3 billion in FY2020-21, to under \$2.7 billion. Residual Redevelopment Property Tax Trust Fund (RPTTF) after Recognized Obligation Payments Schedule (ROPS) payments have gone from \$600 thousand in fiscal year 2016 to \$2.5 million in fiscal year 2017, to \$4.0 million in fiscal year 2018, to \$5.7 million in fiscal year 2019, and to \$6.5 million in both fiscal year 2020 and fiscal year 2021. Sales Tax revenue has rebounded to above pre-pandemic levels. Sales Tax revenue was \$47.7 million in fiscal year 2019, was dipped down to \$44.5 million in fiscal year 2020, and was finally rebounded to \$49.0 million in fiscal year 2021. In fiscal year 2022, Sales Tax revenue was increased to \$53 million.

Measure H

In November 2018, Richmond voters approved Measure H which called for a new tiered calculation for the Documentary Transfer Tax. The tax rate goes up based on the sale price of the property. The rate of 0.70% did not change for sales under \$1 million, but for sales from \$1 million and above, the rates changed according to the following table.

| Sale Price | \$1 to \$999,999 | \$1M to \$2,999,999 | \$3M to \$9,999,999 | \$10M and above |
|--------------------|------------------|---------------------|---------------------|-----------------|
| Amount per \$1,000 | \$7.00 | \$12.50 | \$25.00 | \$30.00 |
| Rate | 0.70% | 1.25% | 2.50% | 3.00% |

Even before the new tiered system, the Documentary Transfer Tax was one of the most volatile of revenue streams for the City. A few sales can have a dramatic impact on the General Fund. In fiscal year 2018, before the new tiered rate structure was approved and put in place, the transfer tax collected totaled \$6.5 million. In fiscal year 2019, with half a year a year of the rate structure, the tax collected went up to \$8.0 million. In fiscal year 2020 it went up modestly to \$8.7 million. In fiscal year 2021, due to a few unusually large real-estate transactions, it increased significantly to \$19.9 million. In fiscal year 2022, the Transfer Tax revenue saw a dip of \$1.3 million or a decrease of 6%, with a total of \$18.6 million in Transfer Tax.

Measure U

In November 2020, Richmond voters approved Measure U which significantly changed the calculation for the Business License Tax. This changed the tax calculation from based on number of employees or location to a percentage of the business gross receipts. The percentage charged varies based on both the type of business and the amount of gross receipts with the new rates ranging from 0.06% to 0.68% for businesses and 1.08% to 2.4% for rental properties. The new methodology brought in an additional \$5.3 million for the City in fiscal year 2022, an increase of 168% compared to prior year.

The City continues to closely monitor revenue and expenditures through monthly variance reports to assure adherence to budget controls. Simultaneously, position control is strictly enforced, ensuring that any employee hired is moving into a funded position. For the upcoming fiscal year, staff is working to align the budget forecast with City Council priorities and California State Auditor's recommendations, review the City's organizational structure, and provide recommended actions for fiscal sustainability.

This will include planning and addressing pension and Other Post-Employment Benefits (OPEB) funding and determining adequate reserve level per the California State Auditor's recommendation. Additionally, the City continues to analyze the structural integrity of all funds and identify additional cost reductions and efficiencies.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all of its citizens, taxpayers, customers, investors and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Richmond, Finance Department, 450 Civic Center Plaza, Richmond, CA 94804. Alternatively, you may send your inquiries via e-mail to Finance@ci.richmond.ca.us.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Richmond
Statement of Net Position
June 30, 2022

| | Primary Government | | |
|--|----------------------------|-----------------------------|------------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 181,564,842 | \$ 58,071,560 | \$ 239,636,402 |
| Restricted cash and investments | 15,361,210 | 3,493,769 | 18,854,979 |
| Receivables: | | | |
| Accounts, net | 16,655,500 | 6,891,305 | 23,546,805 |
| Interest | 104,899 | 30,245 | 135,144 |
| Grants | 18,138,781 | 440,241 | 18,579,022 |
| Loans | - | - | - |
| Leases | 49,614 | 7,576,109 | 7,625,723 |
| Internal balances | 12,774,486 | (12,774,486) | - |
| Prepays and supplies | 767,700 | - | 767,700 |
| Total current assets | <u>245,417,032</u> | <u>63,728,743</u> | <u>309,145,775</u> |
| Noncurrent assets: | | | |
| Due from developer | - | 10,221,743 | 10,221,743 |
| Loans | 46,035,586 | - | 46,035,586 |
| Leases | 857,213 | 62,219,640 | 63,076,853 |
| Property held for resale | 78,016 | - | 78,016 |
| Net pension asset | 2,218,075 | - | 2,218,075 |
| Capital assets: | | | |
| Nondepreciable | 59,184,150 | 71,064,916 | 130,249,066 |
| Depreciable | 767,965,711 | 357,978,758 | 1,125,944,469 |
| Less accumulated depreciation | (530,731,464) | (202,689,866) | (733,421,330) |
| Total capital assets | <u>296,418,397</u> | <u>226,353,808</u> | <u>522,772,205</u> |
| Total noncurrent assets | <u>345,607,287</u> | <u>298,795,191</u> | <u>644,402,478</u> |
| Total assets | <u>591,024,319</u> | <u>362,523,934</u> | <u>953,548,253</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows of resources - pension | 36,063,903 | 778,359 | 36,842,262 |
| Deferred outflows of resources - OPEB | 4,095,434 | 121,871 | 4,217,305 |
| Deferred outflows - change in fair value of derivative instruments | 21,985,226 | - | 21,985,226 |
| Deferred charge on refunding | - | 5,900,629 | 5,900,629 |
| Total deferred outflows of resources | <u>62,144,563</u> | <u>6,800,859</u> | <u>68,945,422</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 16,299,932 | 10,723,192 | 27,023,124 |
| Interest payable | 1,017,039 | 2,425,411 | 3,442,450 |
| Refundable deposits | 921,498 | 469,956 | 1,391,454 |
| Unearned revenue | 28,198,899 | - | 28,198,899 |
| Derivative instrument at fair value | 21,985,226 | - | 21,985,226 |
| Compensated absences - due within one year | 6,320,594 | 104,923 | 6,425,517 |
| Claims liabilities - due within one year | 14,606,071 | - | 14,606,071 |
| Long-term debt - due within one year | 18,972,571 | 7,229,069 | 26,201,640 |
| Total current liabilities | <u>108,321,830</u> | <u>20,952,551</u> | <u>129,274,381</u> |
| Noncurrent liabilities: | | | |
| Unearned revenue | - | 2,974,100 | 2,974,100 |
| Compensated absences | 5,168,607 | 102,508 | 5,271,115 |
| Claims liabilities | 36,486,531 | - | 36,486,531 |
| Long-term debt | 227,565,284 | 152,344,101 | 379,909,385 |
| Net pension liability | 210,525,045 | 3,767,729 | 214,292,774 |
| Net OPEB liability | 81,747,794 | 2,775,735 | 84,523,529 |
| Total noncurrent liabilities | <u>561,493,261</u> | <u>161,964,173</u> | <u>723,457,434</u> |
| Total liabilities | <u>669,815,091</u> | <u>182,916,724</u> | <u>852,731,815</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows of resources - pension | 94,875,548 | 2,378,144 | 97,253,692 |
| Deferred inflows of resources - OPEB | 47,928,567 | 1,321,475 | 49,250,042 |
| Deferred inflows of resources - leases | 898,041 | 68,856,596 | 69,754,637 |
| Total deferred inflows of resources | <u>143,702,156</u> | <u>72,556,215</u> | <u>216,258,371</u> |
| NET POSITION | | | |
| Net investment in capital assets | 213,930,154 | 75,469,292 | 289,399,446 |
| Restricted for: | | | |
| Capital projects | 13,963,699 | - | 13,963,699 |
| Debt service | 12,760,459 | 607,958 | 13,368,417 |
| Housing and redevelopment | 19,154,393 | - | 19,154,393 |
| Community development projects | 71,257,965 | - | 71,257,965 |
| Total restricted | <u>117,136,516</u> | <u>607,958</u> | <u>117,744,474</u> |
| Unrestricted | (491,415,035) | 37,774,604 | (453,640,431) |
| Total net position | <u>\$ (160,348,365)</u> | <u>\$ 113,851,854</u> | <u>\$ (46,496,511)</u> |

See accompanying Notes to Basic Financial Statements

City of Richmond
Statement of Activities
For the year ended June 30, 2022

| Functions/Programs | Expenses | Program Revenues | | | Total |
|---------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 48,312,143 | \$ 18,422,370 | \$ 3,094,118 | \$ - | \$ 21,516,488 |
| Public safety | 68,259,779 | 3,448,026 | 904,964 | 1,630,667 | 5,983,657 |
| Public works | 35,554,874 | 4,405,851 | 15,475,553 | 9,156,355 | 29,037,759 |
| Community development | 3,552,363 | 110,552 | 18,115,392 | - | 18,225,944 |
| Cultural and recreational | 9,969,799 | 577,978 | 198,185 | - | 776,163 |
| Housing and redevelopment | 3,375,875 | - | (31,718) | - | (31,718) |
| Interest on long-term debt | 12,322,289 | - | - | - | - |
| Total governmental activities | 181,347,122 | 26,964,777 | 37,756,494 | 10,787,022 | 75,508,293 |
| Business-type activities | | | | | |
| Richmond Housing Authority | (1,750,799) | 782,951 | 2,211,712 | - | 2,994,663 |
| Port of Richmond | 4,763,557 | 10,530,653 | - | - | 10,530,653 |
| Municipal Sewer | 18,140,943 | 28,168,977 | - | - | 28,168,977 |
| Richmond Marina | 246,064 | 524,652 | - | - | 524,652 |
| Storm Sewer | 1,282,576 | 2,061,815 | - | - | 2,061,815 |
| Cable TV | 664,656 | 1,103,873 | - | - | 1,103,873 |
| Total business-type activities | 23,346,997 | 43,172,921 | 2,211,712 | - | 45,384,633 |
| Total primary government | \$ 204,694,119 | \$ 70,137,698 | \$ 39,968,206 | \$ 10,787,022 | \$ 120,892,926 |
| Component units: | | | | | |
| RHA Properties | - | - | - | - | - |
| RHA Housing Corporation | - | - | - | - | - |
| RHA RAD LLC | - | - | - | - | - |
| Total component units | \$ - | \$ - | \$ - | \$ - | \$ - |

General Revenues:

Taxes:

Property taxes - current collections
Sales taxes
Utility user taxes
Documentary transfer taxes
Other taxes

Total taxes

Unrestricted intergovernmental
Use of money and property
Gain (loss) from sale of capital assets
Other
Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

| Primary Government | | | Component Units | | |
|----------------------------|-----------------------------|------------------------|-------------------|----------------------------|----------------------|
| Governmental Activities | Business-Type Activities | Total | RHA Properties | RHA Housing Corporation | RHA RDA LLC |
| \$ (26,795,655) | \$ - | \$ (26,795,655) | | | |
| (62,276,122) | - | (62,276,122) | | | |
| (6,517,115) | - | (6,517,115) | | | |
| 14,673,581 | - | 14,673,581 | | | |
| (9,193,636) | - | (9,193,636) | | | |
| (3,407,593) | - | (3,407,593) | | | |
| (12,322,289) | - | (12,322,289) | | | |
| <u>(105,838,829)</u> | <u>-</u> | <u>(105,838,829)</u> | | | |
| - | 4,745,462 | 4,745,462 | | | |
| - | 5,767,096 | 5,767,096 | | | |
| - | 10,028,034 | 10,028,034 | | | |
| - | 278,588 | 278,588 | | | |
| - | 779,239 | 779,239 | | | |
| - | 439,217 | 439,217 | | | |
| <u>-</u> | <u>22,037,636</u> | <u>22,037,636</u> | | | |
| <u>(105,838,829)</u> | <u>22,037,636</u> | <u>(83,801,193)</u> | | | |
| | | | - | - | - |
| | | | - | - | - |
| | | | - | - | - |
| | | | - | - | - |
| 65,248,507 | - | 65,248,507 | - | - | - |
| 53,453,323 | - | 53,453,323 | - | - | - |
| 48,373,587 | - | 48,373,587 | - | - | - |
| 18,612,087 | - | 18,612,087 | - | - | - |
| 8,176,511 | - | 8,176,511 | - | - | - |
| <u>193,864,015</u> | <u>-</u> | <u>193,864,015</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 7,241,103 | - | 7,241,103 | - | - | - |
| 1,593,846 | 909,597 | 2,503,443 | - | - | - |
| 88,477 | - | 88,477 | - | - | - |
| 2,140,211 | - | 2,140,211 | - | 73,461 | - |
| (3,516,663) | 3,516,663 | - | - | - | - |
| <u>201,410,989</u> | <u>4,426,260</u> | <u>205,837,249</u> | <u>-</u> | <u>73,461</u> | <u>-</u> |
| 95,572,160 | 26,463,896 | 122,036,056 | - | 73,461 | - |
| (255,920,525) | 87,387,958 | (168,532,567) | - | 4,809 | 15,510,000 |
| <u>\$ (160,348,365)</u> | <u>\$ 113,851,854</u> | <u>\$ (46,496,511)</u> | <u>\$ -</u> | <u>\$ 78,270</u> | <u>\$ 15,510,000</u> |

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The funds described below were determined to be major governmental funds by the City in the current fiscal year. Individual nonmajor governmental funds may be found in the supplemental section.

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

The Community Development and Loan Programs Special Revenue Fund accounts for the receipt of Community Development Block Grant, HOME Investment Partnership Program, and Neighborhood Stabilization Program grant monies and the use of the grants. The Fund also accounts for the low and moderate income housing activities of the City as Housing Successor to the former Redevelopment Agency. Related to the grant disallowed costs discussed in the notes to the financial statements, the City purchased certain loans that had previously been funded with Community Development Block Grant and HOME funds. The grants and loan programs are to be used to provide, within the City of Richmond, new affordable housing, improve existing conditions, assist homeless and disabled with housing, and to expand economic opportunities in business, and employment for low and moderate income residents.

City of Richmond
Balance Sheet
Governmental Funds
June 30, 2022

| | General Fund | Community Development and Loan Programs | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 58,411,015 | \$ 5,541,626 | \$ 63,054,334 | \$ 127,006,975 |
| Restricted cash and investments | - | 2,356,095 | 13,005,115 | 15,361,210 |
| Receivables: | | | | |
| Accounts, net | 15,449,492 | 13,996 | 1,188,700 | 16,652,188 |
| Interest | 32,231 | 3,545 | 37,048 | 72,824 |
| Grants | - | 166,431 | 14,682,024 | 14,848,455 |
| Loans | 2,999,705 | 42,256,868 | 779,013 | 46,035,586 |
| Leases | 906,827 | - | - | 906,827 |
| Due from other funds | 41,505 | - | - | 41,505 |
| Advances to other funds | 12,774,486 | - | - | 12,774,486 |
| Property held for resale | - | 78,016 | - | 78,016 |
| Prepays and supplies | 767,700 | - | - | 767,700 |
| Total assets | 91,382,961 | 50,416,577 | 92,746,234 | 234,545,772 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | 7,345,900 | 11,682 | 7,956,642 | 15,314,224 |
| Refundable deposits | 252,242 | - | 669,256 | 921,498 |
| Due to other funds | - | - | 41,505 | 41,505 |
| Unearned revenue | 10,118,705 | - | 18,080,194 | 28,198,899 |
| Total liabilities | 17,716,847 | 11,682 | 26,747,597 | 44,476,126 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | 2,304,304 | 18,977,904 | 10,563,837 | 31,846,045 |
| Leases related | 898,041 | - | - | 898,041 |
| Total deferred inflows of resources | 3,202,345 | 18,977,904 | 10,563,837 | 32,744,086 |
| Fund Balances: | | | | |
| Nonspendable | 14,242,186 | - | - | 14,242,186 |
| Restricted | 1,505,053 | 31,426,991 | 56,764,509 | 89,696,553 |
| Committed | 3,383,453 | - | - | 3,383,453 |
| Assigned | 6,397,688 | - | 45,618 | 6,443,306 |
| Unassigned | 44,935,389 | - | (1,375,327) | 43,560,062 |
| Total fund balances | 70,463,769 | 31,426,991 | 55,434,800 | 157,325,560 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 91,382,961 | \$ 50,416,577 | \$ 92,746,234 | \$ 234,545,772 |

See accompanying Notes to Basic Financial Statements

City of Richmond
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 157,325,560

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

| | Government- Wide Statement of Net Position | Internal Service Funds | Total |
|-----------------------------|--|---------------------------|--------------------|
| Nondepreciable | \$ 59,184,150 | \$ - | 59,184,150 |
| Depreciable, net | 237,234,247 | (10,225,643) | 227,008,604 |
| Total capital assets | \$ 296,418,397 | \$ (10,225,643) | 286,192,754 |

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 11,740,238

Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements. 31,846,045

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

| | |
|---|--------------|
| Deferred outflows of resources related to pension | 35,831,556 |
| Deferred outflows of resources related to OPEB | 4,068,531 |
| Deferred inflows of resources related to pension | (94,165,650) |
| Deferred inflows of resources related to OPEB | (47,636,852) |

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

| | Government- Wide Statement of Net Position | Internal Service Funds | Total |
|--|--|---------------------------|-------------------------|
| Compensated absences - due within one year | \$ (6,320,594) | \$ 66,303 | \$ (6,254,291) |
| Interest payable | (1,017,039) | 8,485 | (1,008,554) |
| Long-term debt - due within one year | (18,972,571) | 261,947 | (18,710,624) |
| Compensated absences - due in more than one year | (5,168,607) | - | (5,168,607) |
| Long-term debt - due in more than one year | (227,565,284) | 1,474,133 | (226,091,151) |
| Net pension liability/asset | (208,306,970) | 1,124,702 | (207,182,268) |
| Net OPEB liability | (81,747,794) | 612,742 | (81,135,052) |
| Total long-term liabilities | \$ (549,098,859) | \$ 3,548,312 | (545,550,547) |
| Net Position of Governmental Activities | | | \$ (160,348,365) |

City of Richmond
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

| | General Fund | Community Development and Loan Programs | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|--|--------------------------------|--------------------------------|
| REVENUES: | | | | |
| Property taxes | \$ 47,362,317 | \$ - | \$ 25,000,065 | \$ 72,362,382 |
| Sales taxes | 53,453,323 | - | - | 53,453,323 |
| Utility user taxes | 48,373,588 | - | - | 48,373,588 |
| Other taxes | 26,573,077 | - | - | 26,573,077 |
| Licenses, permits and fees | 8,731,752 | 26,302 | 11,952,281 | 20,710,335 |
| Fines, forfeitures and penalties | 405,439 | - | 2,054 | 407,493 |
| Use of money and property | 254,822 | 160,477 | 206,969 | 622,268 |
| Intergovernmental | 618,716 | - | 27,395,865 | 28,014,581 |
| Charges for services | 6,153,304 | - | 7,398,199 | 13,551,503 |
| Rent | 723,596 | - | - | 723,596 |
| Other | 898,401 | 1,014,187 | 244,525 | 2,157,113 |
| Total revenues | 193,548,335 | 1,200,966 | 72,199,958 | 266,949,259 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 33,961,939 | - | 14,882,083 | 48,844,022 |
| Public safety | 94,871,787 | - | 1,880,703 | 96,752,490 |
| Public works | 25,445,699 | - | 8,476,942 | 33,922,641 |
| Community development | - | 507,865 | 5,173,005 | 5,680,870 |
| Cultural and recreational | 10,268,987 | - | 314,279 | 10,583,266 |
| Housing and redevelopment | - | 735,675 | 2,622,312 | 3,357,987 |
| Capital outlay | 470,678 | - | 12,932,367 | 13,403,045 |
| Debt service: | | | | |
| Principal | 2,782,527 | - | 14,452,000 | 17,234,527 |
| Interest and fiscal charges | 125,779 | - | 5,992,068 | 6,117,847 |
| Total expenditures | 167,927,396 | 1,243,540 | 66,725,759 | 235,896,695 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 25,620,939 | (42,574) | 5,474,199 | 31,052,564 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of property | 6,788 | 81,689 | - | 88,477 |
| Transfers in | 9,859,938 | - | 10,884,180 | 20,744,118 |
| Transfers out | (14,137,938) | (10,000) | (10,713,861) | (24,861,799) |
| Total other financing sources (uses) | (4,271,212) | 71,689 | 170,319 | (4,029,204) |
| Net change in fund balances | 21,349,727 | 29,115 | 5,644,518 | 27,023,360 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year, as restated | 49,114,042 | 31,397,876 | 49,790,282 | 130,302,200 |
| End of year | \$ 70,463,769 | \$ 31,426,991 | \$ 55,434,800 | \$ 157,325,560 |

See accompanying Notes to Basic Financial Statements

City of Richmond
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Government-Wide Statement of Activities
For the year ended June 30, 2022

| | | |
|---|----|------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 27,023,360 |
|---|----|------------|

Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:

| | | |
|--|--|------------|
| Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds. | | 13,712,389 |
|--|--|------------|

| | | |
|--|--|--------------|
| Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds. | | (12,626,693) |
|--|--|--------------|

| | | |
|--|--|--------|
| Gain on sale of assets are not recorded in the governmental funds since the assets are not recorded there but they are recorded in the government-wide | | 97,280 |
|--|--|--------|

| | | |
|---|--|----------|
| Proceed from sale assets are recorded in the governmental funds but the gain or loss is recorded in the government-wide | | (88,477) |
|---|--|----------|

| | | |
|--|--|-----------|
| Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals. | | 1,582,874 |
|--|--|-----------|

| | | |
|---|--|--|
| Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position. | | |
|---|--|--|

| | | |
|---------------------------|--|------------|
| Long-term debt repayments | | 17,234,527 |
|---------------------------|--|------------|

| | | |
|-------------------------------------|--|-------------|
| Capital appreciation bond accretion | | (7,171,770) |
|-------------------------------------|--|-------------|

| | | |
|-------------------------------|--|---------|
| Amortization of bonds premium | | 863,438 |
|-------------------------------|--|---------|

| | | |
|------------------|--|---------|
| Interest payable | | 176,726 |
|------------------|--|---------|

| | | |
|---|--|------------|
| Current year employer pension and OPEB contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position. | | 35,416,930 |
|---|--|------------|

| | | |
|--|--|-------------|
| Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds. | | (4,187,831) |
|--|--|-------------|

| | | |
|---|--|------------|
| OPEB expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds. | | 20,044,159 |
|---|--|------------|

| | | |
|---|--|-----------|
| Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements. | | 4,565,666 |
|---|--|-----------|

| | | |
|---|--|-------------|
| Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities. | | (1,070,418) |
|---|--|-------------|

| | | |
|--|-----------|-------------------|
| Change in Net Position of Governmental Activities | \$ | 95,572,160 |
|--|-----------|-------------------|

PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary funds account for operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that most of the cost of providing goods and services be financed primarily through user charges.

The concept of major funds extends to proprietary funds. The City has identified the funds below as major proprietary funds in the current fiscal year.

Generally accepted accounting principles do not provide for the disclosure of budget versus actual comparisons regarding proprietary funds that are major.

The Richmond Housing Authority fund accounts for all funds provided by the Department of Housing and Urban Development (HUD) to assist low income families in obtaining decent, safe and sanitary housing.

The Port of Richmond fund accounts for all financial transactions relating to the City-owned marine terminal facilities and commercial property rentals.

The Municipal Sewer fund accounts for all financial transactions relating to the City's Wastewater Collection and Treatment. Services are on a user charge basis to residents and business owners located in Richmond.

City of Richmond
Statement of Net Position
Proprietary Funds
For the year ended June 30, 2022

| | Business-type Activities | | | |
|---|-------------------------------|----------------------|----------------------|---------------------------|
| | Richmond Housing Authority | Port of Richmond | Municipal Sewer | Other Enterprise Funds |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 3,118,639 | \$ 6,245,066 | \$ 41,704,346 | \$ 7,003,509 |
| Restricted cash and investments | 97,786 | 77,892 | 3,231,466 | 86,625 |
| Receivables: | | | | |
| Accounts, net | 495,744 | 5,977,080 | 68,121 | 350,360 |
| Interest | - | 3,062 | 22,961 | 4,222 |
| Grants | 440,241 | - | - | - |
| Total current assets | 4,152,410 | 12,303,100 | 45,026,894 | 7,444,716 |
| Noncurrent assets: | | | | |
| Receivables: | | | | |
| Due from developer | 10,221,743 | - | - | - |
| Lease receivables | - | 64,399,300 | - | 5,396,449 |
| Capital assets: | | | | |
| Nondepreciable | 1,708,686 | 4,937,160 | 60,521,442 | 3,897,628 |
| Depreciable | 44,836,474 | 87,500,286 | 190,273,099 | 35,368,899 |
| Less accumulated depreciation | (30,158,605) | (59,476,155) | (79,804,418) | (33,250,688) |
| Net capital assets | 16,386,555 | 32,961,291 | 170,990,123 | 6,015,839 |
| Total noncurrent assets | 26,608,298 | 97,360,591 | 170,990,123 | 11,412,288 |
| Total assets | 30,760,708 | 109,663,691 | 216,017,017 | 18,857,004 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows of resources - pension | 157,783 | 91,074 | 312,012 | 217,490 |
| Deferred outflows of resources - OPEB | 21,073 | 7,024 | 53,735 | 40,039 |
| Deferred charge on refunding | - | - | 5,900,629 | - |
| Total deferred outflows of resources | 178,856 | 98,098 | 6,266,376 | 257,529 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 1,624,304 | 275,286 | 8,267,769 | 555,833 |
| Interest payable | - | 69,417 | 2,263,792 | 92,202 |
| Refundable deposits | 141,867 | 238,423 | - | 89,666 |
| Compensated absences - current | 19,327 | 6,207 | 38,791 | 40,598 |
| Claims payable - current | - | - | - | - |
| Long-term debt - current | - | 4,270,000 | 2,852,838 | 106,231 |
| Total current liabilities | 1,785,498 | 4,859,333 | 13,423,190 | 884,530 |
| Noncurrent liabilities: | | | | |
| Advances from other funds | - | 12,774,486 | - | - |
| Unearned revenue | 1,814,047 | 531,906 | 36,280 | 591,867 |
| Compensated absences | 22,700 | 32,196 | 36,521 | 11,091 |
| Claims payable | - | - | - | - |
| Long-term debt | 1,001,530 | 4,842,946 | 144,370,654 | 2,128,971 |
| Net pension liability | 763,765 | 440,855 | 1,510,327 | 1,052,782 |
| Net OPEB liability | 479,954 | 159,985 | 1,223,883 | 911,913 |
| Total noncurrent liabilities | 4,081,996 | 18,782,374 | 147,177,665 | 4,696,624 |
| Total liabilities | 5,867,494 | 23,641,707 | 160,600,855 | 5,581,154 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows of resources - pension | 482,080 | 278,262 | 953,299 | 664,503 |
| Deferred inflows of resources - OPEB | 228,497 | 76,166 | 582,668 | 434,144 |
| Deferred inflows of resources - leases | - | 63,484,960 | - | 5,371,636 |
| Total deferred inflows of resources | 710,577 | 63,839,388 | 1,535,967 | 6,470,283 |
| NET POSITION (DEFICIT) | | | | |
| Net investment in capital assets | 15,385,025 | 23,848,345 | 32,455,285 | 3,780,637 |
| Restricted for debt service | - | 77,892 | 443,441 | 86,625 |
| Unrestricted | 8,976,468 | (1,645,543) | 27,247,845 | 3,195,834 |
| Total net position | \$ 24,361,493 | \$ 22,280,694 | \$ 60,146,571 | \$ 7,063,096 |

See accompanying Notes to Basic Financial Statements.

| | | Governmental Activities | |
|---------------------------|--------------------|----------------------------|-------------------|
| Total Enterprise Funds | | Internal Service Funds | |
| \$ | 58,071,560 | \$ | 54,557,867 |
| | 3,493,769 | | - |
| | 6,891,305 | | 3,312 |
| | 30,245 | | 32,075 |
| | 440,241 | | 3,290,326 |
| | <u>68,927,120</u> | | <u>57,883,580</u> |
| | 10,221,743 | | - |
| | 69,795,749 | | - |
| | 71,064,916 | | - |
| | 357,978,758 | | 31,213,838 |
| | (202,689,866) | | (20,988,195) |
| | <u>226,353,808</u> | | <u>10,225,643</u> |
| | 306,371,300 | | 10,225,643 |
| | <u>375,298,420</u> | | <u>68,109,223</u> |
| | 778,359 | | 232,347 |
| | 121,871 | | 26,903 |
| | 5,900,629 | | - |
| | <u>6,800,859</u> | | <u>259,250</u> |
| | 10,723,192 | | 985,708 |
| | 2,425,411 | | 8,485 |
| | 469,956 | | - |
| | 104,923 | | 66,303 |
| | - | | 14,606,071 |
| | 7,229,069 | | 261,947 |
| | <u>20,952,551</u> | | <u>15,928,514</u> |
| | 12,774,486 | | - |
| | 2,974,100 | | - |
| | 102,508 | | - |
| | - | | 36,486,531 |
| | 152,344,101 | | 1,474,133 |
| | 3,767,729 | | 1,124,702 |
| | 2,775,735 | | 612,742 |
| | <u>174,738,659</u> | | <u>39,698,108</u> |
| | <u>195,691,210</u> | | <u>55,626,622</u> |
| | 2,378,144 | | 709,898 |
| | 1,321,475 | | 291,715 |
| | 68,856,596 | | - |
| | <u>72,556,215</u> | | <u>1,001,613</u> |
| | 75,469,292 | | 8,489,563 |
| | 607,958 | | - |
| | 37,774,604 | | 3,250,675 |
| \$ | <u>113,851,854</u> | \$ | <u>11,740,238</u> |

City of Richmond
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2022

| | Business-type Activities | | | |
|---|----------------------------|----------------------|----------------------|------------------------|
| | Richmond Housing Authority | Port of Richmond | Municipal Sewer | Other Enterprise Funds |
| OPERATING REVENUES: | | | | |
| Rental | \$ 534,339 | \$ 6,932,845 | \$ - | \$ 162,777 |
| Service charges | - | 626,982 | 28,168,977 | 3,160,235 |
| Lease income | - | 2,920,787 | - | 367,328 |
| Other | 248,612 | 50,039 | - | - |
| Total operating revenues | 782,951 | 10,530,653 | 28,168,977 | 3,690,340 |
| OPERATING EXPENSES: | | | | |
| Salaries and benefits | (4,203,909) | (1,015,124) | 226,498 | 159,836 |
| General and administrative | 1,960,522 | 1,622,021 | 9,115,474 | 1,723,639 |
| Maintenance | 779,755 | 541,167 | 101,507 | 3,048 |
| Depreciation | - | 3,529,821 | 3,862,299 | 132,317 |
| Housing assistance | (301,417) | - | - | - |
| Claims losses | - | - | - | - |
| Other | 14,250 | (83,201) | 7,667 | - |
| Total operating expenses | (1,750,799) | 4,594,684 | 13,313,445 | 2,018,840 |
| OPERATING INCOME (LOSS) | 2,533,750 | 5,935,969 | 14,855,532 | 1,671,500 |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Gain (loss) from retirement of capital assets | - | - | - | - |
| Interest income | 297 | 663,112 | 123,270 | 122,918 |
| Grants | 2,211,712 | - | - | - |
| Interest expense | - | (168,873) | (4,827,498) | (174,456) |
| Total nonoperating revenues (expenses) | 2,212,009 | 494,239 | (4,704,228) | (51,538) |
| Income (loss) before contributions and transfers | 4,745,759 | 6,430,208 | 10,151,304 | 1,619,962 |
| CONTRIBUTIONS AND TRANSFERS: | | | | |
| Capital contributions | - | - | - | - |
| Transfers in | 949,414 | - | - | 2,654,027 |
| Transfers out | - | - | - | (86,778) |
| Total contributions and transfers | 949,414 | - | - | 2,567,249 |
| Change in net position | 5,695,173 | 6,430,208 | 10,151,304 | 4,187,211 |
| NET POSITION: | | | | |
| Beginning of year, as restated | 18,666,320 | 15,850,486 | 49,995,267 | 2,875,885 |
| End of year | <u>\$ 24,361,493</u> | <u>\$ 22,280,694</u> | <u>\$ 60,146,571</u> | <u>\$ 7,063,096</u> |

See accompanying Notes to Basic Financial Statements.

| Total Enterprise Funds | Governmental Activities |
|---------------------------|----------------------------|
| | Internal Service Funds |
| \$ 7,629,961 | \$ - |
| 31,956,194 | 22,230,208 |
| 3,288,115 | - |
| 298,651 | - |
| <u>43,172,921</u> | <u>22,230,208</u> |
| (4,832,699) | 553,140 |
| 14,421,656 | 1,151,902 |
| 1,425,477 | 7,543,534 |
| 7,524,437 | 2,254,908 |
| (301,417) | - |
| - | 21,145,703 |
| <u>(61,284)</u> | <u>-</u> |
| <u>18,176,170</u> | <u>32,649,187</u> |
| <u>24,996,751</u> | <u>(10,418,979)</u> |
| - | (3,361) |
| 909,597 | 248,000 |
| 2,211,712 | 7,217,327 |
| <u>(5,170,827)</u> | <u>(72,836)</u> |
| <u>(2,049,518)</u> | <u>7,389,130</u> |
| <u>22,947,233</u> | <u>(3,029,849)</u> |
| - | 1,358,413 |
| 3,603,441 | 601,018 |
| <u>(86,778)</u> | <u>-</u> |
| <u>3,516,663</u> | <u>1,959,431</u> |
| <u>26,463,896</u> | <u>(1,070,418)</u> |
| <u>87,387,958</u> | <u>12,810,656</u> |
| <u>\$ 113,851,854</u> | <u>\$ 11,740,238</u> |

City of Richmond
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2022

| | Business-type Activities | | | |
|--|----------------------------|---------------------|----------------------|------------------------|
| | Richmond Housing Authority | Port of Richmond | Municipal Sewer | Other Enterprise Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts from customers/interfund services | \$ 525,638 | \$ 9,679,897 | \$ 28,179,359 | \$ 3,749,956 |
| Payments to suppliers | (2,342,346) | (2,098,007) | (7,448,704) | (1,504,298) |
| Payments to employees | (746,365) | (352,265) | (1,435,674) | (833,039) |
| Insurance premiums and claims paid | - | - | - | - |
| Net cash provided by (used in) operating activities | (2,563,073) | 7,229,625 | 19,294,981 | 1,412,619 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Interfund receipts (payments) | - | (287,739) | - | (2,580,535) |
| Receipts from other governments | 1,977,979 | - | - | - |
| Transfers in | 949,414 | - | - | 2,654,027 |
| Transfers out | - | - | - | (86,778) |
| Net cash provided by (used in) noncapital financing activities | 2,927,393 | (287,739) | - | (13,286) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Grant receipts | - | - | - | - |
| Acquisition of capital assets | - | - | (30,867,877) | (62,835) |
| Issuance of long-term debt | - | - | 11,992,567 | - |
| Principal payments on capital debt | - | (4,100,000) | (2,480,000) | (101,656) |
| Principal payments on lease | - | - | (246,666) | - |
| Interest paid | - | (587,679) | (5,516,664) | (178,649) |
| Net cash provided by (used in) capital and related financing activities | - | (4,687,679) | (27,118,640) | (343,140) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest | 297 | 660,722 | 111,552 | 120,183 |
| Net cash provided by (used in) investing activities | 297 | 660,722 | 111,552 | 120,183 |
| Net cash flows | 364,617 | 2,914,929 | (7,712,107) | 1,176,376 |
| CASH AND INVESTMENTS - Beginning of year | 2,851,808 | 3,408,029 | 52,647,919 | 5,913,758 |
| CASH AND INVESTMENTS - End of year | \$ 3,216,425 | \$ 6,322,958 | \$ 44,935,812 | \$ 7,090,134 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ 2,533,750 | \$ 5,935,969 | \$ 14,855,532 | \$ 1,671,500 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation expense | - | 3,529,821 | 3,862,299 | 132,317 |
| Changes in assets and liabilities: | | | | |
| Receivables, net | (257,313) | 51,678 | 10,382 | 84,429 |
| Accounts payable and accrued liabilities | 112,663 | (18,020) | 1,775,944 | 221,896 |
| Refundable deposits | (1,899) | - | - | 493 |
| Unearned revenue | - | 11,906 | - | - |
| Compensated absences payable | 25,808 | 9,795 | (32,331) | 4,114 |
| Claims payable | - | - | - | - |
| Net pension liability and deferred outflows/inflows | (2,868,428) | (844,030) | (731,750) | (598,524) |
| Net OPEB liability and deferred outflows/inflows | (2,107,654) | (533,154) | (445,095) | (78,793) |
| lease receivable and deferred outflows/inflows | - | (914,340) | - | (24,813) |
| Net cash provided by (used in) operating activities | \$ (2,563,073) | \$ 7,229,625 | \$ 19,294,981 | \$ 1,412,619 |

See accompanying Notes to Basic Financial Statements

| Total Enterprise Funds | Governmental Activities | |
|------------------------|-------------------------|--|
| | Internal Service Funds | |
| \$ 42,134,850 | \$ 22,235,896 | |
| (13,393,355) | (9,319,461) | |
| (3,367,343) | (3,461,753) | |
| - | (14,445,440) | |
| <u>25,374,152</u> | <u>(4,990,758)</u> | |
| (2,868,274) | 2,580,535 | |
| 1,977,979 | - | |
| 3,603,441 | 601,018 | |
| (86,778) | - | |
| <u>2,626,368</u> | <u>3,181,553</u> | |
| - | 3,927,001 | |
| (30,930,712) | (736,759) | |
| 11,992,567 | - | |
| (6,681,656) | (251,950) | |
| (246,666) | - | |
| (6,282,992) | (74,068) | |
| <u>(32,149,459)</u> | <u>2,864,224</u> | |
| 892,754 | 232,117 | |
| <u>892,754</u> | <u>232,117</u> | |
| (3,256,185) | 1,287,136 | |
| <u>64,821,514</u> | <u>53,270,731</u> | |
| <u>\$ 61,565,329</u> | <u>\$ 54,557,867</u> | |
| \$ 24,996,751 | \$ (10,418,979) | |
| 7,524,437 | 2,254,908 | |
| (110,824) | 5,688 | |
| 2,092,483 | (624,025) | |
| (1,406) | - | |
| 11,906 | - | |
| 7,386 | (44,924) | |
| - | 6,700,263 | |
| (5,042,732) | (1,657,674) | |
| (3,164,696) | (1,206,015) | |
| (939,153) | - | |
| <u>\$ 25,374,152</u> | <u>\$ (4,990,758)</u> | |

FIDUCIARY FUND FINANCIAL STATEMENTS

Fiduciary funds are presented separately from the Government-Wide and Fund financial statements.

Trust funds are used to account for assets held by the City as a trustee agent for individuals, private organizations, or other governments.

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governments.

The financial activities of the Trust and Custodial funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

City of Richmond
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

| | Pension Trust Funds | Private-Purpose Trust Funds | Custodial Funds |
|--|------------------------|--------------------------------|---------------------|
| ASSETS | | | |
| Cash and investments | \$ - | \$ 6,909,914 | \$ 6,424,641 |
| Restricted cash and investments | 1,146,556 | 18,126,162 | 547,582 |
| Pension and OPEB plan cash and investments: | | | |
| Local Agency Investment Fund | 184,164 | - | - |
| Mutual fund investments | 10,001,639 | - | - |
| Accounts receivable | - | 523 | - |
| Interest receivable | 866 | 6 | 3,904 |
| Prepays and other assets | - | 5,485,179 | - |
| Total assets | 11,333,225 | 30,521,784 | 6,976,127 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows of resources - deferred loss on refunding | - | 391,179 | - |
| Total deferred outflows of resources | - | 391,179 | - |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | - | 234,206 | 4,801 |
| Interest payable | - | 593,945 | - |
| Long-term debt: | | | |
| Due within one year | - | 6,590,000 | - |
| Due in more than one year | - | 47,043,648 | - |
| Total liabilities | - | 54,461,799 | 4,801 |
| NET POSITION: | | | |
| Restricted for employees' pension and OPEB benefits | 11,333,225 | - | - |
| Held in trust for other governments | - | (23,548,836) | - |
| Restricted for individuals, organizations, and other governments | - | - | 6,971,326 |
| Total net position | \$ 11,333,225 | \$ (23,548,836) | \$ 6,971,326 |

See accompanying Notes to Basic Financial Statements.

City of Richmond
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2022

| | Pension Trust Funds | Private-Purpose Trust Funds | Custodial Funds |
|--|------------------------|--------------------------------|---------------------|
| ADDITIONS: | | | |
| Property taxes | \$ - | \$ 8,306,100 | \$ 1,208,401 |
| Contributions to trust - employers | 357,756 | - | 279,697 |
| Net investment income: | | | |
| Net increase (decrease) in fair value of investments | (2,098,881) | - | - |
| Interest income | 239,004 | 218,995 | 21,154 |
| Less investment management fees | (77,258) | - | - |
| Gain from sale of property | - | 954,500 | - |
| Total additions | (1,579,379) | 9,479,595 | 1,509,252 |
| DEDUCTIONS: | | | |
| Community development | - | 1,459,882 | - |
| Pension benefits | 1,543,274 | - | - |
| Payments in accordance with trust agreements | - | 903,639 | - |
| Interest and fiscal charges | - | 2,052,525 | 1,912,920 |
| Other | - | - | 117,085 |
| Total deductions | 1,543,274 | 4,416,046 | 2,030,005 |
| Change in net position | (3,122,653) | 5,063,549 | (520,753) |
| NET POSITION: | | | |
| Beginning of year | 14,455,878 | (28,612,385) | 7,492,079 |
| End of year | \$ 11,333,225 | \$ (23,548,836) | \$ 6,971,326 |

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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City of Richmond

Notes to Basic Financial Statements

For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Richmond, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. *Financial Reporting Entity*

The City was incorporated in 1905 under the laws of the State of California and adopted its charter in 1909. The City operates under a Council-Manager form of government and provides the following services to its citizens as authorized by its charter: police and fire protection, planning and community development, streets and roads, parks and recreation, sewage treatment, drainage and capital projects. In addition, the City has a port, marina, municipal and storm sewer enterprises, a housing authority, a joint powers financing authority, and a parking authority which is inactive.

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the government.

Primary Government

The financial statements of the primary government of the City include the activities of the City as well as the Richmond Housing Authority, the Richmond Joint Powers Financing Authority, the Richmond Neighborhood Stabilization Corporation, the Richmond Parking Authority, the Richmond Municipal Sewer District, and the Richmond Surplus Property Authority all of which are controlled by and dependent on the City. While these are separate legal entities, their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed "blended") with those of the primary government of the City in the accompanying financial statements.

Blended Component Units

Richmond Housing Authority (Housing Authority) - Formed in 1941 as a separate legal entity under the provisions of the Housing Act of 1937, the Housing Authority was established to use funds provided by the Department of Housing and Urban Development (HUD) to rehabilitate local deteriorated housing and to subsidize low-income families in obtaining decent, safe, and sanitary housing needs.

Although the Housing Authority is a separate legal entity, it is an integral part of the City. The City exercises significant financial and management control over the Housing Authority and members of City Council serve as the governing board of the Housing Authority. The financial statements of the Housing Authority are included in the City's basic financial statements as an enterprise fund. Separate financial statements for the Housing Authority may be obtained by contacting the Richmond Housing Authority, 330 24th Street, Richmond, California 94804.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

Blended Component Units, Continued

Richmond Joint Powers Financing Authority (JPFA) - A joint exercise of powers authority formed on December 1, 1989, by and between the City and the former Redevelopment Agency, the JPFA was created to assist the City, the Redevelopment Agency, and other local public agencies in financing and refinancing capital improvements and working capital pursuant to the Marks-Roos Local Bond Pooling Act of 1985. The JPFA is authorized to purchase obligations of the City, Redevelopment Agency, and other local public agencies.

Although the JPFA is a separate legal entity, it is an integral part of the City. The City exercises significant financial and management control over the JPFA and the members of the City Council serve as the Board of Directors. The operations of the JPFA are included in the City's basic financial statements as a debt service fund. Separate financial statements for the JPFA may be obtained by contacting the Office of Finance, City of Richmond, 450 Civic Center Plaza, Richmond, California 94804.

Richmond Neighborhood Stabilization Corporation (RNSC) - A California nonprofit public benefit Corporation formed in July 2009 by the City and the former Redevelopment Agency under the laws of the State of California. The Corporation was organized for the purpose of administering and operating the City's Neighborhood Stabilization Program (NSP), which includes purchasing, developing, financing, rehabilitating, land banking and/or demolishing blighted properties and foreclosed or abandoned properties utilizing the NSP funds or other public and private funding sources, and assisting the City and the Agency in providing affordable home ownership opportunities for households of low and moderate income by facilitating the financing necessary for the sale and resale of deed-restricted affordable ownership units to low and moderate income households at affordable costs, and other similar functions.

The Corporation is governed by a board of directors consisting of the City Manager, the Finance Director, and five other City and Housing Authority Directors. Although the RNSC is a separate legal entity, it is an integral part of the City. The City exercises significant financial and management control over the RNSC and members of the Board of Directors are appointed by City Council and City management has operational responsibility for the RNSC. The operations of the RNSC are included in the City's basic financial statements as a special revenue fund. Separate financial statements for the RNSC may be obtained by contacting the Office of Finance, City of Richmond, 450 Civic Center Plaza, Richmond, California 94804.

Richmond Surplus Property Authority - Formed to become the owner of certain property declared surplus by the U.S. Government, the Authority is a separate legal entity but it is an integral part of the City. The City exercises significant financial and management control over the Authority and members of the City Council serve as the governing board of the Authority. The Authority was reactivated in fiscal year 2011 to facilitate certain Port of Richmond transactions. The financial activities of the Authority are included in the Port of Richmond Enterprise Fund. Separate financial statements are not issued for the Authority.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

Blended Component Units, Continued

Richmond Parking Authority (Parking Authority) - Formed in 1975 pursuant to the provisions of California statutes for the purpose of financing the construction of off-street parking facilities. Although the Parking Authority is a separate legal entity, it is an integral part of the City. The City exercises significant financial and management control over the Parking Authority and members of the City Council serve as the governing board of the Parking Authority. The Parking Authority is inactive.

Richmond Municipal Sewer District (RMSD) - The Richmond Municipal Sewer District (RMSD) was established on September 17, 1956, pursuant to the Municipal Sewer District Act of 1911. It encompasses approximately fourteen square miles of the City of Richmond. The district was formed to provide "wastewater collection and treatment for the residents and businesses located in the central part of the City of Richmond".

The RMSD contracts the operation and maintenance of the Wastewater Treatment Plant and the Sanitary Sewer Collection System to Veolia Water North America (formerly US Filter). However, the City of Richmond still maintains complete ownership of all the assets for both the wastewater treatment plant and the collection system.

The district is a separate legal entity, but it is an integral part of the City. The City exercises significant financial and management control over the district and members of the City Council serve as the governing board of the district. The financial activities of the district are included in the Municipal Sewer Enterprise Fund. Separate financial statements are not issued for the district.

Discretely Presented Component Units

RHA Properties - A joint powers agreement between the City and the Housing Authority formed in 2004 for the purpose of owning and managing the operations of an affordable housing residential complex known as The Hilltop at Westridge Apartments in the City, dedicated to the needs of elderly persons. The City and the Housing Authority funded the acquisition of this complex through the issuance of debt. The City and Housing Authority exercise significant financial and management control over RHA Properties and appoint members of the Board of Directors, however RHA Properties manages its own programs separate from the City or the Housing Authority. Therefore, the financial activities of RHA Properties are discretely presented in the RHA Properties Component Unit column of the Statement of Net Position and the Statement of Activities.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

Discretely Presented Component Units, Continued

RHA Housing Corporation - RHA Housing Corporation was incorporated and registered on January 26, 2004 as a California nonprofit public benefit corporation to benefit and support the RHA with respect to the Easter Hill development. RHA Housing Corporation entered into RAD Conversion redevelopment activities and it acts as the sole and managing member of RHA RAD LLC. The Corporation's fiscal year ends on December 31. The City and Housing Authority exercise significant financial and management control over RHA Housing Corporation and appoint members of the Board of Directors, however RHA Housing Corporation manages its own programs separate from the City or the Housing Authority. Therefore, the financial activities of RHA Housing Corporation are discretely presented in the RHA Housing Corporation Component Unit column of the Statement of Net Position and the Statement of Activities. Separate financial statements for RHA Housing Corporation may be obtained by contacting the Richmond Housing Authority, 330 24th Street, Richmond, California 94804.

RHA RAD LLC - A California limited liability company was formed on July 11, 2013 by RHA Housing Corporation, the sole and managing member. The company is operated exclusively to further the tax exempt charitable purposes of the sole and managing member to provide affordable housing for low-income persons where no adequate housing exists for such persons, and to own and operate housing for the benefit of low-income persons who are in need of affordable, decent, safe and sanitary housing and related services, where an inadequate supply of housing exists for such persons. The City and Housing Authority exercise significant financial and management control over RHA RAD LLC and RHA Housing Corporation is the sole member of RHA RAD LLC, however RHA RAD LLC manages its own programs separate from the City or the Housing Authority. Therefore, the financial activities of RHA RAD LLC are discretely presented in the RHA RAD LLC Component Unit column of the Statement of Net Position and the Statement of Activities. Separate financial statements for RHA RAD LLC may be obtained by contacting the Richmond Housing Authority, 330 24th Street, Richmond, California 94804.

In order for the Authority to proceed in its participation into the RAD Program as discussed in Note 17, RHA RAD LLC shall act as the managing general partner of RHA RAD Housing Partnership LP.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues, and expenditures or expenses. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Fiduciary activities of the City are not included in these statements; they are presented separately.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The Government-wide financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows/inflows of resources and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents all the City's revenues, expenses and other changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. In the Statement of Activities, internal service fund transactions have been eliminated. However, transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

The City applies all applicable GASB pronouncements including all NCGA Statements and Interpretations currently in effect.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and in the aggregate for all non-major funds. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide financial statements.

All governmental funds are accounted for on the “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received such as business licenses and fines and penalties in cash, except that revenues subject to accrual (generally ninety days after the fiscal year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the City are property taxes, sales taxes, transient occupancy taxes, franchise taxes, certain other intergovernmental revenues, and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred also generally ninety days after the fiscal year end.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences between the two approaches.

The City reports the following major governmental funds in the accompanying financial statements:

General Fund – the General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

Community Development and Loan Programs Special Revenue Fund – accounts for the receipt of Community Development Block Grant, HOME Investment Partnership Program, and Neighborhood Stabilization Program grant monies and the use of the grants. The Fund also accounts for the low and moderate income housing activities of the City as Housing Successor to the former Redevelopment Agency. Related to the grant disallowed costs discussed in Note 4, the City purchased certain loans that had previously been funded with Community Development Block Grant and HOME funds. The grants and loan programs are to be used to provide, within the City of Richmond, new affordable housing, improve existing housing conditions, assist homeless and disabled with housing, and to expand economic opportunities in business, and employment for low and moderate income residents.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and in the aggregate for all non-major funds. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, liabilities and deferred outflows/inflows of resources (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of when cash changes hands.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major enterprise funds as proprietary funds of the City:

Richmond Housing Authority - This fund accounts for all funds provided by the Department of Housing and Urban Development (HUD) to assist low income families in obtaining decent, safe and sanitary housing.

Port of Richmond - This fund accounts for all financial transactions relating to the City-owned marine terminal facilities and commercial property rentals.

Municipal Sewer - This fund accounts for all financial transactions relating to the City’s Wastewater Collection and Treatment. Services are on a user charge basis to residents and business owners located in Richmond.

The City also reports the following proprietary fund type:

Internal Service Funds - The funds account for insurance reserves and equipment services and replacement, all of which are provided to other departments on a cost-reimbursement basis.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position, and a Statement of Changes in Fiduciary Net Position. The City's Fiduciary funds represent Pension and OPEB Trust funds, Private-Purpose Trust funds and Custodial funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Pension Trust funds and Private-Purpose Trust funds are accounted for on an economic resources measurement focus under the accrual basis of accounting.

The City reports the following fiduciary fund types:

Trust Funds - The Pension and OPEB Trust Funds account for assets held by the City as an Agent for various functions. The General Pension, Police and Firemen's and Garfield Pension Funds account for the accumulation of resources to be used for retiree pension payments at appropriate amounts and times in the future. The Pt. Molate Private-Purpose Trust Fund is used to account for assets held by the City as an agent for the U.S. Navy and a private developer for the cleanup of Point Molate as discussed in Note 17. The Successor Agency to the Richmond Community Redevelopment Agency Private-Purpose Trust Fund was established as of February 1, 2012 to account for the activities of the Successor Agency to the former Richmond Community Redevelopment Agency as discussed in Note 18. The financial activities of the Trust Funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

Custodial Funds - These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments, including special assessment districts within the City and non-public organizations. The financial activities of these funds are excluded from the government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

C. Cash and Investments

The City maintains a cash and investments pool that is available for use by all funds. Each fund's portion of this pool is displayed as cash and investments on the balance sheet for governmental funds and the statements of net position for proprietary and fiduciary funds. Investments are stated at fair value.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB Statement No. 3)*, certain disclosure requirements for deposits and investment risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash and Investments, Continued

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid money market investments with maturities of one-year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City did not have any investments measured using Level 3 inputs as of June 30, 2022.

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "cash and investments" in the accompanying basic financial statements.

For the purpose of the statement of cash flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash and equivalents defined above.

D. Prepaids and Supplies

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed, rather than when purchased. Prepaid items in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

Supplies are valued at cost using the weighted average method. Supplies of the governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the governmental funds at the time individual inventory items are consumed rather than when purchased. Reported governmental fund inventories are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets

Capital assets are valued at historical cost or at estimated acquisition value on the date donated. If actual historical costs are not available, assets have been valued at approximate historical cost. The City’s policy is to capitalize assets costing at least \$5,000, and the Housing Authority’s policy is to capitalize assets costing at least \$1,000. Depreciation is recorded on a straight-line basis over the following estimated useful lives:

| Type | Useful Life |
|-------------------------------------|---------------|
| Improvements other than buildings | 20 years |
| Buildings and building improvements | 20 - 50 years |
| Vehicles | 3 - 10 years |
| Infrastructure | 25 - 50 years |
| Machinery and equipment | 3 - 20 years |

Infrastructure includes streets systems, parks and recreation lands and improvement systems, storm water collection systems, and buildings combined with site amenities such as parking and landscaped areas used by the City in the conduct of its business. Each major infrastructure system is divided into subsystems. For example, the street system includes pavement, curbs and gutters, sidewalks, medians, streetlights, traffic control devices such as signs, signals and pavement markings, landscaping and land. In the case of the initial capitalization of general infrastructure assets reported by governmental activities, the City chose to include all such items regardless of their acquisition date or amount.

Net interest costs incurred during the construction of capital assets for the business-type and proprietary funds are capitalized as part of the asset’s cost.

F. Property Held for Resale

Property held for resale is accounted for at the lower of cost or net realizable value or agreed upon sales price if a disposition agreement has been made with a developer.

The City received five properties for resale in fiscal year 2013 with a book value of \$573,822 from the acceptance of a deed in lieu of foreclosure on the property related to developer defaults on prior loans under the Richmond Neighborhood Stabilization loan program discussed in Note 4. These properties were rehabilitated during fiscal years 2014 and 2015 increasing the carrying value by a total of \$749,716 and \$39,303, respectively. In fiscal year 2014, the City received an additional four properties with a carrying value of \$648,238. Six properties were sold in fiscal year 2016, the remaining two properties held for resale had a book value of \$671,255 as of June 30, 2017. In fiscal year 2018, one property was sold during the year, and the carrying value of the one remaining property held for resale was \$78,016 as of June 30, 2022.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Property Taxes

The State of California’s Constitution limits the combined maximum property tax rate on any given property to one percent of its assessed value except for voter approved incremental property taxes. Assessed value equals purchase price and may be adjusted by no more than two percent per year unless the property is modified, sold, or transferred. The State Legislature distributes property tax receipts from among the counties, cities, school districts, and other districts.

Contra Costa County assesses properties and bills for and collects property taxes as follows:

| | Secured | Unsecured |
|----------------------|---|-----------|
| Valuation/lien dates | January 1 | March 1 |
| Levied dates | July 1 | July 1 |
| Due dates | 50% on November 1 50% on February 1 | July 1 |
| Delinquent as of | December 10 (for November) April 10 (for February) | August 31 |

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property taxes levied are recorded as revenue in the fiscal year of levy.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The first item that qualifies for reporting in this category is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results 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. The City also has deferred outflows of resources related to change in fair value of derivative instruments, pensions and OPEB as discussed in Notes 8, 12, and 13.

In addition to liabilities, the statement of net position or balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The first item which qualifies for reporting in this category arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: loans receivable, grants receivable and interest on interfund advances. See Note 9 for further discussion. The City also has deferred inflows of resources related to pensions and OPEB as discussed in Notes 12 and 13. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Net Position and Fund Balances

Net Position

In the City-wide financial statements, Net Position is classified as follows:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation plus deferred outflows of resources associated with the refunding of related capital debt, reduced by outstanding debt that was used for the acquisition, construction, or improvement of these capital assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments. In addition, net position restricted for pension benefits are restricted as a result of enabling legislation.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City’s policy is to apply restricted net position first.

Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund’s cash and receivables, less its liabilities.

The City’s fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, interfund advances and notes receivable are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by the same formal action of the City Council. The highest level of formal action of the City Council is an Ordinance.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. *Net Position and Fund Balances, Continued*

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee, the Finance Director, and may be changed at the discretion of the City Council or its designee, during the budget approval process or via budget amendments in accordance with the City's adopted budget policy. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

J. *Compensated Absences*

Compensated absences comprise unused vacation and certain other compensated time off, which are accrued and charged to expense as earned. Governmental funds include only amounts that have matured, while their long-term liabilities are recorded in the Statement of Net Position.

K. *Bond Issuance Costs, Original Issue Discounts and Premiums and Deferred Charge on Refunding*

For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any differences between proprietary refunded debt and the debt issued to refund it, called a deferred charge on refunding, is amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter. The deferred charge on refunding is reported as a deferred inflow or outflow of resources, as applicable. Bond issuance costs, other than prepaid insurance, are expensed in the year incurred.

L. *Pension*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. *Other Post Employment Benefits (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plans and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Trust and the PARS Trust. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investment held by trustees. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related funds.

The following is a summary of cash and investments at June 30, 2022:

| | Government-Wide Statement of Net Position | | | | | |
|---------------------------------|---|-----------------------------|-----------------------------|--------------------------------------|----------------------|----------------------------------|
| | Primary Government | | | Total Discrete Component Units | Fiduciary Funds | Total Cash and Investments |
| | Governmental Activities | Business-Type Activities | Total Primary Government | | | |
| Cash and investments | \$ 181,564,842 | \$ 58,071,560 | \$ 239,636,402 | \$ 78,270 | \$ 13,334,555 | \$ 253,049,227 |
| Restricted cash and investments | 15,361,210 | 3,493,769 | 18,854,979 | - | 19,820,300 | 38,675,279 |
| Total cash and investments | <u>\$ 196,926,052</u> | <u>\$ 61,565,329</u> | <u>\$ 258,491,381</u> | <u>\$ 78,270</u> | <u>\$ 33,154,855</u> | <u>\$ 291,724,506</u> |

A. Classification

Cash and investments at June 30, 2022 consist of the following:

Primary Government:

| | |
|--|-----------------------|
| Local Agency Investment Funds (LAIF) | \$ 74,218,538 |
| CalTrust Short-Term Fund | 148,490,228 |
| CalTrust Medium-Term Fund | 88,624 |
| Money Market Mutual Funds (U.S. Securities) | 4,478,414 |
| Held by Trustee: | |
| Money Market Mutual Funds (U.S. Securities) | 38,007,797 |
| Investment Agreement | 1,039,778 |
| Guaranteed Investment Contracts | 625,001 |
| Total investments | <u>266,948,380</u> |
| Cash in banks and on hand - Primary Government | 24,697,856 |
| Cash in banks - RHA Housing Corporation | 78,270 |
| Total cash on hand and deposits | <u>24,776,126</u> |
| Total cash and investments | <u>\$ 291,724,506</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

B. Deposits

The carrying amount of the City's cash deposit was \$24,776,126 at June 30, 2022. Bank balances before reconciling items were a positive amount of \$37,603,043 at June 30, 2022. The City's cash deposit was fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The remaining amount was collateralized with securities held by pledging the financial institutions.

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

C. Investments Authorized by the Code and the City's Investment Policy

Under the provisions of the City's Investment Policy, and in accordance with California Government Code, the following investments are authorized:

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum % of Portfolio | Maximum Investment in One Issuer |
|--|------------------|------------------------|------------------------|----------------------------------|
| U.S. Treasury Bills, Bonds and Notes | 5 years | A | None | None |
| Obligations issued by the United States Government Federally Sponsored Agencies | 5 years | N/A | None | None |
| Treasury bonds and notes issued by the State of California or any local agency with California | 5 years | A | None | None |
| Commercial Paper | 270 days | Top rating category | 25% ^(A) | 10% |
| Negotiable Certificates of Deposit | 5 years | A | 30% | 10% |
| Medium-Term Corporate Notes | 5 years | A | 30% | 100% |
| Money Market Mutual Funds | N/A | Top rating category | 20% | 10% |
| Local Agency Investment Fund (LAIF) | N/A | N/A | None | \$75 Million/Account |
| Investment Trust of California (CalTrust) | N/A | N/A | None | None |

^(A) The City may invest an additional 15% or a total of 25% of City surplus money, only if dollar weighted average maturity of the entire amount does not exceed 31 days.

Investments are stated at fair value using the aggregate method in all funds, resulting in the following investment income in all funds for the year ended June 30, 2022:

| | |
|-------------------------------------|---------------------|
| Interest income | \$ 114,551 |
| Realized gain (loss) on investments | 2,098,881 |
| Total investment income | <u>\$ 2,213,432</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

C. Investments Authorized by the Code and the City's Investment Policy, Continued

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally, the City's practice is to buy and hold investments until maturity dates. Consequently, the City's investments are carried at fair value.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2022 include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as collateralized mortgage obligations) or credit card receivables.

At June 30, 2022, the City had \$74,218,538 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.31% in the previous year. The LAIF fair value factor of 0.98712541 was used to calculate the fair value of the investments in LAIF.

The City reports its investment in CalTrust at the fair value amount provided by CalTrust, which is the same as the value of the pool shares. The balance in the Short-Term Fund is available for withdrawal on demand and the balance in the Medium-Term Fund is available for withdrawal upon two days' notice, and is based on the accounting records maintained by CalTrust. Included in CalTrust's investment portfolio are: United States Treasury Notes, Bills, Bonds or Certificates of Indebtedness; registered state warrants or treasury notes or bonds; California local agency bonds, notes, warrants or other indebtedness; federal agency or United States government-sponsored enterprise obligations; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term notes; money market mutual funds; notes, bonds or other obligation secured by a first priority security interest in securities authorized under Government Code Section 53651; and mortgage passthrough securities, collateralized mortgage obligations, and other asset - backed securities. CalTrust's Short-Term Fund has a target portfolio duration of 0 to 2 years and CalTrust's Medium-Term Fund has a target portfolio duration of 1.5 to 3.5 years. At June 30, 2022 the Short-Term Fund investments matured in an average of 324 days and the Medium-Term Fund investments matured in an average of 760 days.

Money market funds and mutual funds are available for withdrawal on demand and as of June 30, 2022 have an average maturity from 18 to 36 days.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

C. Investments Authorized by the Code and the City's Investment Policy, Continued

Prohibited Investments

Under the City's Investment Policy, the City imposed restrictions on investments. The City cannot invest in any funds in inverse floaters, range notes, or interest only Separate Trading of Registered Interest and Principal of Securities (STRIPS) that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity (other than money market mutual funds).

D. Investments Authorized by the Code and the Housing Authority's Investment Policy

The California Government Code allows the Authority to invest in the following; provided approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code:

| Authorized Investment Type | Maximum Maturity | Specified Percentage of Portfolio | Minimum Credit Quality |
|--|------------------|-----------------------------------|------------------------|
| Local Agency Bonds | 5 years | None | None |
| U.S. Treasury obligations | 5 years | None | None |
| State of California obligations | 5 years | None | None |
| CA Local Agency obligations | 5 years | None | None |
| U.S. Agencies | 5 years | None | None |
| Banker's Acceptances | 180 days | 40% | A1/P1 |
| Commercial Paper - select agencies | 270 days | 40% | A1/P1 |
| Commercial Paper - other agencies | 270 days | 25% | None |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase and Securities Lending Agreements | 92 days | 20% | None |
| Medium Term Corporate Notes | 5 years | 30% | A |
| Mutual Funds | N/A | 20% | Multiple |
| Money Market Mutual Funds | N/A | 20% | Multiple |
| Collateralized Bank Deposits | 5 years | None | None |
| Mortgage Pass-Through Securities | 5 years | 20% | AA |
| Time Deposits | 5 years | None | None |
| County Pooled Investment Funds | N/A | None | None |
| California Local Agency Investment Fund | N/A | None | None |
| Supranationals | 5 years | N/A | AA |

There are no restrictions on the maximum amount invested in each security type or maximum that can be invested in any one issuer.

The Authority does not have reverse repurchase agreements.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

E. Investments Authorized by Debt Issues and Lease Agreements

Under the terms of the City's and Authority's debt issues and lease agreements, the City and Authority are subject to various restrictions in the type, maturity and credit ratings of investments of the unspent proceeds of these issues. These restrictions are generally no more restrictive than those listed above regarding investment of the City's and Authority's funds. In addition, some bond indentures authorize investments in guaranteed investment contracts and investment agreements with maturity dates that coincide with the applicable debt maturities. At June 30, 2022, the City and Authority were in compliance with the terms of all these restrictions.

F. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

| | Remaining Maturity (in Months) | | | | Total |
|--|--------------------------------|---------------------|--------------------|------------------------|-----------------------|
| | 12 months or Less | 13 to 24 Months | 25 to 60 Months | More than 60 Months | |
| <i>Primary Government:</i> | | | | | |
| Local Agency Investment Funds (LAIF) | \$ 74,218,538 | \$ - | \$ - | \$ - | \$ 74,218,538 |
| CalTrust Short-Term Fund | 148,490,228 | - | - | - | 148,490,228 |
| CalTrust Medium-Term Fund | 88,624 | - | - | - | 88,624 |
| Money Market Mutual Funds (U.S. Securities) | 4,478,414 | - | - | - | 4,478,414 |
| <i>Held by Trustee:</i> | | | | | |
| Money Market Mutual Funds (U.S. Securities) | 38,007,797 | - | - | - | 38,007,797 |
| Investment Agreement | - | 1,039,778 | - | - | 1,039,778 |
| Guaranteed Investment Contracts | - | - | 625,001 | - | 625,001 |
| Total Investments | \$ 265,283,601 | \$ 1,039,778 | \$ 625,001 | \$ - | 266,948,380 |
| Cash in banks and on hand - Primary Government | | | | | 24,697,856 |
| Cash in banks - RHA Housing Corporation | | | | | 78,270 |
| Total Cash and Investments | | | | | \$ 291,724,506 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating at June 30, 2022 for each investment type:

| Investment Type | Credit Quality Rating as of Year-End | | | Total |
|--|--------------------------------------|-----------------------|------------------|-----------------------|
| | AAA | AAf/S1+ | AA-f/S1 | |
| Money Market Mutual Funds (U.S. Securities) | \$ 38,007,797 | \$ - | \$ - | \$ 38,007,797 |
| CalTrust Short-Term Fund | - | 148,490,228 | - | 148,490,228 |
| CalTrust Medium-Term Fund | - | - | 88,624 | 88,624 |
| Totals | \$ 38,007,797 | \$ 148,490,228 | \$ 88,624 | 186,586,649 |
| <i>Not Rated:</i> | | | | |
| Local Agency Investment Funds (LAIF) | | | | 74,218,538 |
| Investment Agreement | | | | 1,039,778 |
| Guaranteed Investment Contracts | | | | 625,001 |
| Money Market Mutual Funds (U.S. Securities) | | | | 4,478,414 |
| Total Investments | | | | 266,948,380 |
| Cash in Banks and On Hand - Primary Government | | | | 24,697,856 |
| Cash in Banks - RHA Housing Corporation | | | | 78,270 |
| Total Cash and Investments | | | | \$ 291,724,506 |

H. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk for the current year.

I. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

I. Fair Value Hierarchy, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2022:

| Investment Type | Fair Value Measurement Using | | | Total Fair Value |
|---|------------------------------|---------|---------|-----------------------|
| | Level 1 | Level 2 | Level 3 | |
| <i>Investments Measured at Amortized Cost</i> | | | | |
| Held by Trustee: | | | | |
| Investment Agreement | | | | \$ 1,039,778 |
| Guaranteed Investment Contracts | | | | 625,001 |
| Money Market Mutual Funds | | | | 38,007,797 |
| <i>Investments not subject to levelling:</i> | | | | |
| Local Agency Investment Funds (LAIF) | | | | 74,218,538 |
| CalTrust Short-Term Fund | | | | 148,490,228 |
| CalTrust Medium-Term Fund | | | | 88,624 |
| Treasury Curve | | | | |
| Money Market Mutual Funds (U.S. Securities) | | | | 4,478,414 |
| Total Investments | | | | <u>\$ 266,948,380</u> |

J. Concentration of Credit Risk

The City had no significant investments in the securities of any individual issuers, other than U.S. Treasury securities, investment pools and money market funds at June 30, 2022.

3. INTERFUND TRANSACTIONS

A. Due To/From Other Funds

Due to/from other fund balances arise in the normal course of business and represent short-term borrowings occurring as a result of expenditures which are paid prior to the receipt of revenues. These balances are expected to be repaid shortly after the end of the fiscal year when revenues are received. The amount for due from one fund to another at June 30, 2022 were as follows:

| Due to Other Funds | Due from Other Funds | |
|-----------------------------|----------------------|------------------|
| | General Fund | Total |
| Nonmajor Governmental Funds | 41,505 | 41,505 |
| Total | \$ 41,505 | \$ 41,505 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

3. INTERFUND TRANSACTIONS, Continued

B. Advances To/From Other Funds

At June 30, 2022 the funds below had made advances which were not expected to be repaid within the next year.

| Advances from Other Funds | Advances to Other Funds | |
|---------------------------|-------------------------|----------------------|
| | General Fund | Total |
| Port of Richmond | \$ 12,774,486 | \$ 12,774,486 |
| Total | \$ 12,774,486 | \$ 12,774,486 |

In fiscal 2006 the General Fund established repayment terms for its advance of \$17,139,855 to the Port of Richmond Enterprise Fund to assist the Port with various lease transactions and other projects. The advance did not bear interest for the first three years; the next five years it bore an interest rate of 4%, with the balance payable on or before June 30, 2015. The advance repayment terms were amended in October 2013, effective June 30, 2013, to convert the accrued unpaid interest of \$745,119 to principal and reduce the advance balance by \$842,877, and the advance no longer bears interest. Annual principal payments of \$150,000 are due beginning June 30, 2014 through June 30, 2066, with a final principal payment of \$32,593 due on June 30, 2067, and in addition to those payments, the annual berthing cost of the vessel Red Oak Victory at the Port that is to be paid by the General Fund will instead offset and reduce the principal balance of the advance based on an established rental schedule. Historical rental payments from August 2004 to June 30, 2012 totaling \$842,877 were applied to the principal balance of the loan as of June 30, 2013. Another provision of the amended agreement provides that upon the sale of any Port property, including Terminal One and Terminal Four, the proceeds from the sale are to be used to repay and reduce the principal balance of the advance. The balance of the advance as of June 30, 2022 is \$12,774,486.

C. Transfers In/Out

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of the transfers is to move General Fund resources to provide an annual subsidy to the Cost Recovery Fund and other non-major governmental funds, as well fund debt service, pension costs and capital projects. Transfers between funds during the fiscal year ended June 30, 2022 were as follows:

| Transfers Out | Transfers In | | | | | Total |
|---|---------------------|-----------------------------|----------------------------|---------------------------|------------------------|----------------------|
| | General Fund | Nonmajor Governmental Funds | Richmond Housing Authority | Nonmajor Enterprise Funds | Internal Service Funds | |
| General Fund | \$ - | \$ 9,933,479 | \$ 949,414 | \$ 2,654,027 | \$ 601,018 | \$ 14,137,938 |
| Nonmajor Governmental Funds Community Development and Loan Programs Fund | 9,773,160 | 940,701 | - | - | - | 10,713,861 |
| Nonmajor Enterprise Funds | 86,778 | - | - | - | - | 86,778 |
| Total | \$ 9,859,938 | \$ 10,884,180 | \$ 949,414 | \$ 2,654,027 | \$ 601,018 | \$ 24,948,577 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

3. INTERFUND TRANSACTIONS, Continued

C. Transfers In/Out, Continued

None of these transfers were unusual or non-recurring in nature, except for the transfer from General Fund to the Cost Recovery Fund to write off interfund borrowings in the Fund due to inability to repay, the Secured Pension Override Special Revenue Fund to the General Fund in the amount of \$9,773,160 to fund current year pension contributions to CalPERS, which is included in transfers from Non-Major Governmental Funds, and the transfer from the General Fund to the Storm Sewer Fund to assist with the repayment of advance between Storm Sewer Fund and Insurance Reserve Fund.

4. NOTES AND LOANS RECEIVABLE

At June 30, 2022, notes and loans receivable consisted of the following:

| | Balance at June 30, 2022 |
|--|-----------------------------|
| General Fund: | |
| RHA RAD Project Loan | \$ 752,510 |
| Deferred Loans | 260,335 |
| Infill Phase II Loan | 1,464,886 |
| Nevin Court Homeowner Development Project | 521,974 |
| | <hr/> |
| Subtotal - General Fund Loans | 2,999,705 |
| | <hr/> |
| Richmond Neighborhood Stabilization Loans | 779,013 |
| | <hr/> |
| Community Development Block Grant, Home Investment Partnership Program, EDA, CALHome Loans and City Loans | |
| Deferred Loans | 3,236,791 |
| Home Improvement Program Loans | 768,734 |
| Rental Rehabilitation Loans | 374,847 |
| The Carquinez Project | 148,490 |
| Creely Avenue Housing Rehabilitation Loan (Arbors) | 2,504,455 |
| Lillie Mae Jones Project Loan | 988,460 |
| Greater Richmond Interfaith Program | 910,728 |
| CALHome Program | 2,290,358 |
| RHA RAD Project Loan | 3,768,603 |
| | <hr/> |
| Subtotal - CDBG, HOME, EDA, CALHome Loans, City Loans | 14,991,466 |
| | <hr/> |
| Housing Successor Loans: | |
| Rental Rehabilitation Loans | 20,000 |
| The Carquinez Project | 1,152,510 |
| Creely Avenue Housing Rehabilitation Loan (Arbors) | 2,348,982 |
| Lillie Mae Jones Project Loan | 1,999,301 |
| Miraflores Loan | 3,416,410 |
| MacDonald Place Senior Housing | 3,402,371 |
| Greater Richmond Interfaith Program | 302,066 |
| Silent Second Mortgage Loans | 1,754,044 |
| Deferred Loans | 633,126 |
| Chesley Avenue Mutual Housing Development | 6,275,017 |
| Easter Hill Project | 4,790,188 |
| RHA RAD Project Loan | 1,171,387 |
| | <hr/> |
| Subtotal - Housing Successor Loans | 27,265,402 |
| | <hr/> |
| Total Notes and Loans Receivable | <u>\$ 46,035,586</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. NOTES AND LOANS RECEIVABLE, Continued

RHA RAD Project

In December 2014, the General Fund loaned \$700,000 to the Richmond Housing Authority Enterprise Fund for predevelopment costs related to the Triangle Court and Friendship Manor Rental Assistance Demonstration (RAD) Projects.

In December 2015, the loan agreement was replaced and the City entered into an amended agreement to loan \$5,400,000 to the RHA Housing Corporation for the furtherance of the development of the RAD Projects as discussed in Note 17. Funding for the loan was revised in fiscal year 2018 and is as follows: \$700,000 from the City's General Fund, \$3,600,000 will come from housing-in-lieu funds and \$1,100,000 from the Housing Successor funds. The housing-in-lieu funds and Housing Successor Funds are included in the Community Development and Loan Programs Fund. RHA Housing Corporation assigned the loan agreement and associated obligations to RHA RAD Housing Partners L.P. on December 22, 2015 upon closing of the financing for the rehabilitation of the RAD projects. See Note 17 for additional information related to the RAD projects. The loan is secured by a leasehold deed of trust, assignment of rents and security agreement. The loan bears simple interest of 1% and the loan is repayable from residual receipts, as defined in the loan agreement, starting May 1 of the year after issuance of the Certificate of Completion, and unpaid principal and accrued interest is due December 1, 2070. As noted above, \$700,000 of the General Fund loan was disbursed in December 2014 and the balance at June 30, 2022, including accrued interest, was \$752,510. As of June 30, 2022, \$4,939,990 of the funds had been drawn down from the Housing Successor Community Development and Loan Programs Fund.

Deferred Loans

Deferred loans are granted to low and moderate income families to assist them in purchasing their homes. Emergency repair loans not exceeding \$10,000 funded by the HOME Investment Partnership Program (HIPP) are provided to low income families in Richmond to assist them in rehabilitating their existing housing units. These loans are required to be repaid over a period of 15 years to 30 years.

During fiscal year 2019, the City's General Fund purchased a portion of the deferred loans in the amount of \$353,335 and the loans were transferred to the General Fund. As of June 30, 2022, the outstanding loan amount is \$260,335. In addition, as of June 30, 2022, \$3,236,791 of the funds had been drawn down from the CDBG & Home Program Fund and \$633,126 from the Successor Housing Agency Fund.

Scattered Site Infill Housing Development (Infill Phase II)

Under a loan agreement dated September 30, 2010, the City loaned Community Housing Development Corporation of North Richmond \$1,198,013 to fund construction of 36 townhomes to be made available for very-low and low income households. Funding for the loan was as follows: \$602,556 in HOME funds, \$266,000 in CDBG funds and \$329,457 in CDBG-R. Although the developer has not drawn down all of the proceeds from the HOME funds portion of the loan, the Department of Housing and Urban Development (HUD) has indicated that future drawdowns will not be reimbursed by the grantor. Related to the grant disallowed costs discussed in Note 17, during fiscal year 2018 the City purchased \$1,331,709 of the loan balance that had previously been funded with Community Development Block Grant and HOME funds.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. NOTES AND LOANS RECEIVABLE, Continued

Scattered Site Infill Housing Development (Infill Phase II), Continued

During fiscal year 2019, the City's General Fund purchased the loan balance in the amount of \$1,099,594 and the loan and accrued interest of \$265,104 were transferred to the General Fund.

The current funding was for predevelopment activities in conjunction with the construction and development of the townhomes. The loan is secured by a deed of trust on the property. The outstanding balance of the loan bears simple interest at the rate of 3% per year. The payment of principal and interest is deferred and due at the end of the term due September 30, 2065. As of June 30, 2022, \$1,464,886 had been drawn down on the loan.

Nevin Court Homeowner Development Project

In May 2005, the City entered into an agreement with Community Housing and Development Corporation of North Richmond (Development), in the original amount of \$227,000 to construct and develop 10 single family homes for low and moderate income households. The agreement was amended in November 2008, to increase the loan to \$377,000. In fiscal year 2010, the Development drew down \$343,839, in fiscal year 2016 an additional \$21,453 was drawn, and the outstanding balance of the loan is \$490,203, which includes accrued interest of \$124,911. The loan bears interest of 3% per year and the unpaid balance is due in November 2063.

During fiscal year 2019, the City's General Fund purchased the loan balance in the amount of \$365,292 and the loan and accrued interest of \$124,911 were transferred to the General Fund. As of June 30, 2022, \$521,974, which includes accrued interest of \$10,959, had been drawn down on the loan.

Richmond Neighborhood Stabilization Loans

The Richmond Neighborhood Stabilization Corporation (RNSC) operates a residential rehabilitation loan program financed by Department of Housing and Urban Development grants that have passed through the City under its Neighborhood Stabilization Program (NSP1) and additional allocation under the third round of funding referred to as (NSP3). The program provides affordable home ownership opportunities for households of low and moderate income by facilitating the development financing necessary for the purchase, rehabilitation, and resale of deed-restricted affordable ownership units. During fiscal year 2014, the City foreclosed on seven of the loans with a carrying value of \$780,153 and reacquired the properties which have been recorded as property held for resale as discussed in Note 2. As of June 30, 2022, the total balance of outstanding loans for NSP1 was \$779,013 and no NSP3 loans had been issued. Loans are payable upon the resale of improved properties.

Home Improvement Program Loans

"Silent second" mortgage loans are provided to low and moderate income first time homebuyers as gap financing to provide the minimum amount needed to close the gap between the primary lender's requirements and the borrower's ability to pay down payments or closing costs.

Home improvement program loans include amortized loans to assist low income families in Richmond in the improvement of their homes. The interest rates for these loans range from 0% to 3% and are payable over a period of 15 to 30 years.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. NOTES AND LOANS RECEIVABLE, Continued

Rental Rehabilitation Loans

Rental Rehabilitation Loans help make rental units affordable to low and very low income housing families. Loans assist private and non-profit owners in purchasing and rehabilitating existing multifamily housing units.

The Carquinez Project

Under a loan agreement dated November 14, 2008, the former Redevelopment Agency loaned Carquinez Associates, L.P. \$1,000,000 to fund rehabilitation of a five-story building, with 36 apartments housing low-income seniors. On August 23, 2010 the agreement was amended to provide the Developer with a total amount of \$1,301,000. Funding for the loan is as follows: \$1,152,510 funded by Series 2007 Bonds and \$148,900 funded by CDBG. Repayments on the loan are to be made from residual receipts as defined in the agreement. The loan does not bear interest and the unpaid principal balance is due in November 2043. With the dissolution of the Redevelopment Agency as discussed in Note 18, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result City, as Housing Successor, assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund, including the balance of the Carquinez loan as of February 1, 2012.

Creely Avenue Housing Rehabilitation (Arbors)

On September 15, 2006, the former Redevelopment Agency and the City loaned Arbors Preservation Limited Partnership the amount of \$2,558,557, to construct extremely low, very low and low income rental housing units and a new community room on Creely Avenue. On October 31, 2008, the loan was amended to provide the developer a total loan amount of \$3,208,113. Funding for the loan is as follows: \$2,160,282 in HOME funds, \$103,377 in CDBG funds and \$1,594,057 in 2007 Series B bond funds. Although the developer has not drawn down all of the proceeds from the HOME funds portion of the loan, the Department of Housing and Urban Development (HUD) has indicated that future drawdowns will not be reimbursed by the grantor. The loan bears simple interest at the rate of 3% per year. All unpaid principal and interest on the loan is due on April 29, 2063. With the dissolution of the Redevelopment Agency as discussed in Note 18, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the City, as Housing Successor, assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund, including the balance of the Arbors loan as of February 1, 2012.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. NOTES AND LOANS RECEIVABLE, Continued

Lillie Mae Jones Project

On January 19, 2010, the former Redevelopment Agency and the City entered into an agreement with Lillie Mae Jones Plaza, L.P. and the Community Housing Development Corporation of North Richmond to loan \$3,119,000 to construct and provide 26 housing units to very low and low income households. Funding for the loan is as follows: \$1,081,291 in HOME funds, \$84,000 in Section 108 funds and \$1,953,709 in 2007 Series B bonds. Although the developer has not drawn down all of the proceeds of the HOME funds portion of the loan, HUD has indicated that future drawdowns will not be reimbursed by the grantor. The loan bears an interest rate of 3% per year and repayments on the loan are to be made from residual receipts as defined in the agreement. All unpaid principal and accrued interest is due in January 2065. The agreement was amended in November 2011, due to securing a \$293,884 loan from County of Contra Costa with Mental Health Services Act, which specifies that two units are required to be available to and occupied by Mental Health Services Act Eligible Tenants pursuant to the County Regulatory Agreement with Lillie Mae Jones Plaza, L.P. With the dissolution of the Redevelopment Agency as discussed in Note 18, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the City, as Housing Successor, assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund, including the balance of the Lillie Mae Jones loan as of February 1, 2012. As of June 30, 2022, Lillie Mae Jones has drawn down \$2,987,761.

Greater Richmond Interfaith Program

The loan agreement date was on June 20, 2005. The borrower shall use the Loan funds for development and related soft costs that are eligible under the applicable CDBG and HOME regulations, and consistent with the approved development budget. In addition, the borrower shall submit to the City's Community and Economic Development Department a copy of the Construction Plans for the Development. As of June 30, 2022, Greater Richmond Interface Program has drawn down \$1,212,794.

CALHome Program

The CALHome loan program provides housing assistance to Richmond residents to assist with first-time homeowner down payments or rehabilitation projects for owner-occupied homes. The loans are secured by deeds of trust on the properties. Principal and interest on the loans are deferred for 30 years, unless otherwise specified in the promissory note. With the dissolution of the Redevelopment Agency as discussed in Note 18, the CALHome loan program that was funded with grant funds is now administered by the City effective February 1, 2012.

Housing Successor Loans

With the dissolution of the Redevelopment Agency as discussed in Note 18, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result City, as Housing Successor, assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund, including the balance of certain loans discussed above and all of the loans below as of February 1, 2012.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. NOTES AND LOANS RECEIVABLE, Continued

Miraflores Loan

Under an amended loan agreement dated June 21, 2011, the City agreed to loan Community Housing Development Corporation of North Richmond and Eden Housing, Inc., \$1,465,000 to fund the construction of 110 senior housing units for low and moderate income residents. Funding for the loan is as follows: \$449,000 in CDBG funds, \$925,000 in HOME funds, and \$91,000 Redevelopment Agency Low and Moderate Income Housing Fund funds. Although the developer has not drawn down all of the proceeds of the HOME funds portion of the loan, HUD has indicated that future drawdowns will not be reimbursed by the grantor. Related to the grant disallowed costs by HUD in previous years, the City purchased \$1,208,258 of the loan balance that had previously been funded by CDBG and HOME funds and the loans were transferred to the Housing Successor. With the dissolution of the Redevelopment Agency as discussed in Note 18, the portion of the Miraflores loan that was funded by the Redevelopment Agency's Low and Moderate Income Housing Fund was assumed by the City as Housing Successor.

The loan does not bear interest and the unpaid principal balance was due September 22, 2015, unless it was converted to a permanent loan. The loan was converted into a permanent loan on June 25, 2015. In addition to the converted permanent loan, the Housing Successor approved an additional predevelopment loan in the amount of \$1,500,000. As of June 30, 2022, \$3,416,410 of the loan had been drawn down.

MacDonald Place Senior Housing

On June 26, 2007, the former Redevelopment Agency agreed to loan MacDonald Housing Partners, L.P., and Richmond Labor and Love Community Development Corporation the amount of \$4,720,000, to construct senior housing units, a management office, small meeting rooms and ancillary retail use, and a separate space for community services. The loan's principal is due 57 years from the date of disbursement. The loan bears simple of interest of 2% per year payable from any residual receipts available from the prior calendar year with an additional 1% per year, but only to the extent that funds are available to pay such contingent interest from the Agency's share of residual receipts, as defined in the agreement.

Silent Second Mortgage Loans

Loans were provided to qualifying individuals for the difference between the amount received by the individuals who qualified for low and moderate income housing loans and the amount needed to purchase the homes. The loans are to be forgiven in the future if the property owners do not sell or refinance the property.

Chesley Avenue Mutual Housing Development

On December 1, 2003, the former Redevelopment Agency loaned Chesley Avenue Limited Partnership the amount of \$4,741,492, which includes accrued interest of \$1,272,798 to construct very low and low income housing units. The loan's principal is due in 2058; interest is payable starting May 1, 2006, at the rate of 2% per annum or in the amount of 95% of any residual receipts remaining from the prior year, whichever is less. As of June 30, 2022, \$6,275,017, which includes accrued interest of \$1,533,525, had been drawn down on the loan.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. NOTES AND LOANS RECEIVABLE, Continued

Easter Hill Project

The loan from the former Redevelopment Agency to Easter Hill Development, L.P. is providing financial assistance in the development of the Easter Hill Project. The Easter Hill Project consists of single and multifamily home components. Easter Hill Development, L.P. shall use the loan to pay for predevelopment, acquisition and construction costs. The outstanding balance of the loan bears simple interest at the rate of 2% per year. Repayments on the loan are to be made from residual receipts as defined in the agreement. All unpaid principal and accrued interest on the loan is due February 1, 2069.

5. LEASES RECEIVABLE

At June 30, 2022, leases receivable consisted of the following:

| | Balance at June 30, 2022 |
|-------------------------|-----------------------------|
| Lease Receivable | |
| Alcatraz Cruises | \$ 2,445,231 |
| California Oils | 2,004,395 |
| DeSaulnier | 5,164 |
| Foss Maritime | 2,431,155 |
| MSRC | 381,803 |
| Nematode | 643,008 |
| NRC | 355,669 |
| Point San Pablo | 8,072 |
| PRAM | 7,092 |
| Richmond Art Center | 798,696 |
| Richmond Bay Marina | 5,396,449 |
| Terminal Three Partners | 39,332,703 |
| Dutra | 2,201,505 |
| YWCA | 95,877 |
| AWC | 14,595,757 |
| Total Lease Receivable | <u>\$ 70,702,576</u> |

Alcatraz Cruises

On October 15, 2021, Richmond, CA entered into a lease as Lessor for the use of Basin 4 and half of Basin 3 at Point Potrero Marine Terminal and the lease end date was on October 14, 2036. An initial lease receivable was recorded in the amount of \$2,559,422 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$2,445,231. The lessee is required to make monthly fixed payments of \$15,000.00, with step payment increase to \$15,600 from October 15, 2026 to October 14, 2031 and 4% annual increase from October 15, 2031 to October 14, 2036. The lease has an interest rate of 1.2480%. The value of the deferred inflow of resources as of June 30, 2022 was \$2,438,086, and Richmond, CA recognized lease revenue of \$121,336 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LEASES RECEIVABLE, Continued

California Oils

On July 1, 2016, Richmond, CA entered into a lease as Lessor for the use of Terminal 2 at 1145 Harbour Way South and the lease end date was on June 30, 2026. An initial lease receivable was recorded in the amount of \$2,449,191 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$2,004,395. The lessee is required to make monthly fixed payments of \$38,868, with step payment increase to \$40,810.54 from July 1, 2022 to June 30, 2023 and 3% monthly increase from July 1, 2023 to June 30, 2026. The lease has an interest rate of 1.0590%. The value of the deferred inflow of resources as of June 30, 2022 was \$1,959,353 and Richmond, CA recognized lease revenue of \$489,838 during the fiscal year.

DeSaulnier

On January 3, 2019, Richmond, CA entered into a lease as Lessor for the use of the office space located at 440 Civic Plaza and the lease end date was on January 2, 2023. An initial lease receivable was recorded in the amount of \$15,459 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$5,164. The lessee is required to make monthly fixed payments of \$862. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of June 30, 2022 was \$5,191, and Richmond, CA recognized lease revenue of \$10,268 during the fiscal year.

Foss Maritime

On October 1, 2012, Richmond, CA entered into a lease as Lessor for the use of Basin 1 and Finger Pier 2 at Point Potrero Marine Terminal and the lease end date was on February 29, 2028. An initial lease receivable was recorded in the amount of \$2,806,842 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$2,431,155. The lessee is required to make monthly fixed payments of \$32,069, with step payment increase to \$33,672 from May 1, 2022 to April 30, 2023 and 3% annual increase from May 1, 2023 to February 29, 2028. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of June 30, 2022 was \$2,385,816, and Richmond, CA recognized lease revenue of \$421,026 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

MSRC

On July 1, 1993, Richmond, CA entered into a lease as Lessor for the use of Finger Pier 1 at 1314 Canal Boulevard and the lease end date was on June 30, 2023. An initial lease receivable was recorded in the amount of \$750,849.26 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$381,803. The lessee is required to make monthly fixed payments of \$30,976.25, with step payment increase to \$31,906 from July 1, 2022 to June 30, 2023. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of June 30, 2022 was \$375,425, and Richmond, CA recognized lease revenue of \$375,425 during the fiscal year.

Nematode

On July 1, 2020, Richmond, CA entered into a lease as Lessor for the use of Terminal 4 at 1950 Stenmark Drive and the lease end date was on June 30, 2020. An initial lease receivable was recorded in the amount of \$719,233. As of June 30, 2022, the value of the lease receivable is \$643,008. The lessee is required to make monthly fixed payments of \$6,816.50. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of June 30, 2022 was \$639,318, and Richmond, CA recognized lease revenue of \$79,915 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LEASES RECEIVABLE, Continued

NRC

On October 1, 2017, Richmond, CA entered into a lease as Lessor for the use of Basin 3 at 1337 Canal Boulevard and the lease end date was on September 30, 2027. An initial lease receivable was recorded in the amount of \$414,304 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$355,669. The lessee is required to make monthly fixed payments of \$5,000, with step payment increase to \$5,300 from October 1, 2022 to September 30, 2023 and 4% annual increase from October 1, 2023 to September 30, 2027. The lease has an interest rate of 0.3870%. The value of the deferred inflow of resources as of June 30, 2022 was \$348,015, and Richmond, CA recognized lease revenue of \$66,289 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

Point San Pablo

On June 1, 2021, Richmond, CA entered into a lease as Lessor for the use of Terminal 4 at 1950 Stenmark Drive and the lease end date was on May 31, 2023. An initial lease receivable was recorded in the amount of \$16,472 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$8,072. The lessee is required to make monthly fixed payments of \$700, with step payment increase to \$735 from June 1, 2022 to April 30, 2023. The lease has an interest rate of 0.3160%. The value of the deferred inflow of resources as of June 30, 2022 was \$7,878, and Richmond, CA recognized lease revenue of \$8,594 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

PRAM

On September 1, 2019, Richmond, CA entered into a lease as Lessor for the use of The Washington Field House at 110 East Richmond Avenue and the lease end date was on August 31, 2024. An initial lease receivable was recorded in the amount of \$10,333.79 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$7,092. The lessee is required to make monthly fixed payments of \$275.00. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of June 30, 2022 was \$7,071, and Richmond, CA recognized lease revenue of \$3,263 during the fiscal year.

Richmond Art Center

On July 1, 2017, Richmond, CA entered into a lease as Lessor for the use of The Art Center buildings at 2540 and 2544 Barrett Avenue and the lease end date was on June 30, 2067. An initial lease receivable was recorded in the amount of \$807,820.53 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$798,696. The lessee is required to make monthly fixed payments of \$2,344, with step payment increase to \$2,503 from July 1, 2022 to June 30, 2067. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of June 30, 2022 was \$790,259, and Richmond, CA recognized lease revenue of \$17,561 during the fiscal year.

Richmond Bay Marina

On July 1, 2000, Richmond, CA entered into a lease as Lessor for the use of the land at 1340 Marina Way South and the lease end date was on June 30, 2055. An initial lease receivable was recorded in the amount of \$5,534,412.78 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$5,396,449. The lessee is required to make quarterly fixed payments of \$60,876. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of June 30, 2022 was \$5,371,636, and Richmond, CA recognized lease revenue of \$162,777 during the fiscal year.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LEASES RECEIVABLE, Continued

Terminal Three Partners

On December 15, 2020, Richmond, CA entered into a lease as Lessor for the use of Terminal 3 at 1411 Harbour Way South and the lease end date was on December 14, 2086. An initial lease receivable was recorded in the amount of \$39,376,061.50 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$39,332,703. The lessee is required to make monthly fixed payments of \$36,667, with step payment increase to \$38,133 from July 1, 2022 to June 30, 2023 and 2% annual increase from July 1, 2023 to December 14, 2086. The lease has an interest rate of 1.1000%. The value of the deferred inflow of resources as of June 30, 2022 was \$38,774,492, and Richmond, CA recognized lease revenue of \$601,569 during the fiscal year. The lessee has 4 extension option(s), each for 120 months.

Dutra

On June 1, 2017, Richmond, CA entered into a lease as Lessor for the use of Basin 2, Basin 3 and the structure at 1319 Canal Boulevard and the lease end date was on May 31, 2032. An initial lease receivable was recorded in the amount of \$2,393,510.09 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$2,201,505. The lessee is required to make monthly fixed payments of \$16,500.00, with step payment increase to \$17,160 from June 1, 2022 to May 31, 2023 and 2% annual increase from June 1, 2023 to May 31, 2032. The lease has an interest rate of 0.3160%. The value of the deferred inflow of resources as of June 30, 2022 was \$2,174,257 and Richmond, CA recognized lease revenue of \$219,253 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

YWCA

On July 1, 2015, Richmond, CA entered into a lease as Lessor for the use of the building at 3230 MacDonald Avenue and the lease end date was on June 30, 2025. An initial lease receivable was recorded in the amount of \$127,360.86 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$95,877. The lessee is required to make monthly fixed payments of \$2,700.00. The lease has an interest rate of 0.8930. The value of the deferred inflow of resources as of June 30, 2022 was \$95,521, and Richmond, CA recognized lease revenue of \$31,840 during the fiscal year.

AWC

On May 1, 2009, Richmond, CA entered into a lease as Lessor for the use of the land at 1311 Canal Boulevard and the lease end date was on December 31, 2024. An initial lease receivable was recorded in the amount of \$20,135,248.98 on July 1, 2021. As of June 30, 2022, the value of the lease receivable is \$14,595,757. The lessee is required to make annual fixed payments of \$5,718,800.00, with a fixed increase to \$5,833,350 from July 1, 2022 to June 30, 2023 and \$5,950,800 from July 1, 2023 to June 30, 2024. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of June 30, 2022 was \$14,382,321, and Richmond, CA recognized lease revenue of \$5,752,928 during the fiscal year.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LEASES RECEIVABLE, Continued

The future revenue payments as of June 30, 2022, are as follows:

| Year Ending June 30, | Alcatraz Cruises | | California Oils | | DeSaulnier | | Foss Maritime | | MSRC | | Nematode | | NRC | | Point San Pablo | |
|-------------------------|--------------------|-------------------|--------------------|------------------|-----------------|-------------|--------------------|------------------|-------------------|-----------------|-------------------|------------------|-------------------|-----------------|-----------------|--------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2023 | \$ 150,342 | \$ 29,658 | \$ 470,781 | \$ 18,946 | \$ 5,164 | \$ 8 | \$ 394,514 | \$ 11,572 | \$ 381,803 | \$ 1,064 | \$ 76,368 | \$ 5,430 | \$ 61,431 | \$ 1,269 | \$ 8,072 | \$ 13 |
| 2024 | 152,229 | 27,771 | 490,554 | 13,864 | - | - | 408,758 | 9,511 | - | - | 77,053 | 4,745 | 64,483 | 1,025 | - | - |
| 2025 | 154,139 | 25,861 | 510,980 | 8,571 | - | - | 423,442 | 7,375 | - | - | 77,744 | 4,054 | 67,358 | 771 | - | - |
| 2026 | 156,074 | 23,926 | 532,080 | 3,057 | - | - | 438,578 | 5,163 | - | - | 80,905 | 3,347 | 70,349 | 505 | - | - |
| 2027 | 163,455 | 21,945 | - | - | - | - | 454,181 | 2,872 | - | - | 81,630 | 2,622 | 73,461 | 227 | - | - |
| 2028-2032 | 863,536 | 78,080 | - | - | - | - | 311,682 | 601 | - | - | 249,308 | 3,447 | 18,587 | 12 | - | - |
| 2033-2037 | 805,456 | 21,968 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2038-2042 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2043-2047 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2048-2052 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2053-2057 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2058-2062 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2063-2067 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2068-2072 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2073-2077 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2078-2082 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2083-2087 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$2,445,231 | \$ 229,209 | \$2,004,395 | \$ 44,438 | \$ 5,164 | \$ 8 | \$2,431,155 | \$ 37,094 | \$ 381,803 | \$ 1,064 | \$ 643,008 | \$ 23,645 | \$ 355,669 | \$ 3,809 | \$ 8,072 | \$ 13 |

| Year Ending June 30, | PRAM | | Richmond Art Center | | Richmond Bay Marina | | Terminal Three Partners | | Dutra | | YWCA | | AWC | | Total | |
|-------------------------|-----------------|--------------|---------------------|-------------------|---------------------|---------------------|-------------------------|----------------------|---------------------|------------------|------------------|-----------------|----------------------|-------------------|----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2023 | \$ 3,259 | \$ 41 | \$ 9,518 | \$ 20,518 | \$ 105,127 | \$ 138,377 | \$ 25,066 | \$ 432,534 | \$ 199,595 | \$ 6,668 | \$ 31,673 | \$ 727 | \$ 5,703,010 | \$ 130,340 | \$ 7,625,723 | \$ 797,165 |
| 2024 | 3,283 | 17 | 9,766 | 20,269 | 107,868 | 135,636 | 34,542 | 432,210 | 204,358 | 6,031 | 31,957 | 443 | 5,871,387 | 79,412 | 7,456,238 | 730,934 |
| 2025 | 550 | 1 | 10,022 | 20,014 | 110,682 | 132,822 | 44,306 | 431,781 | 209,218 | 5,378 | 32,247 | 156 | 3,021,360 | 13,490 | 4,662,048 | 650,274 |
| 2026 | - | - | 10,284 | 19,752 | 113,568 | 129,936 | 54,366 | 431,243 | 214,179 | 4,710 | - | - | - | - | 1,670,383 | 621,639 |
| 2027 | - | - | 10,552 | 19,483 | 116,530 | 126,974 | 64,728 | 430,593 | 219,240 | 4,026 | - | - | - | - | 1,183,777 | 608,742 |
| 2028-2032 | - | - | 57,046 | 93,133 | 629,858 | 587,662 | 490,177 | 2,139,046 | 1,154,915 | 9,289 | - | - | - | - | 3,775,109 | 2,911,270 |
| 2033-2037 | - | - | 64,902 | 85,277 | 716,393 | 501,127 | 798,941 | 2,103,934 | - | - | - | - | - | - | 2,385,692 | 2,712,306 |
| 2038-2042 | - | - | 73,839 | 76,340 | 814,817 | 402,703 | 1,154,408 | 2,050,601 | - | - | - | - | - | - | 2,043,064 | 2,529,644 |
| 2043-2047 | - | - | 84,007 | 66,172 | 926,764 | 290,756 | 1,562,261 | 1,976,327 | - | - | - | - | - | - | 2,573,032 | 2,333,255 |
| 2048-2052 | - | - | 95,574 | 54,604 | 1,054,090 | 163,430 | 2,028,824 | 1,878,064 | - | - | - | - | - | - | 3,178,488 | 2,096,098 |
| 2053-2057 | - | - | 108,735 | 41,444 | 700,752 | 29,760 | 2,561,124 | 1,752,395 | - | - | - | - | - | - | 3,370,611 | 1,823,599 |
| 2058-2062 | - | - | 123,708 | 26,470 | - | - | 3,166,976 | 1,595,499 | - | - | - | - | - | - | 3,290,684 | 1,621,969 |
| 2063-2067 | - | - | 140,743 | 9,435 | - | - | 3,855,059 | 1,403,097 | - | - | - | - | - | - | 3,995,802 | 1,412,532 |
| 2068-2072 | - | - | - | - | - | - | 4,635,017 | 1,170,412 | - | - | - | - | - | - | 4,635,017 | 1,170,412 |
| 2073-2077 | - | - | - | - | - | - | 5,517,557 | 892,106 | - | - | - | - | - | - | 5,517,557 | 892,106 |
| 2078-2082 | - | - | - | - | - | - | 6,514,565 | 562,221 | - | - | - | - | - | - | 6,514,565 | 562,221 |
| 2083-2087 | - | - | - | - | - | - | 6,824,786 | 175,976 | - | - | - | - | - | - | 6,824,786 | 175,976 |
| Total | \$ 7,092 | \$ 59 | \$ 798,696 | \$ 552,911 | \$ 5,396,449 | \$ 2,639,183 | \$ 39,332,703 | \$ 19,858,039 | \$ 2,201,505 | \$ 36,102 | \$ 95,877 | \$ 1,326 | \$ 14,595,757 | \$ 223,242 | \$ 70,702,576 | \$ 23,650,142 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. CAPITAL ASSETS

The following is a summary of capital assets for governmental activities:

| | Balance at July 1, 2021 as restated | Additions | Retirements | Transfers | Adjustment | Balance at June 30, 2022 |
|--|---|--------------|-------------|--------------|------------|-----------------------------|
| <i>Governmental Activities</i> | | | | | | |
| Capital assets not being depreciated: | | | | | | |
| Land | \$ 24,361,564 | \$ 273,119 | \$ - | \$ - | \$ - | \$ 24,634,683 |
| Construction in progress | 34,275,063 | 12,722,449 | - | (12,448,045) | - | 34,549,467 |
| Total capital assets not being depreciated | 58,636,627 | 12,995,568 | - | (12,448,045) | - | 59,184,150 |
| Capital assets being depreciated: | | | | | | |
| Buildings and improvements | 156,882,402 | 246,143 | - | 666,115 | - | 157,794,660 |
| Machinery and equipment | 47,864,546 | 5,030,638 | (982,018) | 4,032,747 | - | 55,945,913 |
| Land improvements and infrastructure | 539,785,539 | - | - | 7,749,183 | - | 547,534,722 |
| Total capital assets being depreciated | 744,532,487 | 5,276,781 | (982,018) | 12,448,045 | - | 761,275,295 |
| Less accumulated depreciation for: | | | | | | |
| Buildings and improvements | (51,077,776) | (3,751,339) | - | (218,687) | - | (55,047,802) |
| Machinery and equipment | (40,463,502) | (3,006,628) | 982,935 | (61,205) | (612) | (42,549,012) |
| Land improvements and infrastructure | (425,290,906) | (6,212,089) | - | 279,892 | - | (431,223,103) |
| Total accumulated depreciation | (516,832,184) | (12,970,056) | 982,935 | - | (612) | (528,819,917) |
| Capital asset being depreciated, net | 227,700,303 | (7,693,275) | 917 | 12,448,045 | (612) | 232,455,378 |
| Lease assets being amortized: | | | | | | |
| Leased buildings and improvements | 6,690,416 | - | - | - | - | 6,690,416 |
| Total Lease assets being amortized | 6,690,416 | - | - | - | - | 6,690,416 |
| Less accumulated amortization for: | | | | | | |
| Leased buildings and improvements | - | (1,911,547) | - | - | - | (1,911,547) |
| Total accumulated amortization | - | (1,911,547) | - | - | - | (1,911,547) |
| Lease assets being amortized, net | 6,690,416 | (1,911,547) | - | - | - | 4,778,869 |
| Governmental activity capital assets, net | \$ 293,027,346 | \$ 3,390,746 | \$ 917 | \$ - | \$ (612) | \$ 296,418,397 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. CAPITAL ASSETS, Continued

Governmental activities depreciation expenses for capital assets and amortization expense for lease assets charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program for the year ended June 30, 2022 were as follows:

| | |
|-------------------------------|----------------------|
| Governmental Activities | |
| Depreciation expense | |
| General Government | \$ 3,615,815 |
| Public Safety | 854,384 |
| Public Services | 5,958,047 |
| Cultural and Recreational | 159,561 |
| Housing and Redevelopment | 126,313 |
| Community Development | 1,026 |
| Internal Service Funds | 2,254,910 |
| Total depreciation expense | <u>12,970,056</u> |
| Amortization expense | |
| Public Safety | <u>1,911,547</u> |
| Total amortization expense | <u>1,911,547</u> |
| Total Governmental Activities | <u>\$ 14,881,603</u> |

Lease Asset

Dicon Fiberoptics

On January 1, 2020, Richmond, CA entered into a lease as Lessee for the use of DiCon Fiberoptics' Building and the lease end date was on December 31, 2024. Richmond, CA is required to make monthly fixed payments of \$152,298, with step payment increase to \$156,735 from January 1, 2022 to December 31, 2022 and 3% annual increase from January 1, 2023 to December 31, 2024. The lease has an interest rate of 0.3160%. The value of the right to use asset as of June 30, 2022 of \$6,690,416 with accumulated amortization of \$1,911,547 is included with Buildings on the Lease Class activities table found above. Richmond, CA has 3 extension option(s), each for 12 months.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. CAPITAL ASSETS, Continued

The following is a summary of capital assets for business-type activities:

| | Balance at July 1, 2021 as restated | Additions | Retirements | Transfers | Adjustments | Balance at June 30, 2022 |
|--|---|---------------|-------------|-----------|-------------|-----------------------------|
| <i>Business-type Activities</i> | | | | | | |
| Capital assets not being depreciated: | | | | | | |
| Land | \$ 7,195,986 | \$ - | \$ - | \$ - | \$ - | \$ 7,195,986 |
| Construction in progress | 32,958,119 | 30,910,811 | - | - | - | 63,868,930 |
| Total capital assets not being depreciated | 40,154,105 | 30,910,811 | - | - | - | 71,064,916 |
| Capital assets being depreciated: | | | | | | |
| Buildings and improvements | 79,908,481 | - | - | - | - | 79,908,481 |
| Machinery and equipment | 17,840,183 | 19,901 | - | - | - | 17,860,084 |
| Infrastructure | 259,038,020 | - | - | - | - | 259,038,020 |
| Total capital assets being depreciated | 356,786,684 | 19,901 | - | - | - | 356,806,585 |
| Less accumulated depreciation for: | | | | | | |
| Buildings and improvements | (56,233,722) | (748,918) | - | - | - | (56,982,640) |
| Machinery and equipment | (15,654,100) | (593,212) | - | - | - | (16,247,312) |
| Infrastructure | (123,277,607) | (5,921,824) | - | - | - | (129,199,431) |
| Total accumulated depreciation | (195,165,429) | (7,263,954) | - | - | - | (202,429,383) |
| Capital asset being depreciated, net | 161,621,255 | (7,244,053) | - | - | - | 154,377,202 |
| Lease assets being amortized: | | | | | | |
| Leased land and improvements | 1,172,173 | - | - | - | - | 1,172,173 |
| Total Lease assets being amortized | 1,172,173 | - | - | - | - | 1,172,173 |
| Less accumulated amortization for: | | | | | | |
| Leased land and improvements | - | (260,483) | - | - | - | (260,483) |
| Total accumulated amortization | - | (260,483) | - | - | - | (260,483) |
| Lease assets being amortized, net | 1,172,173 | (260,483) | - | - | - | 911,690 |
| Business-type activity capital assets, net | \$ 202,947,533 | \$ 23,406,275 | \$ - | \$ - | \$ - | \$ 226,353,808 |

Included in buildings and improvements is the Richmond Housing Authority's Hacienda Property with a net book value of \$7,203,134 at June 30, 2022 has been uninhabitable for an extended period of time and as a result necessitates major rehabilitation. The property was appraised in July 2019 at \$6,290,000 "as is" and Mercy Housing is in negotiation with the City and the Housing Authority to acquire the improvements and to undertake significant renovation that would result in to 150 units, a fitness center and a library. The current site encompasses a total of 2.98 acres of land which is intended to be split into two parcels upon approval by HUD for which the currently improved portion of 1.941 acres will be subject to a ground lease to Mercy Housing and the remaining 1.043 acres will be retained by the City for future development.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. CAPITAL ASSETS, Continued

Business-type activities depreciation expenses for capital assets allocated to each program for the year ended June 30, 2022 were as follows:

| | |
|--------------------------------|---------------------|
| Business-Type Activities | |
| Depreciation expense | |
| Port of Richmond | \$ 3,529,821 |
| Municipal Sewer | 3,601,816 |
| Richmond Marina | 85,456 |
| Storm Sewer | 45,037 |
| Cable TV | 1,824 |
| Total depreciation expense | <u>7,263,954</u> |
| Amortization expense | |
| Municipal Sewer | 260,483 |
| Total amortization expense | <u>260,483</u> |
| Total Business-Type Activities | <u>\$ 7,524,437</u> |

Lease Asset

West County Wastewater District

On January 1, 2010, Richmond, CA entered into a lease as Lessee for the use of West County Wastewater District's land and the lease end date was on December 31, 2025. Richmond, CA is required to make annually fixed payments of \$153,000, with 3% annual increase from January 1, 2013 to December 31, 2017 and 6% annual increase from January 1, 2018 to December 31, 2025. The lease has an interest rate of 1.0590%. The value of the right to use asset as of June 30, 2022 of \$1,172,173 with accumulated amortization of \$260,483 is included with Improvements on the Lease Class activities table found above.

7. COMPENSATED ABSENCES PAYABLE

Changes in compensated absence liabilities for the year ended June 30, 2022 were as follows:

| | Balance July 1, 2021 | Additions | Deletions | Balance June 30, 2022 | Due Within One Year |
|----------------------------------|-------------------------|---------------------|-----------------------|--------------------------|------------------------|
| Governmental Activities: | | | | | |
| Compensated absences payable | \$ 13,116,999 | \$ 6,672,197 | \$ (8,299,995) | \$ 11,489,201 | \$ 6,320,594 |
| Business-Type Activities: | | | | | |
| Compensated absences payable | 200,045 | 330,245 | (322,859) | 207,431 | 104,923 |
| | <u>\$ 13,317,044</u> | <u>\$ 7,002,442</u> | <u>\$ (8,622,854)</u> | <u>\$ 11,696,632</u> | <u>\$ 6,425,517</u> |

The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund. Compensated absences for business-type activities are liquidated by the fund that has recorded the liability.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT

A. Governmental Activities

Following is a summary of governmental activities long-term debt transactions during the fiscal year ended June 30, 2022:

| | Balance at July 1, 2021 as restated | Additions (A) | Retirements | Balance at June 30, 2022 | Due Within One Year | Due in More than One Year |
|---|---|---------------|--------------------|-----------------------------|------------------------|------------------------------|
| Bonds payable: | | | | | | |
| Bonds | \$ 106,978,450 | \$ - | \$ (5,013,438) (B) | \$ 101,965,012 | \$ 4,270,000 | \$ 97,695,012 |
| Bonds from direct placements | 137,381,306 | 7,171,770 | (10,301,998) | 134,251,078 | 11,593,000 | 122,658,078 |
| Loans payable from direct borrowings | 1,023,223 | - | (135,601) | 887,622 | 138,040 | 749,582 |
| Financed purchases from direct borrowings | 5,642,605 | - | (1,061,418) | 4,581,187 | 1,075,111 | 3,506,076 |
| Lease liability | 6,690,416 | - | (1,837,459) | 4,852,956 | 1,896,420 | 2,956,536 |
| Total | \$ 257,716,000 | \$ 7,171,770 | \$ (18,349,914) | \$ 246,537,855 | \$ 18,972,571 | \$ 227,565,284 |

(A) Additions include bonds payable bond accretion for capital appreciation bonds totaling \$7,171,770

(B) Retirements of bonds payable include principal retirements in the amount of \$4,150,000 and amortization of bond premiums in the amount of \$863,438

Bonds Payable

Bonds payable at June 30, 2022 consisted of the following:

| | Net |
|---|----------------|
| Pension Obligation Bonds - 1999 Series A | \$ 2,725,000 |
| Pension Funding Bond Series 2005 (Direct Placement) | 134,251,078 |
| JPFA Lease Revenue Bonds - 2016 | 27,073,536 |
| JPFA Lease Revenue Bonds - 2019A | 72,166,476 |
| Total | \$ 236,216,090 |

1999 Series A City of Richmond Taxable Limited Obligation Pension Bonds - Original Issue \$36,280,000

The bonds were issued to fund a portion of the unfunded accrued actuarial liability in the City's pension plans together with the prepayment of certain pension benefit costs of the Beneficiaries and to pay the costs of issuance associated with the issuance of the bonds. Interest rates vary from 6.37% to a maximum of 7.39% and are payable semiannually on February 1, and August 1. The term bonds consist of

\$8,960,000 due August 1, 2020 with an interest rate of 7.57% and \$3,435,000 due August 1, 2029 with an interest rate of 7.62%. The bonds are payable from certain pension tax override revenues received by the City from a special tax pursuant to City Council Ordinance 9-99 adopted by the City Council on March 30, 1999. Principal and interest paid for the current fiscal year and total pension tax revenues were \$944,696 and \$10,609,053, respectively.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

1999 Series A City of Richmond Taxable Limited Obligation Pension Bonds - Original Issue \$36,280,000, Continued

The annual debt service requirements on the bonds are as follows:

| For the Years Ending June 30, | Principal | | | Interest | | | Total | | |
|----------------------------------|-----------|------------------|-----------|----------------|-----------|------------------|-------|--|--|
| | | | | | | | | | |
| 2023 | \$ | 620,000 | \$ | 184,023 | \$ | 804,023 | | | |
| 2024 | | 540,000 | | 139,827 | | 679,827 | | | |
| 2025 | | 455,000 | | 101,918 | | 556,918 | | | |
| 2026 | | 375,000 | | 70,295 | | 445,295 | | | |
| 2027 | | 295,000 | | 44,768 | | 339,768 | | | |
| 2028-2030 | | 440,000 | | 39,245 | | 479,245 | | | |
| Total | \$ | 2,725,000 | \$ | 580,076 | \$ | 3,305,076 | | | |

2005 Taxable Pension Funding Bonds - Original Issue \$114,995,133

These Bonds from direct placements were issued to prepay the unfunded liability of the Miscellaneous and Safety pension plans provided through the California Public Employees' Retirement System. The Bonds consist of three series as shown below:

| Bond Type & Series | Initial | | Adjusted | | Original Principal Amount | Index Rate Conversion Data | | |
|---|------------------|----------------------------|------------------|------------------|---------------------------------|----------------------------|---|-------------------------------|
| | Interest Rate | Less: Credit Adjustment | Interest Rate | Maturity Date | | Full Accretion Date | Adjusted Subsequent Interest Rate | Adjusted Maturity Value |
| Current Interest - 2005A | 5.9350% | -0.1000% | 5.8350% | 8/1/2013 | \$ 26,530,000 | n/a | n/a | n/a |
| Convertible Auction Rate Securities, Capital Appreciation Bonds - | | | | | | | | |
| 2005B-1 | 6.2550% | -0.1000% | 6.1550% | 8/1/2023 | 47,061,960 | 8/1/2013 | 1 month LIBOR + 1.4% | \$ 46,025,000 |
| 2005B-2 | 6.5650% | -0.1000% | 6.4650% | 8/1/2034 | 41,403,173 | 8/1/2023 | 1 month LIBOR + 1.4% | 99,842,000 |
| | | | | | <u>\$114,995,133</u> | | | <u>\$145,867,000</u> |

Credit Adjustment - The Bonds were issued on November 1, 2005 in a private placement at the initial interest rates. Included in the Indenture were provisions which adjust the initial interest rates on each series based on the City's meeting certain conditions. As a result of the City issuing its June 30, 2005 financial statements and receiving an upgraded credit rating of A3 by Moody's by May 1, 2006, the initial interest rates were reduced by 1/10th of one percent.

Current Interest Bonds - The Series 2005A Bonds were fully repaid during fiscal year 2015.

Capital Appreciation Bonds - The Series 2005B-1 Bonds and 2005B-2 Bonds are capital appreciation bonds, which means no interest is paid until the Adjusted Maturity Value is reached on the Full Accretion Date. Capital appreciation bonds are issued at a deep discount which then "accretes" over time. The discount on these bonds represented as the effective interest rate on each series is shown above.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

2005 Taxable Pension Funding Bonds – Original Issue \$114,995,133, Continued

Mandatory Index Rate Conversion – On the respective Full Accretion Date, the Series 2005B-1 or 2005B-2 Bonds convert from Capital Appreciation Bonds to Index Rate Bonds. From that date forward, the Bonds bear interest at a rate based on the 1-month LIBOR index plus 1.4%. This rate fluctuates according to the market conditions and is limited to 17 percent per year. Following the applicable Full Accretion Date, interest on the converted bond series is due semiannually each February 1 and August 1. The Series 2005B-1 Bonds are due in annual installments from 2014 to 2023 ranging from \$4,468,000 to \$11,593,000. The 2005B-2 Bonds are due in annual installments from 2024 to 2034 ranging from \$6,466,000 to \$18,538,000.

Optional Auction Rate Conversion – On the respective Full Accretion Date, the 2005B-1 and the 2005B-2 Bonds may be converted to Auction Rate Bonds provided that certain conversion requirements are met. Auction rates fluctuate according to the market conditions and is limited to a maximum 17 percent per year and a minimum of 80 percent of the LIBOR index rate. The Series 2005B-1 Bonds did not convert to auction rate bonds, and were instead converted to index rate bonds, as discussed above.

Swap Agreements – The City entered into two interest rate swap agreements related to the 2005B-1 and 2005B-2 Bonds. The interest rate swap related to the 2005B-1 Bonds became effective August 1, 2013 while the 2005B-2 Bonds does not become effective until August 1, 2023, in the same amount as the outstanding principal balances of the Bonds on that date. The combination of the variable rate bonds and a floating swap rate will create synthetic fixed-rate debt for the City. The synthetic fixed rate for the 2005B-1 Bonds was 7.0039% at June 30, 2022.

At June 30, 2022, the Bonds consisted of the following:

| | Maturity Value | Accretion/ Amortization | Unamortized Premium (Discount) | Net |
|----------------------------|----------------|----------------------------|--------------------------------------|----------------|
| Capital appreciation bonds | \$ 145,867,000 | \$ 7,171,775 | \$ (18,787,697) | \$ 134,251,078 |

The annual debt service requirements are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|----------------|---------------|----------------|
| 2023 | \$ 11,593,000 | \$ 895,931 | 12,488,931 |
| 2024 | 6,306,000 | 7,068,894 | 13,374,894 |
| 2025 | 6,466,000 | 8,901,468 | 15,367,468 |
| 2026 | 6,687,000 | 8,421,992 | 15,108,992 |
| 2027 | 8,162,000 | 7,858,540 | 16,020,540 |
| 2028-2032 | 54,137,000 | 28,692,562 | 82,829,562 |
| 2033-2035 | 52,516,000 | 4,799,491 | 57,315,491 |
| Total | \$ 145,867,000 | \$ 66,638,878 | \$ 212,505,878 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Richmond Joint Powers Financing Authority Lease Revenue Bonds, Series 2016 - Original Issue - \$28,390,000

On February 1, 2016, the Authority issued Series 2016 Lease Revenue Bonds in the amount of \$28,390,000. The proceeds from the Bonds were used to pay the obligations of the City related to the termination of the interest rate swap agreement and the option on swap agreement (swaption) related to the Authority's Series 2009 Lease Revenue Refunding Bonds and to pay the costs associated with the issuance of the Series 2016 Bonds. On February 3, 2016 the interest rate swap agreement and the swaption related to the Series 2009 Bonds were terminated with a swap termination payment of \$28,554,000.

The Bonds bear interest rates of 4.00% to 5.50%. Principal payments are due annually on November 1 through 2037 and semi-annual interest payments are due May 1 and November 1 commencing on May 1, 2016.

At June 30, 2022, the 2016 Bonds consisted of the following:

| | |
|---------------------|----------------------|
| Bonds outstanding | \$ 26,060,000 |
| Unamortized premium | 1,013,536 |
| Total | <u>\$ 27,073,536</u> |

The annual debt service requirements are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|----------------------|---------------------|----------------------|
| 2023 | \$ 1,165,000 | \$ 1,186,313 | \$ 2,351,313 |
| 2024 | 1,255,000 | 1,119,763 | 2,374,763 |
| 2025 | 1,365,000 | 1,047,713 | 2,412,713 |
| 2026 | 1,445,000 | 970,438 | 2,415,438 |
| 2027 | 1,510,000 | 889,175 | 2,399,175 |
| 2028-2032 | 8,555,000 | 3,143,000 | 11,698,000 |
| 2033-2037 | 9,015,000 | 1,247,900 | 10,262,900 |
| 2038 | 1,750,000 | 35,000 | 1,785,000 |
| Total | <u>\$ 26,060,000</u> | <u>\$ 9,639,302</u> | <u>\$ 35,699,302</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Richmond Joint Powers Financing Authority Lease Revenue Bonds, Series 2019A - Original Issue - \$63,970,000

The Series 2019A Bonds are being issued to: redeem \$77,315,000 outstanding principal amount of the Authority's Lease Revenue Refunding Bonds (Civic Center Project) Series 2009, purchase a reserve facility for deposit into the reserve account established for the Series 2019A Bonds, fund a deposit into the Interest Account within the Revenue Fund to capitalize a portion of the interest due on May 1, 2020, and pay costs associated with the issuance of the Series 2019A Bonds. The Bonds are payable solely from, and secured solely by, Revenues of the Authority, consisting primarily of Base Rental Payments to be received by the Authority from the City of Richmond under a Facility Lease, dated as of August 1, 2019, by and between the City and the Authority, for the right to use and the occupancy of certain real property and facilities. The Series 2019A Bonds will mature on November 1 annually commencing November 1, 2020. Interest on the Series 2019A Bonds is payable at the rate of 5% on November 1 and May 1 of each year, commencing May 1, 2020. The refunding resulted in an overall debt service savings of \$29,893,316. The net present value of the debt service savings is called an economic gain and amounted to \$25,000,596.

At June 30, 2022, the 2019A Bonds consisted of the following:

| | |
|---------------------|----------------------|
| Bonds outstanding | \$ 59,365,000 |
| Unamortized premium | 12,801,476 |
| Total | <u>\$ 72,166,476</u> |

The annual debt service requirements are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|----------------------|----------------------|----------------------|
| 2023 | \$ 2,485,000 | \$ 2,906,125 | 5,391,125 |
| 2024 | 2,610,000 | 2,778,750 | 5,388,750 |
| 2025 | 2,745,000 | 2,644,875 | 5,389,875 |
| 2026 | 2,885,000 | 2,504,125 | 5,389,125 |
| 2027 | 3,035,000 | 2,356,125 | 5,391,125 |
| 2028-2032 | 17,665,000 | 9,281,375 | 26,946,375 |
| 2033-2037 | 22,680,000 | 4,263,000 | 26,943,000 |
| 2038 | 5,260,000 | 131,500 | 5,391,500 |
| Total | <u>\$ 59,365,000</u> | <u>\$ 26,865,875</u> | <u>\$ 86,230,875</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Interest Rate Swap and Swaption Agreements

The City entered into an interest swap agreement in connection with the 2005B-1 Taxable Pension Funding Bonds. The transaction allows the City to create a synthetic fixed rate or a synthetic variable rate on the Bonds, protecting it against increases and decreases in short-term interest rates and fair value. The various risks associated with the swap agreements are disclosed below. For the swap agreement pertaining to the 2005B-2 Taxable Pension Funding Bonds, the disclosure is included below, but the swap agreement does not become effective until August 1, 2023.

On May 13, 2015, Moody's Investor Services ("Moody's") downgraded the City's issuer rating from "A1" to "Ba1" and the rating on its 1999 Taxable Limited Obligation Pension Bonds from "A2" to "Baa2". In addition, the City and its Wastewater Enterprise bonds were placed under review for possible downgrades. On August 4, 2015, Moody's further downgraded the City's issuer rating from "Ba2" to "Ba1" and its rating on the City's Taxable Pension Obligation Bonds and 1999 Taxable Limited Obligation Pension Bonds ("POB's) from "Baa2". In addition, Moody's downgraded its rating on the City's Wastewater Revenue Bonds, Series 2006A to "Baa2" from "A2". On November 21, 2018, Moody's upgraded the City's issuer rating to "Baa3" from "Ba1" and the Pension Obligation Bond rating from "Ba1" to "Ba2". On September 1, 2015, Standard and Poor's Rating Services ("S&P") lowered the City's Issuer Credit Rating from "AA-" to "BBB+" placing the City on CreditWatch. Other credit ratings downgrades included S&P's assigned underlying rating (SPUR) for the Wastewater Enterprise Fund that was lowered from "A+" to "BBB".

Moody's downgrade of the City's issuer rating to "Ba1" resulted in allowing the counterparty, JPMorgan Chase Bank, NA ("JPM") to declare an Additional Termination Event (ATE) with the interest rate swaps the City entered in conjunction with the 2005 Taxable POBs (2007 Swaps). This means that JPM could exercise a right to terminate the 2007 Swaps and demand immediate payment of an approximately \$31.5 million settlement amount that represented the present value of the City's expected future performance obligations under the 2007 Swaps at the time of the ATE. The City entered into a restructuring of certain of its obligations through the issuance by the Richmond Joint Powers Financing Authority of Lease Revenue Bonds Series 2016A (tax-exempt) to fund the cost of terminating the Civic Center Swaps relating to the Richmond Joint Powers Financing Authority Series 2009 Civic Center Lease Revenue Bonds held by Royal Bank of Canada (RBC). RBC simultaneously entered into a novation of the 2007 Swaps with JPM. By terminating the Civic Center Swaps, the City reduced RBC's credit exposure to the City sufficiently to allow RBC to accept the additional credit exposure associated with stepping into JPM's position in the 2007 swaps through novation. Contemporaneous with the novation from JPM to RBC, RBC and the City amended and restated the 2007 Swaps, including eliminating the existence of the ATE by removing reference to a Moody's rating in the ATE provisions, reducing the Standard & Poor's rating threshold for a future ATE to BBB- from BBB and providing a mandatory early termination of the 2007 Swaps in 2023. The early termination will require the City to either refund or restructure the 2007 Swap at that date if a termination payment is due at the time. In addition, terminating the Civic Center Swaps eliminated the risk of an ATE with respect to the Civic Center Swaps, which require the City to maintain its Issuer Credit Rating at the current level of BBB+ to avoid an ATE.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Interest Rate Swap and Swaption Agreements, Continued

The City's issuer credit rating from S&P was BBB+ as of June 30, 2017. On December 4, 2017, the City received an updated issuer credit rating from S&P upgrading the previous BBB+ issuer credit rating to an A- issuer credit rating.

Terms. The terms, including the counterparty credit ratings of the outstanding swaps, as of June 30, 2021, are included below. The swap agreements contain scheduled reductions to the outstanding notional amount on an annual basis.

Hedging Derivatives - Pay-Fixed, Receive-Variable Swap Agreements

For the following Pay-Fixed, Receive-Variable swap agreements, the City owes interest calculated at a fixed rate to the counterparty of the swaps. In return, the counterparty owes the City interest based on a variable rate that approximates the rate required by the Bonds. Debt principal is not exchanged; it is only the basis on which the swap receipts and payments are calculated.

Pay-Fixed, Receive-Variable

| Outstanding Notional Amount | Effective Date | Counterparty | Long-Term Credit Rating (S&P/Moody's /Fitch) | Fixed Rate Paid | Variable Rate Received | Fair Value at 6/30/2022 | Termination Date | Hedging Type |
|---------------------------------------|----------------|----------------------|--|-----------------|---------------------------|-------------------------|------------------|--------------|
| 2005B-1 Taxable Pension Funding Bonds | | | | | | | | |
| \$ 28,205,221 | 8/1/2013 | Royal Bank of Canada | AA-/Aa2/AA | 5.580% | 100% of USD 1-Month LIBOR | \$ (334,838) | 8/1/2023 | Cash Flow |
| 2005B-2 Taxable Pension Funding Bonds | | | | | | | | |
| \$ 127,990,254 | 8/1/2023 | Royal Bank of Canada | AA-/Aa2/AA | 5.665% | 100% of USD 1-Month LIBOR | \$ (21,650,387) | 8/1/2034 | Fair Value |

Fair value. Fair value of the swaps takes into consideration the prevailing interest rate environment, the specific terms and conditions of each transaction and any upfront payments that may have been received. Fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by the swaps, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swap. The swaps are classified in Level 2 of the fair value hierarchy, using a market approach that considers observable swap rates commonly quoted for the full term of the swaps.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Hedging Activities - Pay-Fixed, Receive-Variable Swap Agreements, Continued

As of June 30, 2022, the fair value for the each of the outstanding swaps was in favor of the respective counterparties. The fair value represents the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. The City has accounted for the change in fair value of each of the effective hedges as noted below:

| | Changes in Fair Value | | Fair value at June 30, 2022 | |
|---------------------------------------|-----------------------|----------------------|-----------------------------|------------------------|
| | Classification | Amount | Classification | Amount |
| Governmental Activities | | | | |
| Pay-Fixed, Receive-Variable | | | | |
| 2005B-1 Taxable Pension Funding Bonds | Deferred Outflow | \$ 1,345,523 | Investment | \$ (334,838) |
| 2005B-2 Taxable Pension Funding Bonds | Deferred Outflow | 12,635,222 | Investment | (21,650,387) |
| Totals | | <u>\$ 13,980,745</u> | | <u>\$ (21,985,225)</u> |

Credit risk. The fair values of the swaps represent the City's credit exposure to the counterparties. As of June 30, 2022, the City was not exposed to credit risk on the outstanding swaps because the swaps had negative fair values. However, if interest rates change and the fair value of the swaps were to become positive, the City would be exposed to credit risk.

Interest rate risk. The City will be exposed to interest rate risk for the Pay-Fixed, Receive-Variable swaps only if the counterparty to the swaps defaults or if the swaps are terminated.

Basis risk. Basis risk is the risk that the interest rate paid by the City on the underlying variable rate bonds to the bondholders temporarily differs from the variable swap rate received from the counterparty. The City bears basis risk on the Pay-Fixed, Receive-Variable swaps. The swaps have basis risk since the City receives a percentage of the LIBOR Index to offset the actual variable bond rate the City pays on the underlying Bonds. The City is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the City pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost of the basis risk may vary.

A portion of this basis risk is tax risk. The City is exposed to tax risk when the relationship between the taxable LIBOR based swap and tax-exempt variable rate bond changes as a result of a reduction in federal and state income tax rates. Should the relationship between LIBOR and the underlying tax- exempt variable rate bonds converge the City is exposed to this basis risk.

Termination risk. The City may terminate if the other party fails to perform under the terms of the contract. The City will be exposed to variable rates if the counterparties to the swap contracts default or if the swap contracts are terminated. A termination of the swap contracts may also result in the City's making or receiving a termination payment based on market interest rates at the time of the termination. If at the time of termination the swaps have a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Hedging Activities - Pay-Fixed, Receive-Variable Swap Agreements, Continued

Swap payments and associated debt. Using rates as of June 30, 2021, debt service requirements of the City's outstanding fixed rate 2005 Taxable Pension Funding Bonds and net swap payments, assuming current interest rates remain the same for their term, are as follows. The 2005B-2 Bond is not included in the table, because the swap is not effective until August 1, 2023. As rates vary, net swap payments will vary.

| <i>2005 Taxable Pension Funding Bonds</i> | | | | |
|---|---------------------|---------------|--------------------------------|----------------|
| For the Years Ending June 30, | Variable-Rate Bonds | | Interest Rate Swap, Net (A) | Total |
| | Principal | Interest | | |
| 2023 | 11,593,000 | 654,606 | 241,325 | 12,488,931 |
| 2024 | 6,306,000 | 7,051,185 | 17,709 | 13,374,894 |
| 2025 | 6,466,000 | 8,901,468 | - | 15,367,468 |
| 2026 | 6,687,000 | 8,421,992 | - | 15,108,992 |
| 2027 | 8,162,000 | 7,858,540 | - | 16,020,540 |
| 2028-2032 | 54,137,000 | 28,692,562 | - | 82,829,562 |
| 2033-2035 | 52,516,000 | 4,799,491 | - | 57,315,491 |
| Total | \$ 145,867,000 | \$ 66,379,844 | \$ 259,034 | \$ 212,505,878 |

(A) Includes only the 2005 B-1, because the 2005 B-2 is not effective until August 1, 2023.

Loans Payable

Loans payable from direct borrowing at June 30, 2022 consisted of the following:

| <i>City Loans Payable</i> | |
|--------------------------------------|-------------------|
| California Energy Commission Loan #1 | \$ 200,128 |
| California Energy Commission Loan #2 | 687,494 |
| | <u>\$ 887,622</u> |

California Energy Commission Phase 1 - Original Amount \$621,558

On April 22, 2013, the City entered into a direct borrowing loan agreement with the California Energy Commission in the amount of \$621,558. The purpose of the loan is to provide funding for the replacement of street lighting with new LED lights. The loan bears a 3% interest rate and is due in semi-annual payments in December and June through December 2025.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

California Energy Commission Phase 1 - Original Amount \$621,558, Continued

The annual debt service requirements on the loan are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|------------|-----------|------------|
| 2023 | \$ 55,071 | \$ 5,595 | \$ 60,666 |
| 2024 | 56,725 | 3,940 | 60,665 |
| 2025 | 58,449 | 2,216 | 60,665 |
| 2026 | 29,883 | 449 | 30,332 |
| Total | \$ 200,128 | \$ 12,200 | \$ 212,328 |

California Energy Commission Phase 2 - Original Amount \$1,239,036

During fiscal year 2015, the City entered into a direct borrowing loan agreement with the California Energy Commission in the amount of \$1,239,036. The purpose of the loan is to provide funding for the replacement of street lighting with new LED lights. The loan bears interest at 1% and is due in semi-annual payments in December and June through June 2030.

The annual debt service requirements on the loan are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|------------|-----------|------------|
| 2023 | \$ 82,969 | \$ 6,669 | 89,638 |
| 2024 | 83,786 | 5,852 | 89,638 |
| 2025 | 84,641 | 4,997 | 89,638 |
| 2026 | 85,490 | 4,148 | 89,638 |
| 2027 | 86,347 | 3,291 | 89,638 |
| 2028-2030 | 264,261 | 4,652 | 268,913 |
| Total | \$ 687,494 | \$ 29,609 | \$ 717,103 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Financed Purchases

Financed purchases payable from direct borrowing at June 30, 2022 consisted of the following:

| | | |
|---|----|------------------|
| Qualified Energy Conservation | \$ | 327,928 |
| JPFA Recovery Zone Economic Development | | 372,049 |
| Holman Capital Corporation #4 | | 201,465 |
| Street Light | | 1,943,666 |
| Holman Capital Corporation #5 | | 1,736,079 |
| | | <hr/> |
| Total | \$ | <u>4,581,187</u> |

Qualified Energy Conservation - Original Amount \$1,052,526

On December 22, 2010 the City entered into a direct borrowing financed purchase with Bank of America in the amount of \$1,052,526 to finance the purchase and installation of energy conservation equipment at various City-owned buildings. The City received an allocation of the national Qualified Energy Conservation Bond which includes a direct subsidy from the United States Treasury for the interest payable on the bonds under the Hiring Incentives to Restore Employment Act (HIRE Act). The subsidy will be payable on or about the date that the City makes its debt service payments and is equal to 59.79% of the interest payable on the purchase. The subsidy received in fiscal year 2019 was \$23,026. The purchase bears interest at a rate of 6.79% and principal and interest payments are due semi-annually each June 15 and December 15 commencing on December 15, 2011 through June 15, 2026.

The annual debt service requirements on the financed purchase are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|------------|-----------|------------|
| 2023 | \$ 78,678 | \$ 20,940 | \$ 99,618 |
| 2024 | 80,841 | 15,561 | 96,402 |
| 2025 | 83,063 | 10,035 | 93,098 |
| 2026 | 85,346 | 4,356 | 89,702 |
| | | | <hr/> |
| Total | \$ 327,928 | \$ 50,892 | \$ 378,820 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Richmond Joint Powers Financing Authority Recovery Zone Economic Development - Original Amount \$1,316,000

On December 22, 2010 the Authority entered into a direct borrowing financed purchase with Bank of America in the amount of \$1,316,000 to finance the improvements to three of the City’s fire stations and a senior center. The City agreed to use the three fire stations to the Authority in exchange for payments in the amount of the debt. The Authority received the proceeds under an allocation of the National Recovery Zone Economic Development Bonds under the American Recovery and Reinvestment Act of 2009, which includes a direct subsidy from the United States Treasury for the interest payable on the Bonds. The subsidy will be payable on or about the date that the Authority makes its debt service payments and is equal to 45% of the interest payable on the lease upon filing of a request by the Authority. The total subsidy received in fiscal year 2019 was \$19,824. The lease bears interest at a rate of 6.50% and principal and interest payments on the lease are due semi-annually each June 15 and December 15, commencing on June 15, 2011, through 2026.

The annual debt service requirements on the financed purchase are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|-------------------|------------------|-------------------|
| 2023 | \$ 101,634 | \$ 22,546 | \$ 124,180 |
| 2024 | 105,300 | 15,881 | 121,181 |
| 2025 | 109,098 | 8,975 | 118,073 |
| 2026 | 56,017 | 1,821 | 57,838 |
| Total | <u>\$ 372,049</u> | <u>\$ 49,223</u> | <u>\$ 421,272</u> |

Holman Capital Corporation #4 - West Contra Costa Family Justice Center - Original Amount \$2,000,000

On November 1, 2012 the City entered into a direct borrowing financed purchase agreement with Holman Capital Corporation in the amount of \$2,000,000 to finance improvements to the City’s West Contra Costa Family Justice Center. The purchase bears an interest rate of 3.17%. Principal and interest payments on the purchase are due semi-annually on each July 14 and January 14 commencing on July 14, 2013 through January 14, 2023.

The annual debt service requirements on the financed purchase are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|-------------------|-----------------|-------------------|
| 2023 | \$ 201,465 | \$ 4,565 | \$ 206,030 |
| Total | <u>\$ 201,465</u> | <u>\$ 4,565</u> | <u>\$ 206,030</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Street Light - Original Amount \$4,641,936

On July 31, 2013 the City entered into a direct borrowing financed purchase agreement with Bank of America in the amount of \$4,641,936 to finance the purchase of streetlights and the associated upgrade costs. The purchase bears an interest rate of 2.55%. Principal and interest payments on the purchase are due semi-annually on each October 30 and April 30 commencing on April 30, 2014 through October 30, 2026.

The annual debt service requirements on the financed purchase are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|---------------------|-------------------|---------------------|
| 2023 | \$ 431,386 | \$ 46,864 | \$ 478,250 |
| 2024 | 453,254 | 35,726 | 488,980 |
| 2025 | 476,005 | 24,025 | 500,030 |
| 2026 | 499,675 | 11,738 | 511,413 |
| 2027 | 83,346 | 1,063 | 84,409 |
| Total | <u>\$ 1,943,666</u> | <u>\$ 119,416</u> | <u>\$ 2,063,082</u> |

Holman Capital Corporation #5 - Fire Apparatus Equipment Lease - Original Amount \$2,687,645

On May 17, 2018 the City entered into a direct borrowing financed purchase agreement with Holman Capital Corporation in the amount of \$2,687,645 to finance the purchase of one Spartan Ladder Truck and two Spartan Pumper Trucks, which are pledged as collateral for the purchase. The purchase bears an interest rate of 3.91%. Principal and interest payments on the purchase are due quarterly on each August 17, November 17, February 17, and May 17 commencing on August 17, 2018 through May 17, 2028.

The annual debt service requirements on the financed purchase are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|---------------------|-------------------|---------------------|
| 2023 | \$ 261,946 | \$ 64,071 | \$ 326,017 |
| 2024 | 272,341 | 53,678 | 326,019 |
| 2025 | 283,146 | 42,872 | 326,018 |
| 2026 | 294,381 | 31,638 | 326,019 |
| 2027 | 306,061 | 19,958 | 326,019 |
| 2028 | 318,204 | 7,814 | 326,018 |
| Total | <u>\$ 1,736,079</u> | <u>\$ 220,031</u> | <u>\$ 1,956,110</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Lease Liability (Dicon Fiberoptics)

On 01/01/2020, Richmond, CA entered into a lease as Lessee for the use of Dicon Fiberoptics and the lease end date was on 12/31/2024.. An initial lease liability was recorded in the amount of \$6,690,415.64 on 07/01/2021. As of 06/30/2022, the value of the lease liability is \$4,852,956. Richmond, CA is required to make monthly fixed payments of \$152,298.00, with step payment increase to \$156,735 from 01/01/2022 - 12/31/2022 and 3% annual increase from 01/01/2023 - 12/31/2024. The lease has an interest rate of 0.3160%.

At June 30, 2022, the aggregate maturities of the governmental lease liability were as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|---------------------|------------------|---------------------|
| 2023 | \$ 1,896,420 | \$ 12,613 | \$ 1,909,033 |
| 2024 | 1,959,774 | 6,529 | 1,966,303 |
| 2025 | 996,762 | 919 | 997,681 |
| Total | <u>\$ 4,852,956</u> | <u>\$ 20,061</u> | <u>\$ 4,873,017</u> |

B. Business-Type Activities

The following is a summary of long-term debt of business-type activities during the fiscal year ended June 30, 2022:

| | Balance at July 1, 2021 as restated | Additions | Retirements | Balance at June 30, 2022 | Due Within One Year | Due in More than One Year |
|--|---|----------------------|-----------------------|-----------------------------|------------------------|------------------------------|
| Bonds payable | \$ 151,490,785 | \$ - | \$ (7,961,659) (A) | \$ 143,529,126 | \$ 6,870,000 | \$ 136,659,126 |
| Notes and loans payable from direct borrowing | 3,338,388 | 11,992,567 (B) | (101,656) | 15,229,299 | 106,231 | 15,123,068 |
| Lease liability | 1,172,173 | - | (357,428) | 814,745 | 252,838 | 561,907 |
| Total | <u>\$ 154,829,173</u> | <u>\$ 11,992,567</u> | <u>\$ (8,420,743)</u> | <u>\$ 159,573,170</u> | <u>\$ 7,229,069</u> | <u>\$ 152,344,101</u> |

(A) Retirements of bonds payable include principal retirements in the amount of \$6,580,000 and amortization of bond premiums and discounts in the amount of \$1,381,659.

(B) California State Loan drawdown

Bonds payable at June 30, 2022 consisted of the following:

| | |
|---|-----------------------|
| 2019B Point Potrero Lease Revenue Bonds | \$ 9,112,946 |
| Wastewater Revenue Bonds Series 2017A | 33,322,756 |
| Wastewater Revenue Bonds Series 2019A | 24,971,969 |
| Wastewater Revenue Bonds Series 2019B | 76,121,455 |
| Total | <u>\$ 143,529,126</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

Richmond Joint Powers Financing Authority Point Potrero Lease Revenue Bonds, Series 2019B - Original Issue (\$20,580,000)

The Series 2019B Bonds are being issued to: (i) defease and redeem on a current basis all of the Authority's \$26,830,000 outstanding Point Potrero Lease Revenue Bonds, Series 2009A and (ii) pay certain costs associated with the issuance of the Series 2019B Bonds. The Series 2019B Bonds are payable solely from, and secured solely by, Revenues of the Authority, consisting primarily of Base Rental Payments to be received by the Authority from the City under a Facility Lease, dated as of August 1, 2019, by and between the City of Richmond and the Authority, for the right to use and the possession of certain real property and facilities, consisting of Wharves No. 7 and 8 at the Point Potrero Marine Terminal of the Port of Richmond. The amount of the Base Rental Payments is calculated to be sufficient to pay principal of and interest on the Series 2019B Bonds when due. Interest on the Series 2019B Bonds is payable on May 1 and November 1 of each year, commencing November 1, 2019. The refunding resulted in an overall debt service savings of \$4,351,195. The net present value of the debt service savings is called an economic gain and amounted to \$4,177,680.

At June 30, 2022 the 2019B Bonds consisted of the following:

| | |
|---------------------|---------------------|
| Bonds outstanding | \$ 8,330,000 |
| Unamortized premium | 782,946 |
| Net | <u>\$ 9,112,946</u> |

The annual debt service requirements on the 2019B Bonds are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|---------------------|-------------------|---------------------|
| 2023 | \$ 4,270,000 | \$ 416,500 | \$ 4,686,500 |
| 2024 | 4,060,000 | 203,000 | 4,263,000 |
| Total | <u>\$ 8,330,000</u> | <u>\$ 619,500</u> | <u>\$ 8,949,500</u> |

Richmond Wastewater Revenue Bonds, Series 2017A - Original Issue \$33,530,000

On July 19, 2017 the City issued Series 2017A Wastewater Revenue Bonds in the amount of \$33,530,000. The proceeds from the Bonds were used to finance improvements to the City's wastewater collection, treatment and disposal system and to refund all of the City's outstanding Wastewater Revenue Refunding Bonds, Series 2006A. Principal payments are due annually on August 1. Interest rates on the Bonds range from 2% to 5.25% and payments are due semiannually on August 1 and February 1 beginning February 1, 2018. The bonds mature on August 1, 2047.

At June 30, 2022 the Series 2017A Bonds consisted of:

| | |
|---------------------|----------------------|
| Bonds outstanding | \$ 28,385,000 |
| Unamortized premium | 4,937,756 |
| Net | <u>\$ 33,322,756</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

Richmond Wastewater Revenue Bonds, Series 2017A - Original Issue \$33,530,000, Continued

The annual debt service requirements on the 2017A Bonds are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|----------------------|----------------------|----------------------|
| 2023 | \$ 1,430,000 | \$ 1,432,350 | 2,862,350 |
| 2024 | - | 1,396,600 | 1,396,600 |
| 2025 | - | 1,396,600 | 1,396,600 |
| 2026 | - | 1,396,600 | 1,396,600 |
| 2027 | - | 1,396,600 | 1,396,600 |
| 2028-2032 | - | 6,983,000 | 6,983,000 |
| 2033-2037 | - | 6,983,000 | 6,983,000 |
| 2038-2042 | 4,080,000 | 6,799,250 | 10,879,250 |
| 2043-2047 | 18,545,000 | 3,667,550 | 22,212,550 |
| 2048 | 4,330,000 | 113,663 | 4,443,663 |
| Total | <u>\$ 28,385,000</u> | <u>\$ 31,565,213</u> | <u>\$ 59,950,213</u> |

Richmond Wastewater Revenue Bond Series 2019A and Wastewater Revenue Refunding Bonds, Series 2019B - Original Issue Series 2019A (\$22,510,000) and Series 2019B (\$66,075,000)

On June 26, 2019 the City issued Series 2019A Wastewater Revenue Bonds and the 2019B Wastewater Revenue Refunding Bonds in the amounts of \$22,510,000 and \$66,075,000, respectively. The proceeds from the 2019A Bonds were used to finance improvements to the City's wastewater collection, treatment and disposal system. The proceeds from the 2019B Bonds were used to refund all of the City's outstanding Wastewater Revenue Refunding Bonds, Series 2008A, and to partially refund and defease the City's outstanding Wastewater Revenue Refunding Bonds, Series 2010B. The outstanding balance of the defeased 2010B Bonds was \$36,480,000 at June 30, 2019. Principal payments are due annually on August 1. Interest rates on the Bonds range from 3% to 5% and payments are due semiannually on August 1 and February 1 beginning February 1, 2020. The refunding resulted in an overall debt service savings of \$6,799,507. The net present value of the debt service savings is called an economic gain and amounted to \$4,738,022. The bonds mature on August 1, 2049.

At June 30, 2022 the Series 2019A Bonds consisted of:

| | |
|---------------------|----------------------|
| Bonds outstanding | \$ 22,510,000 |
| Unamortized premium | 2,461,969 |
| Net | <u>\$ 24,971,969</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

Richmond Wastewater Revenue Bond Series 2019A and Wastewater Revenue Refunding Bonds, Series 2019B – Original Issue Series 2019A (\$22,510,000) and Series 2019B (\$66,075,000), Continued

The annual debt service requirements on the 2019A Bonds are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|----------------------|----------------------|----------------------|
| 2023 | - | \$ 973,900 | 973,900 |
| 2024 | - | 973,900 | 973,900 |
| 2025 | - | 973,900 | 973,900 |
| 2026 | - | 973,900 | 973,900 |
| 2027 | - | 973,900 | 973,900 |
| 2028-2032 | - | 4,869,500 | 4,869,500 |
| 2033-2037 | - | 4,869,500 | 4,869,500 |
| 2038-2042 | 4,380,000 | 4,410,500 | 8,790,500 |
| 2043-2047 | 5,195,000 | 3,171,650 | 8,366,650 |
| 2048-2050 | 12,935,000 | 968,700 | 13,903,700 |
| Total | \$ 22,510,000 | \$ 23,159,350 | \$ 45,669,350 |

At June 30, 2022 the Series 2019B Bonds consisted of:

| | |
|---------------------|----------------------|
| Bonds outstanding | \$ 64,960,000 |
| Unamortized premium | 11,161,455 |
| Net | \$ 76,121,455 |

The annual debt service requirements on the 2019B Bonds are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|----------------------|----------------------|----------------------|
| 2023 | \$ 1,170,000 | \$ 2,961,850 | 4,131,850 |
| 2024 | 2,815,000 | 2,862,225 | 5,677,225 |
| 2025 | 2,930,000 | 2,718,600 | 5,648,600 |
| 2026 | 3,050,000 | 2,569,100 | 5,619,100 |
| 2027 | 3,175,000 | 2,413,475 | 5,588,475 |
| 2028-2032 | 18,030,000 | 9,490,500 | 27,520,500 |
| 2033-2037 | 22,055,000 | 4,582,075 | 26,637,075 |
| 2038-2041 | 11,735,000 | 648,725 | 12,383,725 |
| Total | \$ 64,960,000 | \$ 28,246,550 | \$ 93,206,550 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

Pledge of Wastewater Revenues

The City has pledged future wastewater customer revenues, net of specified operating expenses, to repay the 2017A, 2019A and 2019B Bonds through 2050. The Municipal Sewer Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$198,823,112. The Municipal Sewer Enterprise Fund's principal and interest paid for the current year, and total customer net revenues were \$7,975,100 and \$17,402,899, respectively.

Notes and Loans Payable - Direct Borrowing

Notes and loans payable at June 30, 2022, consisted of the following:

| | | |
|--|----|-------------------|
| California Department of Boating and Waterways | \$ | 2,235,202 |
| RHA RAD Housing Partners L.P. Promissory Note | | 700,000 |
| Contra Costa County loan payable | | 301,530 |
| California State Loan | | 11,992,567 |
| Total | \$ | <u>15,229,299</u> |

The City has four direct borrowing loan agreements with the California Department of Boating and Waterways for total borrowings of \$3,772,278. Proceeds from the loans were used to finance marina construction projects. The loans bear interest at rates ranging from 4.5% to 7.9% and are due in annual installments through August 2042. The total amount outstanding at June 30, 2022 was \$2,235,202.

The annual debt service requirements on these loans are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|---------------------|-------------------|---------------------|
| 2023 | \$ 106,231 | \$ 100,584 | \$ 206,815 |
| 2024 | 111,011 | 95,804 | 206,815 |
| 2025 | 116,007 | 90,808 | 206,815 |
| 2026 | 121,227 | 85,588 | 206,815 |
| 2027 | 126,682 | 80,133 | 206,815 |
| 2028-2032 | 724,204 | 309,846 | 1,034,050 |
| 2033-2037 | 584,762 | 153,273 | 738,035 |
| 2038-2042 | 341,084 | 32,894 | 373,978 |
| 2043 | 3,994 | 180 | 4,174 |
| Total | <u>\$ 2,235,202</u> | <u>\$ 949,110</u> | <u>\$ 3,184,312</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

RHA RAD Housing Partners, LP Promissory Note

On December 17, 2014, the Housing Authority's Component Unit, RHA Housing Corporation, entered into an agreement with the City and promised to pay the City a principal amount of \$700,000, plus accrued interest. The proceeds of the Note were then loaned from RHA Housing Corporation to the Housing Authority to finance acquisitions and development of the properties undergoing rehabilitation work in conjunction with a RAD conversion (Friendship Manor/Triangle Court). On December 22, 2015, the official closing of the RAD conversion took place, at which time the Note was assigned to a newly created entity, RHA RAD Housing Partners, L.P. The Note payable to the City was assigned from RHA Corporation to RHA RAD Housing Partners, L.P. along with a note receivable from the Housing Authority. The principle balance shall bear 1% simple interest. The term of the Note shall expire fifty-five years after. The balance of the promissory note at June 30, 2019 was \$700,000.

In fiscal year 2015, the City had advanced the \$700,000 to the Richmond Housing Authority Enterprise Fund, however, in fiscal year 2016 that loan was assigned to RHA RAD Housing Partners L.P. as discussed in Note 4. Therefore, the Richmond Housing Authority Enterprise Fund now owes this amount to RHA RAD Housing Partners L.P. and the interfund advance was converted to long-term debt in fiscal year 2016. The repayment schedule is not available.

Contra Costa County Loan Payable

On December 1, 2019, the Richmond Housing Authority entered into a loan agreement with the County of Contra Costa in the amount of \$401,523 to assist in the repair of the elevators at Nevin Plaza which is a 142 unit public housing development for senior and disabled residents. The loan repayment is deferred for 20 years unless a transfer or default occurs prior to the 20 years term. The loan bear no interest. The repayment schedule is not available.

California State Loan

Based on resolution Nos. 2019-0031 and 2019-0064, the City Council approved the California State Loan agreement between the City of Richmond and the California State Water Resources Control Board for a \$50 million loan for the Water Resource Recovery Facility Project. The principal is paid over 30 years and the applicable interest rate was set at 1.4%. As of June 30, 2022, the City had partially drawn down the loan and had an outstanding principal balance of \$11,992,567.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

California State Loan, Continued

The annual debt service requirements on the loan is as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|----------------------|---------------------|----------------------|
| 2023 | \$ - | \$ - | \$ - |
| 2024 | - | - | - |
| 2025 | 313,713 | 167,896 | 481,609 |
| 2026 | 332,241 | 163,504 | 495,745 |
| 2027 | 333,780 | 158,853 | 492,633 |
| 2028-2032 | 1,740,317 | 722,847 | 2,463,164 |
| 2033-2037 | 1,865,598 | 597,566 | 2,463,164 |
| 2038-2042 | 1,999,899 | 463,266 | 2,463,164 |
| 2043-2047 | 2,143,866 | 319,298 | 2,463,164 |
| 2048-2052 | 2,298,198 | 164,966 | 2,463,164 |
| 2053-2054 | 964,954 | 20,311 | 985,265 |
| Total | <u>\$ 11,992,567</u> | <u>\$ 2,778,505</u> | <u>\$ 14,771,072</u> |

Lease Liability (West County Wastewater District)

On 01/01/2010, Richmond, CA entered into a lease as Lessee for the use of West County Wastewater District and the lease end date was on 12/31/2025. An initial lease liability was recorded in the amount of \$1,172,173 on 07/01/2021. As of 06/30/2022, the value of the lease liability is \$814,745. Richmond, CA is required to make annually fixed payments of \$153,000, with 3% annual increase from 01/01/2013 - 12/31/2017 and 6% annual increase from 01/01/2018 to 12/31/2025. The lease has an interest rate of 1.0590%.

At June 30, 2022, the aggregate maturities of the governmental lease liability were as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|-------------------|------------------|-------------------|
| 2023 | \$ 252,838 | \$ 8,628 | \$ 261,466 |
| 2024 | 271,203 | 5,951 | 277,154 |
| 2025 | 290,704 | 3,079 | 293,783 |
| Total | <u>\$ 814,745</u> | <u>\$ 17,658</u> | <u>\$ 832,403</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

C. Events of Default, Termination Events and Subjective Acceleration Clauses

Below is a summary of certain events of default and termination events with finance related consequences, along with the subjective acceleration clauses, as applicable, for all of the City's outstanding long-term debt obligations. Each agreement may contain additional events of default, termination events or other subjective acceleration clauses.

| | Events of default with finance-related consequences | Termination events with finance-related consequences | Subjective acceleration clauses |
|---|---|--|---------------------------------------|
| <i>Governmental Activities</i> | | | |
| Bonds Payable | | | |
| Pension Obligation Bonds - 1999 Series A | (A) | N/A | (A) |
| Pension Funding Bond Series 2005 (Direct Placement) | (A) | N/A | (A) |
| JPFA Lease Revenue Refunding Bonds - 2009 | (B) | (B) | N/A |
| JPFA Lease Revenue Bonds - 2016 | (B) | (B) | N/A |
| JPFA Lease Revenue Bonds - 2019 | (B) | (B) | N/A |
| Loans Payable | | | |
| California Energy Commission Loan #1 | (C) | (C) | (C) |
| California Energy Commission Loan #2 | (C) | (C) | (C) |
| California State Loan | (L) | (L) | (L) |
| Capital Leases | | | |
| Qualified Energy Conservation Lease | (D) | (D) | N/A |
| JPFA Recovery Zone Economic Development Lease | (E) | (E) | N/A |
| Holman Capital Corporation Lease #4 | (F) | (F) | N/A |
| Street Light Capital Lease | (G) | (G) | N/A |
| Holman Capital Corporation Lease #5 | (H) | (H) | N/A |
| <i>Business-Type Activities</i> | | | |
| Bonds Payable | | | |
| 2019B Point Potrero Lease Revenue Bonds | (B) | (B) | N/A |
| Wastewater Revenue Bonds Series 2017A | (A) | N/A | (A) |
| Wastewater Revenue Bonds Series 2019A | (I) | N/A | (I) |
| Wastewater Revenue Bonds Series 2019B | (I) | N/A | (I) |
| Notes and Loans Payable | | | |
| California Department of Boating and Waterways | (J) | (J) | (J) |
| RHA RAD Housing Partners L.P. Promissory Note | (K) | (K) | (K) |

(A) If the City fails to pay debt service when due, the delinquent principal and interest is due and payable immediately. If the City files for reorganization under bankruptcy laws, the aggregate outstanding principal balance and accrued interest are immediately due and payable.

(B) If the City fails to pay rental payable when due or the Authority fails to pay debt service when due, the delinquent principal and interest is due and payable immediately. In the event of default, the Authority has the option to exercise the right of entry and re-entry upon the leased property, including the right to re-lease the property if the City does not pay the delinquent rent.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

C. *Events of Default, Termination Events and Subjective Acceleration Clauses, Continued*

(C) Events of default include the failure to comply with any of the terms in the loan agreement, failure to pay principal or interest when due, failure of the City to undertake in a timely way the activities for which said Loan Agreement was executed, failure of the City to obtain prior written Commission approval before undertaking a change in the scope of the activities for which said Loan Agreement was executed, or the City becoming insolvent or bankrupt. On the occurrence of any event of default, the Commission may declare all or any portion of the principal and accrued interest on the loan to be immediately due and payable. If the City fails to comply with the terms of the loan agreement, the Commission may declare the agreement to have been breached and be released from any further performance.

(D) Events of default include: (a) Failure to (i) pay any rental payment or other payment required to be paid under the agreement within 10 days after the date when due or (ii) maintain insurance as required; (b) failure to observe and perform any covenant, condition or agreement for a period of 30 days after written notice; (c) any false, incorrect or misleading statements, representations or warranties made by the City pursuant to the agreement; (d) any default occurs under any other agreement for borrowing money, lease financing of property; (e) the City files becomes insolvent or files for bankruptcy. In the event of default, the lessor has the right to take various steps, including take possession of the equipment or accelerate the repayment of the principal and outstanding interest.

(E) If the City fails to pay lease payments when due or observe other covenants in the lease agreement within thirty days of the written notice of the failure, the outstanding balances are due and payable immediately. If the City files for reorganization under bankruptcy laws, the aggregate outstanding principal balance and accrued interest are immediately due and payable. In the event of default, the Authority has the option to exercise the right of entry and re-entry upon the leased property, including the right to re-lease the property if the City does not pay the delinquent lease payments.

(F) If the City fails to pay lease payments when due or observe other covenants in the lease agreement within thirty days of the written notice of the failure, the outstanding balances are due and payable immediately. If the City files for reorganization under bankruptcy laws, the aggregate outstanding principal balance and accrued interest are immediately due and payable.

(G) If the City fails to pay lease payments when due or observe other covenants in the lease agreement, the outstanding balances are due and payable immediately. If the City files for reorganization under bankruptcy laws, the aggregate outstanding principal balance and accrued interest are immediately due and payable. Upon events of default, the Energy Commission may terminate the Agreement upon five days written notice to the City.

(H) If the City fails to pay lease payments when due or observe other covenants in the lease agreement within thirty days of the written notice of the failure, the outstanding balances are due and payable immediately. If the City files for reorganization under bankruptcy laws, the aggregate outstanding principal balance and accrued interest are immediately due and payable. In the event of default, the Lessor has the option to exercise the right of entry and re-entry upon the leased property, including the right to re-lease the property if the City does not pay the delinquent lease payments.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, Continued

C. *Events of Default, Termination Events and Subjective Acceleration Clauses, Continued*

(I) If the City fails to pay debt service when due, the delinquent principal and interest is due and payable immediately. If the City files for reorganization under bankruptcy laws, the aggregate outstanding principal balance and accrued interest are immediately due and payable. In the event of default, the City is required to transfer all Net Revenues held by the City to the Trustee, except as noted in the Indenture of Trust.

(J) If the City fails to pay debt service when due, the delinquent principal and interest is due and payable immediately. If the City files for reorganization under bankruptcy laws, the aggregate outstanding principal balance and accrued interest are immediately due and payable. In the event of default, the Department of Boating and Waterways has the option to declare all unperformed obligations immediately due and payable without further demand or notice to the City.

(K) Events of default include the failure to repay the principal and any interest on the loan within ten days of receipt of written notice that such payment is due pursuant to the loan documents, breach of covenants included in the loan documents, or becoming insolvent or bankrupt. In the event of default, the principal and accrued interest are immediately due and payable.

(L) If the State Water Board Division determines that an event of default has occurred, the city may be required, upon demand, immediately to do each of the following: (1) Return to the State Water Board any grant or principal forgiveness amounts received pursuant to the agreement (2) Accelerate the payment of any principal owed under the agreement, all of which shall be immediately due and payable (3) Pay interest at the highest legal rate on all of the forgoing (4) Pay an additional payments. In addition, the Division may enforces its right under the agreement by any judicial proceeding, terminates the agreement, and receives reimbursement from the city.

D. *Special Assessment Debt Without City Commitment*

Special assessment districts have been established in various parts of the City to provide improvements to properties located in those districts. Properties in these districts are assessed for the cost of improvements; these assessments are payable solely by property owners over the term of the debt issued to finance these improvements. The City is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties in these special assessment districts, nor is it obligated to advance City funds to repay these debts in the event of default by any of these districts. At June 30, 2022, the balances of these Districts' outstanding debt were as follows:

Richmond JPFA Reassessment Revenue Refunding Bonds, Series 2016 (Country Club Vista) \$4,530,000

E. *Conduit Debt*

The City has assisted private-sector entities by sponsoring their issuance of debt for purposes the City deems to be in the public interest. These debt issues are secured solely by the property financed by the debt. The City is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties secured by these debts, nor is it obligated to advance City funds to repay these debts in the event of default by any of these issuers. At June 30, 2022, the balance of this issuers' outstanding debt was as follows:

Richmond Community Foundation, Richmond Housing Rehabilitation

Program, Social Impact Bonds, Taxable Series 2015A

\$3,000,000

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

9. UNAVAILABLE AND UNEARNED REVENUE

At June 30, 2022, the following unavailable revenues were recorded in the Fund Financial Statements because the funds were not available to finance expenditures of the current period:

| | Loans Receivable | Accounts and Grants Receivable | Total |
|---|----------------------|--------------------------------------|----------------------|
| General Fund | \$ 2,299,705 | \$ 4,599 | \$ 2,304,304 |
| Community Development and Loan Programs Special Revenue Fund | 18,811,473 | 166,431 | 18,977,904 |
| Non-Major Governmental Funds | 779,013 | 9,784,824 | 10,563,837 |
| Total | <u>\$ 21,890,191</u> | <u>\$ 9,955,854</u> | <u>\$ 31,846,045</u> |

At June 30, 2022, the following unearned revenues were recorded in the City-wide financial statements on the Statement of Net Position:

| | Prepaid Rent | Developer Fees & Other | Total |
|--|---------------------|---------------------------|----------------------|
| General Fund | \$ 3,052,511 | \$ 7,066,194 | \$ 10,118,705 |
| Non-Major Governmental Funds | 2,432,668 | 15,647,526 | 18,080,194 |
| Richmond Housing Authority Enterprise Fund | - | 1,814,047 | 1,814,047 |
| Port of Richmond Enterprise Fund | - | 531,906 | 531,906 |
| Municipal Sewer Enterprise Fund | - | 36,280 | 36,280 |
| Storm Sewer Fund | - | 591,867 | 591,867 |
| Total | <u>\$ 5,485,179</u> | <u>\$ 25,687,820</u> | <u>\$ 31,172,999</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. FUND BALANCE AND NET POSITION

A. Fund Balance Classification

Detailed classifications of the City's fund balances, as of June 30, 2022, are below:

| Fund Balance Classifications | General Fund | Community Development and Loan Program Fund | Nonmajor Governmental Funds | Total |
|--|---------------|---|-----------------------------|----------------|
| Nonspendable: | | | | |
| Items not in spendable form: | | | | |
| Prepays, supplies and other assets | \$ 767,700 | \$ - | \$ - | \$ 767,700 |
| Loans receivable | 700,000 | - | - | 700,000 |
| Advances to other funds | 12,774,486 | - | - | 12,774,486 |
| Total Nonspendable Fund Balances | 14,242,186 | - | - | 14,242,186 |
| Restricted for: | | | | |
| Street Improvement Projects | - | - | 6,375,485 | 6,375,485 |
| Public Safety Grant Programs (Police and Fire) | - | - | 307,321 | 307,321 |
| Lighting and Landscaping | - | - | 1,477,848 | 1,477,848 |
| Housing and Community Development | - | 31,426,991 | 1,371,153 | 32,798,144 |
| Debt Service | - | - | 12,760,459 | 12,760,459 |
| Community Development Projects | - | - | 28,757,235 | 28,757,235 |
| Kids First Initiative | 1,505,053 | - | - | 1,505,053 |
| Employment and Training | - | - | 1,115,860 | 1,115,860 |
| Other Capital Projects | - | - | 4,599,148 | 4,599,148 |
| Total Restricted Fund Balances | 1,505,053 | 31,426,991 | 56,764,509 | 89,696,553 |
| Committed to: | | | | |
| COVID-19 | 1,332,367 | - | - | 1,332,367 |
| Appropriation Authority | 2,051,086 | - | - | 2,051,086 |
| Total Committed Fund Balances | 3,383,453 | - | - | 3,383,453 |
| Assigned to: | | | | |
| Other Contracts | 6,397,688 | - | 45,618 | 6,443,306 |
| Total Assigned Fund Balances | 6,397,688 | - | 45,618 | 6,443,306 |
| Unassigned: | | | | |
| General Fund | 44,935,389 | - | - | 44,935,389 |
| Other Governmental Fund Deficit Residuals | - | - | (1,375,327) | (1,375,327) |
| Total Unassigned Fund Balances | 44,935,389 | - | (1,375,327) | 43,560,062 |
| Total Fund Balances (Deficits) | \$ 70,463,769 | \$ 31,426,991 | \$ 55,434,800 | \$ 157,325,560 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. FUND BALANCE AND NET POSITION, Continued

B. Contingency Reserve Policy

In fiscal year 2016, the City Council updated the fund balance policy to require the City to maintain a year-end contingency reserve balance of a minimum of 15% of the next year’s budgeted General Fund expenditures. This is the minimum needed to maintain the City’s creditworthiness and to adequately provide for economic and legislative uncertainties, cash flow needs and contingencies. City Council approval is required before any cash can be withdrawn from the reserve fund. The Council shall have the discretion to use the reserve for one time emergencies only and not to be used for ongoing expenses. At the time of City Council approval of any use of reserves, a Stabilization Policy laying out the plans for restoration of reserves must be simultaneously put in place with the Council’s approval. The City’s cash reserve as of June 30, 2022, which is a component of unassigned fund balance of the General Fund, is \$44,935,389 which is approximately 21.75% of fiscal year 2022-23 budgeted General Fund expenditures (including transfers out). As the City experiences net revenue gains in future years, the cash balance must continue to be maintained at or above to 15% of total expenditures, following the stabilization policy, in order to allow the City to build up its capacity to handle future short term economic downturns or emergencies without cutting services.

C. Deficit Fund Balances and Accumulated Deficits

At June 30, 2022, the following funds had deficit fund balance or deficit net position, which will be eliminated by future revenues:

| | Amount |
|-------------------------------------|-------------|
| Nonmajor Governmental Funds: | |
| Paratransit Operations Fund | (18,294) |
| Civic Center Debt Service Fund | (1,357,033) |
| Nonmajor Enterprise Funds: | |
| Cable TV Fund | (1,607,428) |
| Internal Service Funds: | |
| Insurance Reserves Fund | (1,630,683) |

D. Restatement of Net Position

During fiscal year 2022, the City continued to reconcile the activities of the Richmond Housing Authority. As a result, beginning net position in the Richmond Housing Authority Enterprise Fund has been restated to correct the note receivable that moves out from 4102 to 4502 (CU), reverse duplicate entry in FY2019 for Hacienda, reverse duplicate entries and accruals posted in prior years for Nevin Plaza, and reverse accruals for prior years for Nystrom Village. In addition, there was a prepaid adjustment for Municipal Sewer Fund due to the recording of West County Wastewater District Ground Lease.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. FUND BALANCE AND NET POSITION, Continued

D. Restatement of Net Position, Continued

For governmental activities, the adjustment is to correct prior year capital asset errors and clear out the old interest payable accounts that related to CDBG grant because the City had already settled all issues with HUD regarding Community Development and Loan Programs Fund. In addition, there is also an adjustment to record missing additional predevelopment construction loan previous year and remove duplicated loan, the error of which was found by confirming with Eden. For Equipment Services and Replacement Fund, the adjustment is to record three fire trucks contribution that missed in previous year.

| | Government-wide Financial Statements | | Fund Statements | | | |
|---|---|-----------------------------|---|--|---------------------------------------|-------------------------|
| | Governmental Activities | Business-type Activities | Community Development and Loan Programs Fund | Equipment Services and Replacement Fund | Richmond Housing Authority Fund | Municipal Sewer Fund |
| Net Position as previously reported at June 30, 2021 | \$ (258,744,307) | \$ 88,180,824 | \$ 31,215,036 | \$ 7,478,725 | \$ 19,575,538 | \$ 49,878,915 |
| Prior Period Adjustments: | | | | | | |
| Capital Contributions | 2,459,651 | - | - | 2,459,651 | - | - |
| Accounts Payable | 49,026 | - | 49,026 | - | - | - |
| Capital Assets | 181,291 | - | - | - | - | - |
| Prepays | - | 116,352 | - | - | - | 116,352 |
| Accrued Expense | - | 90,782 | - | - | 90,782 | - |
| Loan/Note Receivable | 133,814 | (1,000,000) | 133,814 | - | (1,000,000) | - |
| Net Position as restated at June 30, 2021 | \$ (255,920,525) | \$ 87,387,958 | \$ 31,397,876 | \$ 9,938,376 | \$ 18,666,320 | \$ 49,995,267 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

11. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds incurred departmental expenditures in excess of appropriations.

| Fund/Department | Excess of Expenditures over Appropriations |
|--|---|
| Paratransit Operations Fund | |
| General Government | \$ 24,684 |
| Community Development | 12,016 |
| Richmond Neighborhood Stabilization Corporation Fund | |
| Housing and development | 15,345 |
| General Debt Service Fund | |
| Interest and fiscal charges | 565 |
| Civic Center Debt Service Fund | |
| Interest and fiscal charges | 8,997 |
| Secured Pension Override Fund | |
| General Government | 64,820 |
| General Fund | |
| Principal | 1,837,459 |
| Interest and fiscal charges | 5,487 |

12. DEFINED BENEFIT PENSION PLANS

The following is a summary of the City's pension plan amounts for the year ended June 30, 2022:

| | Deferred Outflow of Resources | Net Pension Liability | Deferred Inflow of Resources | Pension Expense |
|---|-------------------------------------|-----------------------------|------------------------------------|-----------------------|
| California Public Employees' Retirement System: | | | | |
| Miscellaneous | \$ 14,466,499 | \$ 70,026,659 | \$ 44,199,945 | \$ (4,927,275) |
| Safety | 21,675,674 | 143,819,610 | 53,053,747 | 3,930,621 |
| Police and Firemen's Pension Plan | 667,043 | (2,218,075) | - | (72,469) |
| General Pension Plan | 26,935 | 382,303 | - | 20,429 |
| Garfield Pension Plan | 6,111 | 64,202 | - | 4,019 |
| Totals | <u>\$ 36,842,262</u> | <u>\$ 212,074,699</u> | <u>\$ 97,253,692</u> | <u>\$ (1,044,675)</u> |

A. California Public Employees' Retirement System Pension Plans

I. General Information about the CalPERS Pension Plan

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

A. California Public Employees' Retirement System Pension Plans, Continued

I. General Information about the CalPERS Pension Plan, Continued

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The City's employees hired on or before December 31, 2012 participate in the Miscellaneous Plan under the 2.7% @ 55 Benefit Formula or the Safety Plan under the 3.0% @ 50 (Police) or 3.0% @ 55 (Fire) Benefit Formula. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012. The City's employees hired on or after January 1, 2013 participate under the Miscellaneous Plan 2.0% @ 62 Benefit Formula or the 2.7% @ 57 (Police and Fire) Benefit Formula.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

| Hire date | Miscellaneous | | | | |
|---|-----------------------------|--------------------------------|------------------|------------------|--------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 | | | |
| Benefit formula | 2.7% @ 55 | 2.0% @ 62 | | | |
| Benefit vesting schedule | 5 years service | 5 years service | | | |
| Benefit payments | monthly for life | monthly for life | | | |
| Retirement age | 50 - 55 | 52 - 67 | | | |
| Monthly benefits, as a % of eligible compensation | 2.0% to 2.7% | 1.0% to 2.5% | | | |
| Required employee contribution rates | 8.00% | 7.25% | | | |
| Required employer contribution rates | 13.03% | 13.03% | | | |
| Required UAL Contribution | \$ 10,792,736 | | | | |
| | | | Safety - Police | Safety - Fire | Safety - Police and Fire |
| | | | Prior to | Prior to | On or after |
| Hire date | | | January 1, 2013 | January 1, 2013 | January 01, 2013 |
| Benefit formula | | | 3.0% @ 50 | 3.0% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | | | 5 years service | 5 years service | 5 years service |
| Benefit payments | | | monthly for life | monthly for life | monthly for life |
| Retirement age | | | 50 | 50 - 55 | 50 - 57 |
| Monthly benefits, as a % of eligible compensation | | | 3.00% | 2.4% to 3.0% | 2.0% to 2.7% |
| Required employee contribution rates | | | 9.00%* | 9.00%* | 12.50% |
| Required employer contribution rates | | | 21.83% | 21.83% | 21.83% |
| Required UAL Contribution | | | \$ 16,150,901 | | |

* Effective July 1, 2015, Safety (Police and Fire) employees hired prior to January 1, 2013 pay 3% of the employer's required contribution. Therefore, the required employer contribution rate is 18.83% and required employee contribution rate is 12%.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

A. California Public Employees' Retirement System Pension Plans, Continued

I. General Information about the CalPERS Pension Plan, Continued

Beginning in fiscal year 2016, CalPERS collects employer contributions for each Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis. In fiscal year 2022, the City started to prepay the unfunded liability on an annual basis. The City's required contributions for the unfunded liability in the Miscellaneous and Safety Plans were \$10,792,736 and \$16,150,901 respectively, as noted in the tables above.

Employees Covered - As of the June 30, 2020 actuarial valuation date and the June 30, 2021 measurement date, the following employees were covered by the benefit terms for each Plan:

| | Miscellaneous | | Safety | |
|--|---------------|---------------|---------------|---------------|
| | June 30, 2020 | June 30, 2021 | June 30, 2020 | June 30, 2021 |
| Inactive employees or beneficiaries currently receiving benefits | 976 | 976 | 532 | 532 |
| Inactive employees entitled to but not yet receiving benefits | 553 | 553 | 86 | 86 |
| Active employees | 428 | 428 | 232 | 232 |
| Total | 1,957 | 1,957 | 850 | 850 |

As of June 30, 2022, the City had 413 active employees in the Miscellaneous Plan and 220 active employees in the Safety Plan.

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the measurement period were \$14,438,844 for the Miscellaneous Plan and \$21,315,231 for the Safety Plan.

II. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

A. California Public Employees' Retirement System Pension Plans, Continued

II. Net Pension Liability, Continued

Actuarial Assumptions - For the measurement period ended June 30, 2021, the total pension liabilities were determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

| | Miscellaneous (1) | | Safety (1) | |
|----------------------------------|--|--------------------|--|--------------------|
| Valuation Date | June 30, 2020 | | June 30, 2020 | |
| Measurement Date | June 30, 2021 | | June 30, 2021 | |
| Actuarial Cost Method | Entry-Age | Normal Cost Method | Entry-Age | Normal Cost Method |
| Actuarial Assumptions: | | | | |
| Discount Rate | 7.15% | | 7.15% | |
| Inflation | 2.50% | | 2.50% | |
| Salary Increase | Varies by Entry Age and Service | | Varies by Entry Age and Service | |
| Mortality (1) | Derived using CalPERS' membership data for all funds | | Derived using CalPERS' membership data for all funds | |
| Post Retirement Benefit Increase | Contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter | | Contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter | |

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

A. California Public Employees' Retirement System Pension Plans, Continued

II. Net Pension Liability, Continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| Asset Class (a) | Current Target Allocation | Real Return Years 1 - 10(b) | Real Return Years 11+(c) |
|------------------|------------------------------|--------------------------------|-----------------------------|
| Global Equity | 50.0% | 4.80% | 5.98% |
| Fixed Income | 28.0% | 1.00% | 2.62% |
| Inflation Assets | 0.0% | 0.77% | 1.81% |
| Private Equity | 8.0% | 6.30% | 7.23% |
| Real Assets | 13.0% | 3.75% | 4.93% |
| Liquidity | 1.0% | 0.00% | -0.92% |
| Total | 100.0% | | |

(a) In the CalPERS ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

A. California Public Employees' Retirement System Pension Plans, Continued

II. Net Pension Liability, Continued

The changes in the Net Pension Liability as of the June 30, 2021 Measurement Date for each Plan follows:

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Miscellaneous Plan: | | | |
| Balance at June 30, 2020 Measurement Date | \$ 513,389,020 | \$ 378,751,581 | \$ 134,637,439 |
| Changes in the year: | | | |
| Service cost | 6,902,037 | - | 6,902,037 |
| Interest on the total pension liability | 35,423,024 | - | 35,423,024 |
| Differences between actual and expected experience | (6,412,719) | - | (6,412,719) |
| Changes in assumptions | - | - | - |
| Net Plan to plan resource movement | - | (4,882) | 4,882 |
| Contribution - employer | - | 14,612,575 | (14,612,575) |
| Contribution - employees | - | 2,657,439 | (2,657,439) |
| Net investment income | - | 83,636,340 | (83,636,340) |
| Administrative expenses | - | (378,350) | 378,350 |
| Benefit payments, including refunds of employee contributions | (30,000,846) | (30,000,846) | - |
| Net changes | 5,911,496 | 70,522,276 | (64,610,780) |
| Balance at June 30, 2021 Measurement Date | \$ 519,300,516 | \$ 449,273,857 | \$ 70,026,659 |
| Safety Plan: | | | |
| Balance at June 30, 2020 Measurement Date | \$ 693,601,610 | \$ 476,652,329 | \$ 216,949,281 |
| Changes in the year: | | | |
| Service cost | 10,261,858 | - | 10,261,858 |
| Interest on the total pension liability | 48,387,109 | - | 48,387,109 |
| Differences between actual and expected experience | (1,211,011) | - | (1,211,011) |
| Changes in assumptions | - | - | - |
| Net Plan to plan resource movement | - | 4,881 | (4,881) |
| Contribution - employer | - | 21,598,699 | (21,598,699) |
| Contribution - employees | - | 4,314,111 | (4,314,111) |
| Net investment income | - | 105,126,083 | (105,126,083) |
| Administrative expenses | - | (476,147) | 476,147 |
| Benefit payments, including refunds of employee contributions | (41,557,485) | (41,557,485) | - |
| Net changes | 15,880,471 | 89,010,142 | (73,129,671) |
| Balance at June 30, 2021 Measurement Date | \$ 709,482,081 | \$ 565,662,471 | \$ 143,819,610 |
| Totals - Miscellaneous and Safety Plans | \$ 1,228,782,597 | \$ 1,014,936,328 | \$ 213,846,269 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

A. California Public Employees' Retirement System Pension Plans, Continued

II. Net Pension Liability, Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | Miscellaneous | Safety |
|-----------------------|----------------|----------------|
| 1% Decrease | 6.15% | 6.15% |
| Net Pension Liability | \$ 131,394,862 | \$ 233,843,437 |
| Current Discount Rate | 7.15% | 7.15% |
| Net Pension Liability | \$ 70,026,659 | \$ 143,819,610 |
| 1% Increase | 8.15% | 8.15% |
| Net Pension Liability | \$ 18,770,435 | \$ 69,519,153 |

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

IV. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense of (\$996,654). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Miscellaneous Plan | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$ 14,466,499 | \$ - |
| Differences between Expected and Actual Experience | - | (3,246,832) |
| Changes of Assumptions | - | - |
| Net Differences between Projected and Actual Earnings on Pension Plan Investments | - | (40,953,113) |
| Total | \$ 14,466,499 | \$ (44,199,945) |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

A. California Public Employees' Retirement System Pension Plans, Continued

IV. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

| Safety Plan | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$ 21,603,382 | \$ - |
| Differences between Expected and Actual Experience | 72,292 | (1,745,773) |
| Changes of Assumptions | - | - |
| Net Differences between Projected and Actual Earnings on Pension Plan Investments | - | (51,307,974) |
| Total | <u>\$ 21,675,674</u> | <u>\$ (53,053,747)</u> |
| Total Both Plans | <u>\$ 36,142,173</u> | <u>\$ (97,253,692)</u> |

\$36,069,881 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30, | Annual Amortization | | |
|------------------------|------------------------|------------------------|------------------------|
| | Miscellaneous | Safety | Total |
| 2022 | \$ (13,560,892) | \$ (13,841,434) | \$ (27,402,326) |
| 2023 | (9,403,843) | (12,390,872) | (21,794,715) |
| 2024 | (9,822,002) | (12,418,782) | (22,240,784) |
| 2025 | (11,413,208) | (14,330,367) | (25,743,575) |
| Thereafter | - | - | - |
| Total | <u>\$ (44,199,945)</u> | <u>\$ (52,981,455)</u> | <u>\$ (97,181,400)</u> |

B. Other City Pension Plans

I. Plan Descriptions and Funding Policies

The City administers three single-employer pension plans which are funded entirely by City contributions. These are the General Pension Plan, Police and Firemen's Pension Plan, and Garfield Pension Plan (collectively, the "Plans"). The General Pension Plan, a defined benefit pension plan, covers ten former City employees (or their beneficiaries) not covered by CalPERS, all of whom have retired. The Police and Firemen's Pension Plan, a defined benefit pension plan, covers twenty-seven retired police and fire personnel (or their beneficiaries) employed prior to October 1964. The Garfield Pension Plan is a defined benefit pension plan established for a retired police chief. The Plans provide retirement, disability, and death benefits based on the employee's years of service, age and final compensation. Benefit provisions for the Plans are established by City Ordinance. No separate financial statements are issued for the Plans.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

I. Plan Descriptions and Funding Policies, Continued

The City established the Secured Pension Override Special Revenue Fund to which proceeds of a special incremental property tax levy voted by the citizens of the City of Richmond are credited for the payment of benefits under the City's pension plans. The incremental property tax revenue received for the year ended June 30, 2022 was \$10,609,053 and the City used the funds to pay General Pension Plan contributions of \$64,820.

Police and Firemen's Pension Plan - Funding for the Plan is provided from the Secured Pension Override Special Revenue Fund. Employees were vested after five years of service. Members of the Plan are allowed normal retirement benefits after 25 or more continuous years of service. The City is required under its charter to contribute the remaining amounts necessary to fund the Plan using the entry age-normal actuarial method as specified by Ordinance. Management of the Plan is vested in the Pension Board which consists of seven members: the Mayor, City Manager, Director of Finance, two members appointed by the Mayor, with the concurrence of four members of the City Council, each of whom shall be and remain a resident of the City in order to be a member of the Board and serve a term of five years, one representative of the Police Department and one representative of the Fire Department.

The Plan is closed to new members. Retirement benefits for Plan members are calculated as one-half of the annual salary attached to the rank or position held by the retiree one year prior to the date of retirement. Surviving spouses receive 100% of the retiree's pension. Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are an increase each year for changes in the salary attached to the retiree's rank in the year before retirement.

General Pension Plan - Retirement and other benefits are paid from the assets of the Plan and from related investment earnings. The City is required under its charter to contribute the remaining amounts necessary to fund the Plan using the entry age-normal actuarial method as specified by Ordinance. Management of the Plan is vested in the General Pension Board which consists of seven members: the Mayor, City Manager, Director of Finance, two members appointed by the Mayor, with the concurrence of five members of the City Council, each of whom shall be and remain a resident of the City in order to be a member of the Board and serve a term of five years, and two members to be elected every five years by secret ballot vote of the rank and file of Plan employees and of Plan employees who have retired and are receiving pensions from the Plan. Four members of the General Pension Board are to be concurred in by four members.

The Plan is closed to new members. Retirement benefits for Plan members are calculated as one-half of the average annual salary attached to the position held by the retiree during the three years prior to the date of retirement. Surviving spouses receive 100% of the retiree's pension. Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are an automatic increase of 2% per year. City Council may grant additional increases of up to 3% per year to bring the total increase in a given year to 5%.

Garfield Pension Plan - Retirement and other benefits are paid from the assets of the Plan and from related investment earnings. Plan provisions have been established and may be amended upon agreement between the City and Mr. Garfield. Management of the Plan is vested in the City Council.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

I. Plan Descriptions and Funding Policies, Continued

Mr. Garfield’s pension and any continuation to his spouse receive the same cost-of-living increases as the City’s police employees covered by CalPERS (CalPERS cost-of-living increases include a 2% per year increase, subject to CPI increase constraints, and purchasing power protection through the CalPERS Purchasing Power Protection Allowance). Mr. Garfield’s surviving spouse receives 50% of the retiree’s pension.

II. Significant Accounting Policies

City contributions for all plans are recognized when due and the City has made a formal commitment to provide contributions. Benefit payments and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs for all plans, except the investment management fees of the Police and Fireman’s Pension Plan, are paid by the City’s General Fund. The investment management fees are financed through investment earnings. Assets are valued at fair value based on available market information obtained from independent sources.

III. Pension Plan Assets

At June 30, 2022 the pension plans reported assets available for benefits as shown below. For actuarial purposes, the value of the Plans’ assets were determined to be fair value.

| | |
|--|----------------------|
| City of Richmond Investment Pool | \$ 1,146,556 |
| Local Agency Investment Fund (Garfield Plan) | 184,164 |
| Wellington Trust Company Mutual Fund (Police and Firemen’s Plan) | 10,001,639 |
| Interest receivable | 866 |
| | <hr/> |
| Assets available for benefits at June 30, 2022 | <u>\$ 11,333,225</u> |

The Wellington Trust Company Fund investments, classified in Level 2 of the fair value hierarchy, are valued using the market approach, which uses prices and other information generated from market transactions, which typically includes securities priced with unadjusted market quotes, evaluated bids, market multiples, and trade information, and also generally includes short term securities valued at amortized cost which approximates market value. The City of Richmond Investment Pool and the California Local Agency Investment Fund (LAIF) are not subject to the fair value hierarchy. Fair value is defined as the quoted market value on the last trading day of the period.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

III. Pension Plan Assets, Continued

Investment Policies

The General Pension and Police and Firemen's Pension Plans' policies in regard to the allocation of invested assets is established and may be amended by Resolution of the respective Boards. The Plans allow investments in the following:

- (a) In investments which are authorized by General law for savings banks.
- (b) In investments other than those specified in subdivision (a) hereof, including, but not limited to, corporate bonds and securities, common stocks, preferred stocks, investments in real estate and investment trusts, provided that the total amount invested pursuant to this subdivision shall not exceed fifty percent (50%) of the total amount of funds invested pursuant to this section, and provided further that the following conditions are met:
 - (1) Any stocks or other corporate securities, in which funds are invested, except stocks of banks, insurance companies or mutual funds, shall be registered on a national securities exchange as provided by the Federal Securities Exchange Act.
 - (2) The total amount invested in common and preferred stocks shall not exceed at cost at the time of purchase twenty-five percent of the total amount invested pursuant to this section.
 - (3) The total amount invested in the common and preferred stocks of any one company shall not exceed at cost of the time of purchase two percent of the total amount invested pursuant to this section and shall not exceed five percent of the outstanding preferred or common stock of that company.
 - (4) No funds shall be invested in the common stocks of any company unless it has paid cash dividends on such stocks in eight of the ten years immediately preceding its purchase by the Board.
 - (5) No funds shall be invested in the stocks or other securities of any company other than a bank or insurance company unless it has assets of at least one hundred million dollars (\$100,000,000), or in the stocks or other securities of a bank or insurance company unless it has assets of at least fifty million dollars (\$50,000,000).
 - (6) The total amount invested in real estate and other than real estate owned by or leased to the City of Richmond, which amount may include land, buildings, land and buildings or real estate loans, shall not exceed twenty-five percent of the total amount invested pursuant to this section and such investments shall be restricted to first trust deeds which are insured by the Federal Housing Administration or which are guaranteed by the Veterans Administration.

The Garfield Pension Plan does not have a separate investment policy, therefore it uses the City's investment policy.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

III. Pension Plan Assets, Continued

Interest and Credit Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City invests in equities which may be drawn down as needed, subject to terms of the underlying trust agreement. The investments held in the Pension Trust Funds all mature in less than one year.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2022, the investments in the Pension Trust Funds were not rated.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the Police and Firemen's, General Pension and Garfield Pension Plans was -15.40%, 0.36% and -0.77%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

IV. Net Pension Liability of the Plans

The components of the net pension liability of the City for each of the Plans is the total pension liability, less each Plan's fiduciary net position.

Actuarial Assumptions. The total pension liability for each plan as of June 30, 2022 was determined based on June 30, 2022 actuarial valuations. The following actuarial assumptions applied to all periods included in the measurement:

| | Police and Firemen's Plan | General Pension Plan | Garfield Pension Plan |
|---|------------------------------|-------------------------|--------------------------|
| Discount rate, net of investment expenses | 3.50% | 1.00% | 1.00% |
| Expected return on plan assets | 3.50% | 1.00% | 1.00% |
| Inflation rate (short-term) | 2.00% | 2.00% | 2.00% |
| Inflation rate (long-term) | 2.25% | 2.25% | 2.25% |
| Cost-of-living increases | 2% per year | 5% per year | 2% per year |
| Actuarial cost method | Entry age normal | Entry age normal | Entry age normal |
| Salary increases | N/A | N/A | N/A |

Mortality rates were based on the California PERS Mortality Table in its 2017 experience study (based on CalPERS 1997-2015 experience).

Discount Rates. The discount rates used to measure the total pension liability for the Police and Firemen's Pension Plan, General Pension Plan and Garfield Pension Plan were 3.50%, 1.00%, and 1.00%, respectively, as of June 30, 2022 and 3.50%, 1.00%, and 1.00%, respectively, as of June 2021.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

IV. Net Pension Liability of the Plans, Continued

For the Police and Firemen's Pension Plan, based on the 5 previous years the City has on average contributed 97% of the Actuarially Determined Contribution (ADC). A sufficiency test was performed including: (1) expected benefit payments for all future years; (2) assuming that 96% of the ADC is contributed to the Plan in future years; (3) assuming that future contribution losses are amortized according to the Plan's funding policy; (4) using the Plan's assumed investment return before the projected asset depletion (if any); and (5) using a 20-year AA tax-exempt general obligation municipal bond index rate of 2.45% (using as a municipal bond rate source the Fidelity 20-Year General Obligation AA Municipal Bond Index as of June 30, 2022) after the projected asset depletion. Based on these parameters, plan assets are projected to be sufficient to pay all future benefits until a de minimis amount of estimated future benefits remain. Therefore, the Plan's long-term expected rate of return of 3.50% was used as the discount rate.

Based on the 5 previous years the City has on average contributed 78% and 113% of the Actuarially Determined Contribution (ADC) for the General Pension Plan and Garfield Pension Plan, respectively. A sufficiency test was performed including: (1) expected benefit payments for all future years; (2) assuming that 74% of the ADC is contributed to the General Pension Plan and 100% of the ADC is contributed to the Garfield Pension Plan in future years; (3) assuming that future contribution losses are amortized according to the Plans' funding policies; (4) using the Plans' assumed investment return before the projected asset depletion (if any); and (5) using a 20-year AA tax-exempt general obligation municipal bond index rate of 2.45% (using as a municipal bond rate source the Fidelity 20-Year General Obligation AA Municipal Bond Index as of June 30, 2022) after the projected asset depletion. Based on these parameters, each of the Plan's assets are projected to be sufficient to pay all future benefits until a de minimis amount of estimated future benefits remain. Therefore, the long-term expected rate of return of 1.00% was used as the discount rate for each of these Plans.

The long-term expected rate of return on pension plan investments was determined for each Plan using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation (2.25%). All results are then rounded to the nearest quarter percentage point.

The best-estimate of expected future real rates of return were developed by aggregating data from several published capital market assumption surveys and deriving a single best-estimate based on the average survey values. These capital market assumptions reflect both historical market experience as well as diverse views regarding anticipated future returns. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

IV. Net Pension Liability of the Plans, Continued

Best estimates of geometric real and nominal rates of return for each major asset class included in the Plans' asset allocation as of the measurement date are summarized below:

| Asset Class | Allocation at Measurement Date | Long-Term Expected Real Rate of Return | Long-Term Expected Nominal Rate of Return |
|--|-----------------------------------|---|---|
| Police and Firemen's Plan: | | | |
| Domestic Equity | 55% | 3.66% | 5.66% |
| International Equity | 0% | 4.26% | 6.26% |
| Fixed Income | 35% | -0.03% | 1.97% |
| Real Estate and Alternatives | 0% | 3.38% | 5.38% |
| Cash and Equivalents | 10% | -0.97% | 1.03% |
| Total | 100% | | 4.19% |
| Reduced for assumed investment expense | | | -0.60% |
| Total (weighted avg, rounded to 1/4%) | | | 3.50% |
| General Pension Plan: | | | |
| Domestic Equity | 0% | 3.66% | 5.66% |
| International Equity | 0% | 4.26% | 6.26% |
| Fixed Income | 0% | -0.03% | 1.97% |
| Real Estate and Alternatives | 0% | 3.38% | 5.38% |
| Cash and Equivalents | 100% | -0.97% | 1.03% |
| Total | 100% | | 0.99% |
| Reduced for assumed investment expense | | | 0.00% |
| Total (weighted avg, rounded to 1/4%) | | | 1.00% |
| Garfield Pension Plan: | | | |
| Domestic Equity | 0% | 3.66% | 5.66% |
| International Equity | 0% | 4.26% | 6.26% |
| Fixed Income | 0% | -0.03% | 1.97% |
| Real Estate and Alternatives | 0% | 3.38% | 5.38% |
| Cash and Equivalents | 100% | -0.97% | 1.03% |
| Total | 100% | | 0.99% |
| Reduced for assumed investment expense | | | 0.00% |
| Total (weighted avg, rounded to 1/4%) | | | 1.00% |

Changes in Assumptions - There is no change in assumptions from the prior valuation for the plans.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

V. Changes in the Net Pension Liability of Each Plan

The net pension liability of each Plan is measured as of June 30, 2022 as follows:

Police and Firemen's Plan:

| | Increase (Decrease) | | |
|--|----------------------------|--------------------------------|-----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/ (Asset) |
| Balance at June 30, 2021 | \$ 8,672,774 | \$ 13,113,847 | \$ (4,441,073) |
| Changes in the year: | | | |
| Interest on the total pension liability | 283,996 | - | 283,996 |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions Changes in benefit terms | - | - | - |
| Contribution - City | - | - | - |
| Contribution - employer | - | - | - |
| Contribution - employees | - | - | - |
| Net investment income | - | (1,939,002) | 1,939,002 |
| Benefit payments, including member contribution refunds | (1,117,194) | (1,117,194) | - |
| Net changes | (833,198) | (3,056,196) | 2,222,998 |
| Balance at June 30, 2022 | \$ 7,839,576 | \$ 10,057,651 | \$ (2,218,075) |
| Plan fiduciary net position as a percentage of the total pension liability | | | 128.29% |

General Pension Plan:

| | Increase (Decrease) | | |
|--|----------------------------|--------------------------------|-----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/ (Asset) |
| Balance at June 30, 2021 | \$ 1,808,072 | \$ 1,093,026 | \$ 715,046 |
| Changes in the year: | | | |
| Interest on the total pension liability | 16,222 | - | 16,222 |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions Changes in benefit terms | - | - | - |
| Contribution - City | - | 345,348 | (345,348) |
| Contribution - employer | - | - | - |
| Contribution - employees | - | - | - |
| Net investment income | - | 3,617 | (3,617) |
| Benefit payments, including refunds of employee contributions | (371,727) | (371,727) | - |
| Net changes | (355,505) | (22,762) | (332,743) |
| Balance at June 30, 2022 | \$ 1,452,567 | \$ 1,070,264 | \$ 382,303 |
| Plan fiduciary net position as a percentage of the total pension liability | | | 73.68% |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

V. Changes in the Net Pension Liability of Each Plan

Garfield Pension Plan:

| | Increase (Decrease) | | |
|--|----------------------------|--------------------------------|-----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/ (Asset) |
| Balance at June 30, 2021 | \$ 320,914 | \$ 249,005 | \$ 71,909 |
| Changes in the year: | | | |
| Interest on the total pension liability | 2,950 | - | 2,950 |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions | - | - | - |
| Changes in benefit terms | - | - | - |
| Contributions - City | - | 12,408 | (12,408) |
| Contribution - employees | - | - | - |
| Net investment income | - | (1,751) | 1,751 |
| Administrative expenses | - | - | - |
| Benefit payments, including refunds of employee contributions | (51,807) | (51,807) | - |
| Net changes | (48,857) | (41,150) | (7,707) |
| Balance at June 30, 2022 | \$ 272,057 | \$ 207,855 | \$ 64,202 |
| Plan fiduciary net position as a percentage of the total pension liability | | | 76.40% |
| Total - Net Pension Liability | \$ 9,564,200 | \$ 11,335,770 | \$ (1,771,570) |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City for each of the Plans, calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | Police and Firemen's Plan | General Pension Plan | Garfield Pension Plan |
|-------------------------------|------------------------------|-------------------------|--------------------------|
| 1% Decrease | 2.50% | 0.00% | 0.00% |
| Net Pension Liability (Asset) | \$ (1,788,405) | \$ 446,704 | \$ 76,154 |
| Current Discount Rate | 3.50% | 1.00% | 1.00% |
| Net Pension Liability (Asset) | \$ (2,218,075) | \$ 382,303 | \$ 64,202 |
| 1% Increase | 4.50% | 2.00% | 2.00% |
| Net Pension Liability (Asset) | \$ (2,607,466) | \$ 322,961 | \$ 53,153 |

VI. Actuarially Determined Contributions

As of the June 30, 2021, actuarial valuations used to calculate the actuarially determined contributions (ADC) for each Plan, the ADC's were determined using the entry-age normal cost method and the assumptions in Note 12B above.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

VI. Actuarially Determined Contributions, Continued

For the Police and Firemen’s Pension Plan, the City’s contribution policy is to annually contribute an amount equal to (1) amortization of the unfunded liability as a level-dollar over a 10-year closed period as of July 1, 2013, plus (2) future gains and losses amortized over the same period, but not less than five years. Over the past five years, the City has contributed an average of 97% of the Actuarially Determined Contribution.

For the General Pension Plan, the City’s contribution policy is to annually contribute an amount equal to (1) amortization of the unfunded liability as a level-dollar over a 6-year closed period as of July 1, 2013, plus (2) future gains and losses amortized over the same period, but not less than five years. Over the past five years, the City has contributed an average of 78% of the Actuarially Determined Contribution.

For the Garfield Pension Plan, the City’s contribution policy is to annually contribute an amount equal to

(1) amortization of the unfunded liability as a level-dollar over a 7-year closed period as of July 1, 2013, plus (2) future gains and losses amortized over the same period, but not less than five years. Over the past five years, the City has contributed an average of 113% of the Actuarially Determined Contribution.

The Actuarially Determined Contribution and the actual contributions for each Plan for the year ended June 30, 2022 are presented below:

| | Actuarially Determined Contribution | Amount Contributed | Percent Contributed |
|-----------------------------------|---|-----------------------|------------------------|
| Police and Firemen's Pension Plan | \$ - | \$ - | n/a |
| General Pension Plan | 345,348 | 345,348 | 100% |
| Garfield Pension Plan | 12,408 | 12,408 | 100% |

VII. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense for each of the Plans as follows:

| | Pension Expense |
|---------------------------|--------------------|
| Police and Firemen's Plan | \$ (72,469) |
| General Pension Plan | 20,429 |
| Garfield Pension Plan | 4,019 |
| Total | <u>\$ (48,021)</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

VII. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for these Plans from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| | <u> </u> | <u> </u> |
| Net Differences between Projected and Actual Investment Earnings | \$ 700,089 | \$ - |
| Changes of Assumptions | - | - |
| Plan Investments | - | - |
| Total | <u>\$ 700,089</u> | <u>\$ -</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30, | Annual Amortization |
|-----------------------------|-----------------------------|
| <u> </u> | <u> </u> |
| 2023 | \$ 78,717 |
| 2024 | 66,264 |
| 2025 | 77,085 |
| 2026 | 478,023 |
| 2027 | - |
| Thereafter | - |

VIII. Plan Financial Statements

The Statement of Net Position for the Plans at June 30, 2022 follows:

| | Police and Firemen's Pension | General Pension | Garfield Pension |
|--|---------------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Pension plan cash and investments: | | | |
| City of Richmond Investment Pool | \$ 53,324 | \$ 1,069,561 | \$ 23,671 |
| Local Agency Investment Fund | - | - | 184,164 |
| Mutual Fund Investments | 10,001,639 | - | - |
| Accounts receivable | 142 | 704 | 20 |
| Total Assets | <u>10,055,105</u> | <u>1,070,265</u> | <u>207,855</u> |
| NET POSITION | | | |
| Restricted for employees' pension benefits | <u>\$ 10,055,105</u> | <u>\$ 1,070,265</u> | <u>\$ 207,855</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

VIII. Plan Financial Statements, Continued

The Statement of Changes in Plan Net Position for the year ended June 30, 2022 follows:

| | Police and Firemen's Pension | General Pension | Garfield Pension |
|--|---------------------------------|-----------------|------------------|
| ADDITIONS | | | |
| Net investment income: | | | |
| Net increase (decrease) in the fair value of investments | \$ (2,097,001) | \$ 502 | \$ (2,382) |
| Interest income | 235,257 | 3,116 | 631 |
| Investment management fees | (77,258) | - | - |
| Contribution from the City | - | 345,348 | 12,408 |
| Total Additions | (1,939,002) | 348,966 | 10,657 |
| DEDUCTIONS | | | |
| Pension benefits | 1,119,740 | 371,727 | 51,807 |
| Total Deductions | 1,119,740 | 371,727 | 51,807 |
| Net Increase (Decrease) | (3,058,742) | (22,761) | (41,150) |
| NET POSITION RESTRICTED FOR PENSIONS | | | |
| Beginning of year | 13,113,847 | 1,093,026 | 249,005 |
| End of year | \$ 10,055,105 | \$ 1,070,265 | \$ 207,855 |

IX. PARS Defined Contribution Plan

Effective July 1, 2014, the City contracted with the Public Agency Retirement System (PARS), to sponsor a Section PARS 457 FICA Alternative Retirement Plan created in accordance with IRC Sections 3121(b) (7) (F) and 457(b), which is a qualified defined contribution pension plan covering all eligible part-time, seasonal and temporary employees of the City on that date and hired thereafter.

The Plan requires these employees to contribute 6.2% and the City to contribute 1.3% of the employees pay plus administration costs. The City's required contributions of \$24,428 and the employees' required contributions of \$116,235 were made during the fiscal year ended June 30, 2022.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS

The following is a summary of the City’s OPEB amounts for the year ended June 30, 2022:

| | Deferred Outflow of Resources | Net OPEB Liability | Deferred Inflow of Resources | OPEB Expense |
|----------------|-------------------------------------|--------------------------|------------------------------------|------------------------|
| City OPEB Plan | \$ 3,329,463 | \$ 75,832,771 | \$ 36,102,539 | \$ (12,463,645) |
| RPOA OPEB Plan | 887,842 | 8,690,758 | 13,147,503 | 46,814 |
| | <u>\$ 4,217,305</u> | <u>\$ 84,523,529</u> | <u>\$ 49,250,042</u> | <u>\$ (12,416,831)</u> |

A. General Information about the City’s Other Post Employment Benefit (OPEB) Plans

Plan Description - In order to qualify for postemployment medical and dental benefits an employee must retire from the City and maintain enrollment in one of the City’s eligible health plans. The City pays a portion of the CalPERS premiums for retirees and their dependents that vary by employment classification. In addition, the following eligibility rules and contribution requirements apply for future retirees, followed by current retirees. The City has two plans:

City OPEB Plan

The City is the Plan administrator, while PARS administers the investment trust. The City OPEB Plan does not issue separate financial statements. PARS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from Public Agency Retirement Services, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA, 92660.

RPOA OPEB Plan

The City of Richmond’s Police Officers Association (RPOA) Plan was established during fiscal year 2019 and the RPOA OPEB Plan joined the California Employers’ Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single- employer plans. RPOA members who were actively employed as of January 1, 2017 transferred from the City OPEB Plan to the RPOA OPEB Plan. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees’ Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

A. General Information about the City's Other Post Employment Benefit (OPEB) Plans, Continued

A summary of the City OPEB Plan provisions follows:

| Plan Provisions for Future Retirees | | | |
|--|---|---|---|
| Classification | Eligibility (Age/ Service Years) | Monthly Premium Paid by City Before/After Medicare Eligibility | Employee Monthly Contribution (1) |
| SEIU Local 1021 | Service Retirement: 50/20, 51/18, 52/16, 53/14, 54/12, 55/10 Disability Retirement: any age/10 years service | Retiree only or surviving spouse: the lesser of \$435 and medical premium Retiree +1 or more: the lesser of \$567 and medical premium Plus PEMHCA Minimum Retired on or after 7/1/1995: Reimbursement allowed towards non-PERS plans | None |
| IFPTE, Miscellaneous Executive Management, City Council | Service Retirement: Same as SEIU | Retiree only or surviving spouse: the lesser of \$435 and medical premium Retiree +1 or more: the lesser of \$567 and medical premium Plus PEMHCA Minimum | Effective 1/1/2017: \$50 Effective 1/1/2018: \$100 |
| Fire Local 188 | 35/15 | Percentage of premium (medical premium minus PEMHCA minimum) for retiree / dependents/surviving spouse up to premium for coverage. Percentage is 90%, increased to 100% after 27 years of service. Total City contribution, excluding PEMHCA minimum, is capped at Kaiser non- Medicare eligible premium for coverage selected. Plus PEMHCA minimum | Effective 1/1/2017: \$200 Effective 1/1/2018: \$300 Effective 7/1/2019: \$400 |
| Fire Management and Fire Executive Management | 35/15 | Percentage of premium (medical premium minus PEMHCA minimum) for retiree/dependents/surviving spouse up to premium for coverage. Percentage is 80%, increased to 90% after 15 years of service and 100% after 25 years of service. Total City contribution, excluding PEMHCA minimum, is capped at Kaiser non-Medicare eligible premium for coverage selected. Plus PEMHCA minimum | Effective 1/1/2017: \$200 Effective 1/1/2018: \$300 Effective 7/1/2019: \$400 |
| Police Widows | Death in line of duty | Full premium of medical, dental and vision | None |
| Police Management and Police Executive Management | 50/20, 51/18, 52/16, 53/14, 54/12, 55/10 Service includes non City service Minimum 5 years City Service | Percentage of premium (medical premium minus PEMHCA minimum) for retiree/dependents/surviving spouse up to Kaiser (1) (Pre Medicare) and 2nd highest premium plan (post Medicare). Percentage is 65% after 10 years of service, increased to 75% after 20 years of service, and 100% after 25 years of service. | Effective 7/1/2017: \$300 Effective 7/1/2018: \$425 Effective 7/1/2019: \$525 |
| Police Officers | 10 years of service includes non- City service as a sworn member Minimum 5 years service with City Police Department | Percentage of premium (medical premium minus PEMHCA minimum) or percentage of cap minus dental and vision premiums. Percentage is 50% after 10 years of service, increased to 90% after 14 years of service, and 100% after 25 years of service. | None |

(1) Prior to January 1, 2017, active Employees were not required to make monthly contributions.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

A. General Information about the City's Other Post Employment Benefit (OPEB) Plans, Continued

| Plan Provisions for Current Retirees | | |
|---|---|--|
| Classification | Subgroup | Monthly Premium Reimbursement Before/After Medicare Eligibility |
| SEIU Local 1021 | Retired July 1, 2007 or later | Same as future retirees |
| | Retired prior to July 1, 2007 | Same as future retirees, but caps are: Retiree only or surviving spouse: \$224/\$182 Retiree +1 or more: \$344/\$284 |
| IFPTE, Miscellaneous Executive Management | Retired July 1, 2007 or later | Same as future retirees |
| | Retired November 5, 1999 to June 30, 2007 | Same as future retirees, but caps are: Retiree only or surviving spouse: \$224/\$182 Retiree +1 or more: \$344/\$284 |
| | Retired before November 5, 1999 | Same as future retirees, but caps are: Retiree only or surviving spouse: \$124/\$82 Retiree +1 or more: \$244/\$184 |
| Fire Local 188 | | Same as future retirees |
| Fire Management | Retire on or after 7/1/2006 | Same as future retirees |
| | Retire before 7/1/2006 | Eligible at 35/15 Same as future retirees, but caps are: Percentage of premium for retiree/dependents/surviving spouse up to Kaiser non-Medicare eligible premium for coverage selected. Percentage is 90%, increased to 100% after 27 years of service. |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

A. General Information about the City's Other Post Employment Benefit (OPEB) Plans, Continued

| Plan Provisions for Current Retirees (Continued) | | |
|--|---|---|
| Classification | Subgroup | Monthly Premium Reimbursement Before/After Medicare Eligibility |
| Richmond Police Officer Association (RPOA) | Retire on or after 1/17/2017 | Percent of: medical premium minus PEMHCA minimum or (percent of cap) minus dental and vision premiums but no more than \$827 per month, minus dental and vision premiums. Percentage is 50% after 10 years of service, increased to 90% after 15 years of service, and 100% after 25 years of service PEMHCA minimum |
| | Retire on or after 7/1/2008 but before 1/1/2017 | Lesser of: percentage of premium for retiree/dependents/surviving spouse times medical, dental, and vision premium or percentage of premium for retiree/dependents/surviving spouse but no more than \$827 per month, minus dental and vision premiums. Percentage is 50% after 10 years of service, increased to 90% after 15 years of service, and 100% after 25 years of service PEMHCA minimum |
| | Retired between 7/1/2004 and 6/30/2008 | Lesser of: percentage of premium for retiree/dependents/surviving spouse times medical premium or percentage of premium for retiree/dependents/surviving spouse but no more than \$827 per month, minus dental and vision premiums. Percentage is 50% after 10 years of service, increased to 90% after 15 years of service, and 100% after 25 years of service City also pays PEMHCA minimum. Reimbursement capped at \$614. |
| | Retired between 7/1/1997 and 6/30/2004 | Lesser of: percentage of premium for retiree/dependents/surviving spouse times medical premium minus PEMHCA minimum or percentage of premium for retiree/dependents/surviving spouse but no more than \$827 per month, minus dental and vision premiums. Percentage is 50% after 10 years of service, increased to 90% after 15 years of service, and 100% after 25 years of service Plus PEMHCA Minimum: \$136 City also pays PEMHCA minimum. Reimbursement capped at \$550. |
| | Retired between 7/1/1994 and 6/30/1997 | Percentage of premium (medical premium minus PEMHCA minimum) for retiree/dependents/surviving spouse including dental and vision. Percentage is 65% for 10-19 years of service, increased to 75% after 20 years of service, and 100% after 27 years of service Premium paid for dental and vision. Plus PEMHCA minimum |
| | Retired before 7/1/1994 | Percentage of premium (medical premium minus PEMHCA minimum) for retiree/dependents/surviving spouse including dental and vision. Percentage is 65% for 10-19 years of service, increased to 75% after 20 years of service, and 100% after 27 years of service Reimbursement, excluding the PEMHCA minimum, capped at \$210 for single coverage and \$300 for 2-party coverage Premium paid for dental and vision. Plus PEMHCA minimum |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

A. General Information about the City's Other Post Employment Benefit (OPEB) Plans, Continued

| Plan Provisions for Current Retirees (Continued) | | |
|---|---|---|
| Classification | Subgroup | Monthly Premium Reimbursement Before/After Medicare Eligibility |
| Police Management and Police Executive Management | Retired on or after 7/1/2008 | Same as future retirees |
| | Retired between 1/1/1995 ⁽¹⁾ and 6/30/2008 | Percentage of premium (medical premium minus PEMHCA minimum) for retiree/dependents/surviving spouse. Percentage is 65% for 10-19 years of service, increased to 75% after 20 years of service, and 100% after 27 years of service. Retired after 1/1/2007 - Reimbursement capped at Kaiser premium, excluding the PEMHCA minimum, for pre-Medicare and 2nd highest premium plan for post-Medicare for coverage selected Retired on or before 1/1/2007 - Reimbursement capped at 2nd highest premium plan, excluding the PEMHCA minimum, for coverage selected Retired on or after 7/1/1995: Reimbursement allowed towards non-PERS plans NOTE: PEMHCA is billed to employers for all CalPERS medical plans. if a member is not enrolled in a PERS plan the employer is not billed. |

1) The City did provide medical premium benefits with single and 2-party caps for Police Management that retired prior to January 1, 1995, and as of June 30, 2020 there were two retirees receiving such benefits

A summary of the RPOA OPEB Plan provisions follows:

| Plan Provisions for Future Retirees | | | |
|--|--|---|--|
| Classification | Eligibility (Age/Service Years) | Monthly Premium Paid by City Before/After Medicare Eligibility | Employee Monthly Contributions |
| Richmond Police Officer Association (RPOA) | 10 years of service Service includes non City service Minimum 5 years City service | Lesser of: percentage of premium for retiree/dependents/surviving spouse times medical premium or percentage of premium for retiree/dependents/surviving spouse but no more than \$827 per month, minus dental and vision premiums. Percentage is 50% after 10 years of service, increased to 90% after 15 years of service, and 100% after 25 years of service Employer pays PEMHCA Minimum. | Effective 1/1/2017: \$150 Effective 1/1/2018: \$225 Effective 1/1/2019: \$250 Effective 1/1/2020: \$275 Effective 1/1/2021 \$300 |

| Plan Provisions for Current Retirees | | |
|--|----------------------------------|--|
| Classification | Eligibility (Age/Service Years) | Monthly Premium Paid by City Before/After Medicare Eligibility |
| Richmond Police Officer Association (RPOA) | Retired January 1, 2017 or later | Lesser of: percentage of premium for retiree/dependents/surviving spouse times medical premium or percentage of premium for retiree/dependents/surviving spouse but no more than \$827 per month, minus dental and vision premiums. Percentage is 50% after 10 years of service, increased to 90% after 15 years of service, and 100% after 25 years of service Employer pays PEMHCA Minimum. |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

A. General Information about the City's Other Post Employment Benefit (OPEB) Plans, Continued

For retirees eligible to continue health benefits, but failing to meet the criterion in the tables above, the City pays the Public Employees Medical and Hospital Care Act (PEMHCA) minimum, which is \$149 in 2022.

City OPEB Plan Membership – As described above, Plan membership varies based on different employee bargaining groups. As of the June 30, 2021 valuation date, membership in the City OPEB Plan consisted of the following:

| | |
|--|-------------|
| Active employees electing coverage | 442 |
| Active employees waiving coverage | 31 |
| Retiree and beneficiaries receiving benefits | 631 |
| | <hr/> |
| Total | 1,104 |
| | <hr/> <hr/> |

RPOA Plan Membership – As of the June 30, 2021 valuation date, membership in the RPOA OPEB Plan consisted of the following:

| | |
|--|-------------|
| Active employees electing coverage | 125 |
| Active employees waiving coverage | 5 |
| Retiree and beneficiaries receiving benefits | 20 |
| | <hr/> |
| Total | 150 |
| | <hr/> <hr/> |

B. Funding Policy and Actuarial Assumptions

City OPEB Plan

Funding Policy – During the year ended June 30, 2008, the City joined the Public Agencies Post-Retirement Health Care Defined Benefit Plan, an agent multiple employer trust administered by Public Agency Retirement Services (PARS). The balance in the City's PARS trust account as of June 30, 2022 was \$31,123,969.

The City's policy is to partially prefund these benefits by accumulating assets with PARS discussed above along with making pay-as-you-go payments pursuant to Resolution No. 52-06 of June 27, 2006. In July 2016, the City adopted an additional funding policy to place into the PARS trust half of any one-time revenues and half of any year-end surplus in excess of the City's minimum reserve policy (15%) in an effort to pay down the unfunded liability. The City did not make any additional transfers to the PARS Trust in fiscal year 2022.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

B. Funding Policy and Actuarial Assumptions, Continued

RPOA OPEB Plan

A new Richmond Police Officers Association (RPOA) contract was implemented on January 17, 2017. The new RPOA plan includes members who were actively employed as of the January 17, 2017 contract date. The RPOA members were transferred from the OPEB Plan to the new RPOA OPEB Plan during fiscal year 2022.

Funding Policy – The RPOA plan has assets designated for OPEB. These assets are invested in California Employers' Retiree Benefit Trust (CERBT) Strategy 2, which is a qualified irrevocable trust. Annual contributions by the City are made on an ad hoc basis as funds are available. Benefit payments are not expected to be made from the trust in the near future. The City currently pays the annual retiree benefit payments using its general assets plus the annual active member contributions.

The balance in the CERBT trust account was \$7,446,621 as of June 30, 2022.

Actuarial Assumptions – The total OPEB liability for each plan was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City OPEB plan valuation used the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

| | | Actuarial Assumptions |
|--|---|---|
| Valuation Date | | June 30, 2021 |
| Measurement Date | | June 30, 2022 |
| Actuarial Cost Method | | Entry Age Normal Cost, level percent of pay |
| Actuarial Assumptions: | | |
| Discount Rate | | 6.00% |
| Inflation | | 2.50% |
| CPI Medical Care | | 3.50% |
| Payroll Growth | | 3.00% |
| Investment Rate of Return | | 6.00% |
| Index Rate for 20 year, tax exempt municipal bonds | | 3.69% |
| Mortality | Based on assumptions for Public Agency Miscellaneous, Police and Fire members published in the 2021 CalPERS Experience Study. | |
| Healthcare Cost Trend Rates: | | |
| Health - Not Medicare Eligible | 6.70% for FY2022, gradually decreasing over several decades to an ultimate rate of 3.90% in FY2075 and later years | |
| Health - Medicare Eligible | 5.10% for 2020, 5.10% for 2021, 4.70% for 2022, 4.70% for 2023, 4.80% for 2024, 4.90% for 2025, 5.00% for 2026-2038, and transitioning to ultimate rate of 3.9% in 2075 and further years | |
| Dental | | To increase 3.25% annually |
| Vision | | To increase 2.00% annually |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

B. Funding Policy and Actuarial Assumptions, Continued

The RPOA OPEB Plan valuation used the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

| | Actuarial Assumptions | |
|--|---|---|
| Valuation Date | | June 30, 2021 |
| Measurement Date | | June 30, 2022 |
| Actuarial Cost Method | | Entry Age Normal Cost, level percent of pay |
| Actuarial Assumptions: | | |
| Discount Rate | | 5.75% |
| Inflation | | 2.50% |
| CPI Medical Care | | 3.50% |
| Payroll Growth | | 3.00% |
| Investment Rate of Return | | 5.75% |
| Index Rate for 20 year, tax exempt municipal bonds | | 3.69% |
| Mortality | Based on assumptions for Public Agency Miscellaneous, Police and Fire members published in the 2021 CalPERS Experience Study. | |
| Healthcare Cost Trend Rates: | | |
| Health - Not Medicare Eligible | 6.70% for FY2022, gradually decreasing over several decades to an ultimate rate of 3.90% in FY2075 and later years | |
| Health - Medicare Eligible | 5.10% for 2020, 5.10% for 2021, 4.70% for 2022, 4.70% for 2023, 4.80% for 2024, 4.90% for 2025, 5.00% for 2026-2038, and transitioning to ultimate rate of 3.9% in 2075 and further years | |
| Dental | | To increase 3.25% annually |
| Vision | | To increase 2.00% annually |

Discount rate – The discount rate used to measure the total City OPEB liability was 6.00% for the City OPEB Plan and 5.75% for the RPOA OPEB Plan. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the City OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on City OPEB plan investments was applied to all periods of projected benefit payments to determine the total City OPEB liability.

Generally accepted accounting principles require that the liability discount rate be the single rate that reflects the following:

- A. The long-term expected rate of return on City OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the City OPEB plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and (2) City OPEB plan assets are expected to be invested using a strategy to achieve that return; and

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

B. Funding Policy and Actuarial Assumptions, Continued

B. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions in A. are not met. The municipal bond rate source used as of June 30, 2022 the Fidelity 20-Year General Obligation AA Municipal Bond Index.

Changes of assumptions since the prior actuarial valuation for the City OPEB Plan were:

- The long-term investment return assumption was changed from 5.75% to 6.00% based on updated capital market assumptions.
- The discount rate was changed from 5.75% to 6.00% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates.
- An underlying wage growth rate was changed from 2.75% to 3.00% per year based on a revised understanding of the CalPERS assumption.
- The CPI medical rate was changed from 3.75% to 3.50%
- The index rate for 20 year, tax exempt municipal bonds was changed from 1.92% to 3.69%
- The mortality assumption was changed from 2017 CalPERS Experience to 2021
- The Healthcare Cost Trend Rates were changed from 6.4% to 6.7% and the ultimate rate from 4% to 3.9%
- The dental rate was changed from 3.75% to 3.25% and the vision from 2.75% to 2%

City OPEB Plan

Rate of Return – For the year ended June 30, 2022, the annual money-weighted rate of return on City OPEB Trust Fund investments, net of City OPEB plan investment expense, for the City OPEB Plan was -13.92%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Policy – PARS offers different investment portfolios as part of the investment vehicle. The City invests in the “Balanced/Moderately Aggressive Highmark PLUS” portfolio; the primary goal of the Highmark Plus portfolio is growth of principal and income. The major portions of the assets are invested in the equity securities and market fluctuations are expected. The portfolio is constructed to control risk through three layers of diversification as follows:

| Asset Class | Acceptable Range of Asset Allocation |
|--------------|---|
| Equity | 50-70% |
| Fixed income | 30-50% |
| Cash | 0-20% |

Investments of the City OPEB Trust Fund at June 30, 2022 consisted of \$31,123,971 invested in mutual funds.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

B. Funding Policy and Actuarial Assumptions, Continued

The long-term expected rate of return on City OPEB Plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of City OPEB Plan investment expense and inflation) are developed for each major asset class. The weighted asset class estimates are combined with the inflation and investment expense assumptions to produce the portfolio long-term expected rate of return. The target allocation for the City OPEB Plan's asset allocation as of the measurement date are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Long-Term Expected Nominal Rate of Return |
|---|-------------------|--|---|
| US equity-large cap | 32.00% | 4.42% | 6.92% |
| US equity-small/mid cap | 15.00% | 4.81% | 7.31% |
| International equity | 7.00% | 4.91% | 7.41% |
| Emerging market equity | 4.00% | 5.58% | 8.08% |
| REITs | 2.00% | 3.98% | 6.48% |
| Core fixed income | 33.75% | 1.00% | 3.50% |
| High yield fixed income | 1.25% | 2.75% | 5.25% |
| Cash and equivalents | 5.00% | -0.33% | 2.17% |
| Total | 100.00% | | 6.09% |
| Reduction for assumed investment expense | | | -0.33% |
| Net assumed investment return (round to 1/4%) | | | 5.75% |

RPOA OPEB Plan

Rate of Return - The long-term expected rate of return on RPOA OPEB Plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of RPOA OPEB Plan investment expense and inflation) are developed for each major asset class. The weighted asset class estimates are combined with the inflation and investment expense assumptions to produce the portfolio long-term expected rate of return.

Investment Policy - The target allocation for the RPOA OPEB Plan's asset allocation as of the measurement date are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Long-Term Expected Nominal Rate of Return |
|---|-------------------|--|---|
| Equity | 40.0% | 4.42% | 6.92% |
| Fixed Income | 43.0% | 1.00% | 3.50% |
| TIPS | 5.0% | 0.15% | 2.65% |
| Commodities | 4.0% | 1.73% | 4.23% |
| REITs | 8.0% | 3.98% | 6.48% |
| Total | 100.0% | | 5.49% |
| Reduction for assumed investment expense | | | -0.10% |
| Net assumed investment return (round to 1/4%) | | | 5.50% |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

C. Changes in Net OPEB Liability

The changes in the net OPEB liability for the City OPEB Plan is as follows:

| | Total OPEB Liability (a) | Increase (Decrease) Plan Fiduciary Net Position (b) | Net OPEB Liability/ (Asset) (a) - (b) |
|--|--------------------------------|--|---|
| Balance at June 30, 2021 | \$ 123,244,653 | \$ 32,439,804 | \$ 90,804,849 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 2,088,997 | - | 2,088,997 |
| Interest on the total OPEB liability | 6,997,592 | - | 6,997,592 |
| Differences between expected and actual experience (1) | (11,982,490) | - | (11,982,490) |
| Changes of assumptions | (6,119,213) | - | (6,119,213) |
| Contributions from the employer | - | 10,042,891 | (10,042,891) |
| Contributions from the employee | - | 589,125 | (589,125) |
| Net investment income | - | (4,613,857) | 4,613,857 |
| Administrative expenses | - | (61,195) | 61,195 |
| Benefit payments (2) | (7,272,797) | (7,272,797) | - |
| Net changes | (16,287,911) | (1,315,833) | (14,972,078) |
| Balance at June 30, 2022 (Measurement Date) | \$ 106,956,742 | \$ 31,123,971 | \$ 75,832,771 |

(1) Approximately \$(12.36M) of the increase/ (decrease) is due to the change in premiums and assumed claims costs and \$380K is due to all other experience changes.

(2) Benefit payments equal \$4,622,801 explicit subsidy payments to retirees and \$2,649,996 implicit subsidy costs incurred during the measurement period ending 6/30/2022.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

C. Changes in Net OPEB Liability, Continued

The changes in the net OPEB liability for the RPOA OPEB Plan is as follows:

| | Total OPEB Liability (a) | Increase (Decrease) Plan Fiduciary Net Position (b) | Net OPEB Liability/(Asset) (a) - (b) |
|--|--------------------------------|--|--|
| Balance at June 30, 2021 | \$ 123,244,653 | \$ 32,439,804 | \$ 90,804,849 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 2,088,997 | - | 2,088,997 |
| Interest on the total OPEB liability | 6,997,592 | - | 6,997,592 |
| Differences between expected and actual experience (1) | (11,982,490) | - | (11,982,490) |
| Changes of assumptions | (6,119,213) | - | (6,119,213) |
| Contributions from the employer | - | 10,042,891 | (10,042,891) |
| Contributions from the employee | - | 589,125 | (589,125) |
| Net investment income | - | (4,613,857) | 4,613,857 |
| Administrative expenses | - | (61,195) | 61,195 |
| Benefit payments (2) | (7,272,797) | (7,272,797) | - |
| Net changes | (16,287,911) | (1,315,833) | (14,972,078) |
| Balance at June 30, 2022 (Measurement Date) | \$ 106,956,742 | \$ 31,123,971 | \$ 75,832,771 |

(1) Approximately \$(12.36M) of the increase/(decrease) is due to the change in premiums and assumed claims costs and \$380K is due to all other experience changes.

(2) Benefit payments equal \$4,622,801 explicit subsidy payments to retirees and \$2,649,996 implicit subsidy costs incurred during the measurement period ending 6/30/2022.

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of both plans, as well as what the net OPEB liabilities would be if it were calculated using the discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

City OPEB Plan

| Net OPEB Liability/(Asset) | | |
|----------------------------|---------------|-------------------|
| Current | | |
| Discount Rate -1% | Discount Rate | Discount Rate +1% |
| 5.00% | 6.00% | 7.00% |
| \$ 87,771,843 | \$ 75,832,771 | \$ 65,782,910 |

RPOA OPEB Plan

| Net OPEB Liability/(Asset) | | |
|----------------------------|---------------|-------------------|
| Current | | |
| Discount Rate -1% | Discount Rate | Discount Rate +1% |
| 4.75% | 5.75% | 6.75% |
| \$ 11,198,419 | \$ 8,690,758 | \$ 6,636,719 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates, Continued

The following presents the net OPEB liability of both Plans, as well as what the net OPEB liabilities would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| <i>City OPEB Plan</i> | | | |
|---|---------------|---------------|--|
| Net OPEB Liability/(Asset) | | | |
| Current Healthcare Cost Trend Rates Various - see assumptions above | | | |
| 1% Decrease | | 1% Increase | |
| \$ 66,201,191 | \$ 75,832,771 | \$ 87,164,153 | |

| <i>RPOA OPEB Plan</i> | | | |
|---|--------------|---------------|--|
| Net OPEB Liability/(Asset) Healthcare Cost Trend | | | |
| Current Healthcare Cost Trend Rates Various - see assumptions above | | | |
| 1% Decrease | | 1% Increase | |
| \$ 7,285,324 | \$ 8,690,758 | \$ 10,475,303 | |

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense on the City OPEB Plan and RPOA OPEB Plan of (\$12,463,645) and \$46,814, respectively. At June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | City OPEB Plan | | RPOA OPEB Plan | |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between actual and expected experience | \$ - | \$ 18,200,319 | \$ 8,473 | \$ 5,432,921 |
| Changes of assumptions | 821,356 | 17,902,220 | 291,415 | 7,714,582 |
| Net differences between projected and actual earnings on plan investments | 2,508,107 | - | 587,954 | - |
| Contributions between measurement date and reporting date | N/A | N/A | N/A | N/A |
| Total | \$ 3,329,463 | \$ 36,102,539 | \$ 887,842 | \$ 13,147,503 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the City OPEB Plan and RPOA OPEB Plan will be recognized as part of OPEB expense as follows:

| <i>City OPEB Plan</i> | |
|------------------------|------------------------|
| Year Ended June 30, | Annual Amortization |
| 2023 | \$ (19,886,758) |
| 2024 | (9,320,963) |
| 2025 | (3,884,934) |
| 2026 | 319,579 |
| 2027 | - |
| Thereafter | - |

| <i>RPOA OPEB Plan</i> | |
|------------------------|------------------------|
| Year Ended June 30, | Annual Amortization |
| 2023 | \$ (1,325,998) |
| 2024 | (1,325,996) |
| 2025 | (1,334,804) |
| 2026 | (1,206,108) |
| 2027 | (1,445,215) |
| Thereafter | (5,621,540) |

14. DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

15. RISK MANAGEMENT

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; general liability; errors and omissions; injuries to employees; natural disasters; and inverse condemnation. The City began self-insuring its workers' compensation in 1976. In July 2009 the City joined the California Joint Powers Risk Management Authority (CJPRMA) for general liability and employment practices coverage. In April 2009 the City joined the California State Association of Counties Excess Insurance Authority (CSAC EIA) for worker's compensation insurance. The City has chosen to establish a risk financing internal service fund where assets are accumulated for claim settlements and expenses associated with the above risks of loss up to certain limits.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

15. RISK MANAGEMENT, Continued

Excess coverage for the risk categories excluding inverse condemnation is provided by policies with various commercial insurance carriers. Self-insurance and insurance company limits are as follows:

| Type of Coverage | Self-Insurance / Deductible | Coverage Limit | Insurance Carrier |
|--------------------------------|---|--|---------------------------------------|
| Difference in Conditions | Earthquake: 5% of total insured value of each building; minimum \$100,000 All others: \$25,000 | \$50,000,000 inclusive of deductible | Various |
| Crime / Employee Dishonesty | \$2,500 per claim | \$15,000,000 inclusive of deductible | National Union Fire Insurance Company |
| Property | \$100,000 per claim; except flood zones A&V that have a deductible of \$250,000 | \$400,000,000 inclusive of deductible \$100,000,000 limit for flood all zones, except zones A & V, which have a limit of \$50,000,000 | Various |
| Boiler and Machinery | \$100,000 per claim | \$100,000,000 inclusive of deductible | Various |
| Port Liability | \$25,000 per claim | \$50,000,000 inclusive of deductible | Various |
| Excess Workers' Compensation | \$750,000 per claim | Statutory limit | Various |
| Student Volunteer | N/A | \$50,000 limit | Ace American |
| Pollution Liability - Policy 1 | \$250,000 per claim | \$20,000,000 inclusive of deductible | ACE - Illinois Union |
| Pollution Liability - Policy 2 | \$250,000 per claim | \$3,000,000 limit | Ironshore Specialty Insurance |
| Cyber Liability | \$100,000 per claim | \$2,000,000 limit | Lloyds of London |

CJPRMA

The CJPRMA provides coverage against the following types of loss risks under the terms of a joint powers agreement with the City as follows:

| Type of Coverage (Deductible) | Coverage Limits |
|----------------------------------|-----------------|
| Property (\$500,000) | \$ 5,000,000 |
| Liability (\$500,000) | 40,000,000 |
| Employment Practices (\$500,000) | 5,000,000 |

Once the self-insured retention is exhausted on each claim, CJPRMA becomes responsible for payment of future expenses related to the claim. The City paid contributions of \$2,352,830 for the year ended June 30, 2022. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the CJPRMA are available from CJPRMA, 3201 Doolan Road, Suite 285, Livermore, CA 94551.

CSAC-EIA

CSAC-EIA is a public entity risk pool of cities and counties within California. The CSAC-EIA provides workers' compensation coverage up to the statutory limit and the City retains a self-insured retention of \$750,000. Loss contingency reserves established by the CSAC-EIA are funded by contributions from member agencies. The City pays an annual contribution to the CSAC-EIA, which includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the risk pool. The City paid contributions of \$383,262 for the year ended June 30, 2022. CSAC-EIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. CSAC-EIA is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

Audited financial statements for CSAC-EIA are available from CSAC-EIA, 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

15. RISK MANAGEMENT, Continued

Housing Authority Insurance Group

The Housing Authority is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The Authority joined together with other entities and participates in the Housing Authority Insurance Group, a public entity risk pool currently operating as a common risk management and insurance program for its member entities. The purpose of the Housing Authority Insurance Group is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost.

The Authority pays annual premiums to Housing Authority Insurance Group for its property damage insurance as follows:

| Property | Annual Premium | Deductible |
|-----------------------|----------------|------------|
| Nevin Plaza (#1) | \$ 27,187 | \$ 25,000 |
| Nystrom Village | 16,351 | 25,000 |
| Administration Office | 1,681 | 25,000 |

All of the Housing Authority properties are included in the general liability coverage under the CJPRMA program.

Liability for Self-Insured Claims

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims is based on case reserves and include amounts for claims incurred but not reported (IBNR), and is recorded in the Insurance Reserves Internal Service Fund. At June 30, 2022, the estimated claims payable of \$51,092,602 consisting of reserves for both reported and IBNR losses, as well as allocated loss adjustment expenses, have been recorded in the Insurance Reserves Internal Service Fund. The claims payable are reported at their present value using expected future investment yield assumptions of 3% and an 80% confidence level. The undiscounted claims totaled \$54,849,000 at June 30, 2022. Changes in the claims liabilities for the years ended June 30, 2022 and 2021 were as follows:

| | 2022 | 2021 |
|--|----------------------|----------------------|
| Claims liabilities, beginning of year | \$ 44,392,339 | \$ 43,240,367 |
| Current year claims | 11,420,000 | 12,779,000 |
| Change in prior year claims | 7,978,722 | (395,339) |
| Claim payments | (7,625,469) | (7,102,138) |
| Legal, administrative and other expenses | (5,072,990) | (4,129,551) |
| Claims liabilities, end of year | <u>\$ 51,092,602</u> | <u>\$ 44,392,339</u> |
| Claims liabilities, due in one year | <u>\$ 14,606,071</u> | <u>\$ 13,033,895</u> |

For the years ended June 30, 2022, 2021 and 2020 the amount of settlements did not exceed insurance coverage.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City's non-major enterprise funds include the following:

- Richmond Marina Fund – Marina operations and maintenance, including berth rentals and use of marina facilities.
- Storm Sewer Fund – Storm sewer management and urban runoff control.
- Cable TV Fund – Administration and enforcement of the franchise agreements with two cable television systems, management of a municipal cable channel, departmental video services, media and public information, and telecommunications planning.

Fiscal 2022 condensed financial information for the Richmond Marina Enterprise Fund is as follows:

Condensed Statement of Net Position

| | |
|--|---------------------|
| Assets: | |
| Current assets | \$ 4,711,856 |
| Lease receivables | 5,396,449 |
| Capital assets | 1,433,427 |
| Total assets | <u>11,541,732</u> |
| Liabilities: | |
| Current liabilities | 303,893 |
| Long-term liabilities | 2,128,971 |
| Total liabilities | <u>2,432,864</u> |
| Deferred inflows of resources: | |
| Deferred inflows of resources - leases | <u>5,371,636</u> |
| Net position: | |
| Net investment in capital assets | (801,775) |
| Restricted for debt service | 86,625 |
| Unrestricted | 4,452,382 |
| Total net position | <u>\$ 3,737,232</u> |

Condensed Statement of Revenues, Expenses and Changes in Net Position

| | |
|--|---------------------|
| Operating revenues: | |
| Rental | \$ 162,777 |
| Lease income | 361,875 |
| Operating expenses: | |
| General and administrative | (59,643) |
| Depreciation | (85,456) |
| Operating income | <u>379,553</u> |
| Nonoperating revenues (expenses): | |
| Interest income | 116,926 |
| Interest expense | (100,965) |
| Income (Loss) Before Contributions and Transfers | <u>395,514</u> |
| Transfers out | (86,778) |
| Change in net position | 308,736 |
| Beginning net position | <u>3,428,496</u> |
| Ending net position | <u>\$ 3,737,232</u> |

Condensed Statement of Cash Flows

| | |
|---|---------------------|
| Net cash provided (used) by: | |
| Operating activities | \$ 508,993 |
| Noncapital and related financing activities | (86,778) |
| Capital and related financing activities | (206,814) |
| Investing activities | 115,428 |
| Net increase | <u>330,829</u> |
| Beginning cash and investments | <u>4,290,654</u> |
| Ending cash and investments | <u>\$ 4,621,483</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

17. COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The City's future commitments under construction and other projects totaled approximately \$106.1 million at June 30, 2022 for various projects.

B. Litigation

The City is involved in various claims and litigation resulting from its normal operations. The ultimate outcome of these matters is not presently determinable. In City management's opinion these matters will not have a significant adverse effect on the City's or RHA Properties' financial position, with two potential exceptions noted below:

In March 2012, a developer and an associated entity filed a complaint in federal court against the United States of America, two individuals, and the City contending breach of contract related to a Land Disposition Agreement (LDA) between the developer and the City for the development of City-owned property for a specific use. The developer and associated entity seek damages of \$30 million as well as lost profits of over \$750 million. The City disputes the allegations and contends that the LDA did not commit the developer or the City to develop the property for the specific use and that the developer's right to move forward with the development was subject to various federal approvals. The City received a favorable judgement on the matter, but an appeal by the developer and associated entity resulted in the Ninth Circuit reversing the decision, concluding the plaintiffs should be given another opportunity to amend their complaint. The plaintiffs filed an amended complaint and the City answered, denying the plaintiffs' allegations and asserting affirmative defenses and counterclaims. In April 2018, the City again received a favorable judgement on the matter under which the City will pay no monetary damages to the developer and the developer's claims were dismissed. Under the terms of the judgment, future proceeds from the sale of the property will be shared equally between the City and the developer. However, the judgment is being challenged by an environmental rights group. The City may be negatively impacted should the court rule in favor of the group, however any such impact cannot be determined at this time.

C. Grant Programs

The City participates in several federal and State grant programs. These programs are subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, except as noted under Grant Programs - Disallowed Costs below.

D. Housing Authority - Easter Hill Project

The Authority participates in a number of federally assisted grant programs, principal of which are the Low Income Public Housing Program and the HOPE VI Revitalization Grant. It is possible that at some future date, it may be determined that the Authority is not in compliance with applicable grant requirements. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

17. COMMITMENTS AND CONTINGENCIES, Continued

D. Housing Authority – Easter Hill Project, Continued

In June 2000, the Richmond Housing Authority received a \$35 million grant (HOPE VI Grant) from the U.S. Department of Housing and Urban Development (“HUD”) for the revitalization of the former Easter Hill Public Housing Project. The original Easter Hill site, owned by the Richmond Housing Authority, included 300 units on 21 acres in the Cortez/Stege neighborhood of Richmond.

The California Tax Credit Committee, City of Richmond, Bank of America, Silicon Valley, Federal Home Loan Bank, California Housing Finance Agency, the Richmond Housing Authority along with the \$35 million dollar HUD grant financed this \$120 million revitalization effort. Physical costs are estimated to be approximately \$108 million and life services, relocation, acquisition, administrative and other costs are estimated to be approximately \$12 million. The physical development includes approximately 320 rental and homeownership units to replace the 300 rental units originally at the site and 273 remaining units at the time of grant approval. Amenities at the revitalized site include a pool and a 5,000 square feet community room with facilities for an after school program, computer center, gymnasium and conference room.

In addition, pursuant to the same agreement, the Authority is entitled to receive reimbursement for certain costs it has incurred in development of these projects. Upon completion of the project, the Authority recorded \$14,276,909, representing reimbursement from the developer which had been recorded in the accompanying financial statements as due from developer. The balance outstanding as of June 30, 2022 is \$10,221,743.

In 2002, the Authority chose the development team of McCormack Baron Salazar, Inc. and Em Johnson Interest, Inc. to develop the site. Em Johnson Interest has developed the 82 homeownership units affordable to low, moderate and market rate buyers. McCormack Baron was charged with the development of 300 rental units, affordable to households 60% or below the area median income for Contra Costa County.

Thus far, all new construction rental units at the former Easter Hill site have been developed. Thirty-six rehab rental units at the site have been constructed. The remaining 202 rental units at the site have been leased. Similarly, all 82 homeownership units at the former Easter Hill and Cortez sites have been constructed. All homeownership units have been sold.

E. RHA Properties – Status of Operations

RHA Properties having sold Westridge at Hilltop Apartments is at the point of being an entity with no activity. It is idle and available to be used in the future. Management currently has no further plans for the entity.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

17. COMMITMENTS AND CONTINGENCIES, Continued

F. Point Molate - Pollution Remediation

In September 2008, the City entered into an Early Transfer Cooperative Agreement (ETCA) with the United States Department of the Navy the (Navy) to facilitate the transfer of 41 acres of property that was formerly the Naval Fuel Depot Point Molate (Point Molate). The ETCA identifies certain known pollution issues with the property, and the Navy is the responsible party. However, under the provisions of the ETCA, the Navy advanced \$28 million to the City representing the estimated cost of cleanup, and the City committed to manage the project. Any pollution found that was not caused by the Navy's use of the land is to be paid by the City, however, as of June 30, 2022, no additional pollution has been identified.

The City also entered into an agreement in September 2008 with a Developer to sell approximately 134 acres of land located on Point Molate along with the 41 acres of which the Navy is to transfer to the City. The Developer is to complete the cleanup on behalf of the City in accordance with the requirements of the ETCA. The City committed to pass-through the funds received from the Navy to the Developer.

In April 2010, the City and Developer entered into an agreement to establish a fiscal agent escrow account to maintain the funds held for the remediation of Point Molate. The funds advanced by the Navy are to be held in escrow with a fiscal agent and the agent is responsible for disbursing funds to the Developer as costs are incurred. The terms of the agreement are effective until a certificate of completion is issued for the remediation of the property.

Under the terms of the agreements with the Navy and the Developer, the City does not retain responsibility for the cleanup of the known pollution. The City is merely acting as a pass-thru of the grant funds from the Navy to the Developer and the activities for the project are reported in the Pt. Molate Private-Purpose Trust Fund.

G. Other - Major Taxpayer

In fiscal year 2009, a major business license taxpayer filed a complaint challenging the legality of Measure T, a voter initiative that took effect on January 1, 2009. Measure T amended the City's business license tax calculation for manufacturers. Although the City believed Measure T to be lawful, the court ruled on December 17, 2009 that the tax was unconstitutional. The court ruled in favor of the business license taxpayer awarding a refund of the \$20.5 million Measure T taxes paid. The City filed an appeal, however in May 2010 the taxpayer and the City entered into a settlement agreement in order to achieve certainty in the tax revenue that the City will receive from the taxpayer over the next 15 years. The agreement provides for annual payments from the taxpayer ranging from \$4 million to \$13 million starting July 1, 2011, with payments totaling \$114 million. In addition, the agreement incorporated the prior settlement of a dispute over fiscal year 2006, 2007 and 2008 utility user's taxes totaling \$28 million that was paid in four installments beginning in fiscal year 2009. Payments totaling \$102 million were received under the settlement agreements in fiscal years 2011 through 2022.

In fiscal year 2015, the City entered into an Environmental Community Investment Agreement (ECIA) with the same taxpayer that provides for funding to the City and other community agencies totaling \$80 million over the next ten years. During fiscal year 2022, the City received \$7 million that is restricted for use on pre-approved projects, and the City has received \$56 million to date.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

17. COMMITMENTS AND CONTINGENCIES, Continued

H. Housing Authority Rental Assistance Demonstration

RHA Rental Assistance Demonstration ("RAD") Program conversion of the Friendship Manor and Triangle Court public housing sites occurred during the 2016 calendar year (includes both the 2015 and 2016 fiscal years). The RAD project consists of 156 units of Public Housing will that were converted to non-profit ownership with Section 8-Project Based Voucher rental subsidy on the two separate properties; all 156 units, except for three units (two are reserved for onsite managers and one for a manager's office), will be used to house low-income residents.

On October 8, 2015, the Department of Housing and Urban Development (HUD) issued and executed the RAD Conversion Commitment (RCC) which represents the agreed upon and approved terms of the RAD conversion transaction.

On November 18, 2015, California Tax Credit Allocation Committee made a preliminary reservation of federal tax credits in the amount of \$1,228,999 accommodated upon executing Tax-Exempt Bond Project to raise funding in the amount of \$36.7 million, the approximate estimated cost of the RAD project; of which \$16.5 million shall be provided by a third-party Tax Credit investor.

The Authority has partnered with the John Stewart Company and The Richman Group to form a Limited Partnership, RHA RAD Housing Partners L.P., that will complete the conversion, manage the property and own the buildings. The Authority will relinquish the land via a long term ground lease.

In furtherance of the finances provided by the Authority, the City of Richmond loaned \$5.4 million to RHA RAD Housing Partners L.P. that will be repaid in 55 years and accrues interest at a rate of 1%. The loan was initially signed with RHA Housing Corporation and then it was transferred and reassigned to RHA RAD Housing Partners L.P., as discussed in Note 4.

After the property is placed in service and receives approval of the 8609 documents from the State of California, the Authority will split a developer fee of \$2.5 million with its general partner John Stewart Company (70%/30%). The project was converted to permanent financing on June 6, 2019.

RHA RAD Housing Partners L.P. will also receive \$732,557 in Public Housing and Capital Improvement funds throughout the January 1, 2016 - December 31, 2016 calendar year to cover the RAD Housing Assistance Program (HAP) Voucher commitments of subsidy for the low income housing units at the two developments. The terms of this requirement are consistent with Notice 2012-32 of the Rental Assistance Demonstration program which requires RAD conversions that close after November 30th of the calendar year to be funded out of Public Housing and Capital Fund Programs until the next calendar year, at which time the Developments will be funded with Section 8 Housing Choice RAD Vouchers.

In a transaction related to the RAD project during the fiscal year ended June 30, 2016, the Richmond Housing Authority transferred capital assets to RHA RAD LLC, which then sold the capital assets to RHA RAD Housing Partners LP with a carrying value of \$14,358,255 in return for two loans receivable in the amounts of \$8,891,500 and \$5,618,500. These loans are to be repaid in 55 years and bear annual interest rates of 2.82%.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

17. COMMITMENTS AND CONTINGENCIES, Continued

I. Marina Bay - Pollution Remediation

The Successor Agency owned a group of land tracts collectively referenced as the “Nine Deed Restricted Properties.” The Successor Agency was named as a responsible party at these sites under a Voluntary Cleanup Agreement with the State Department of Toxic Substances Control (DTSC) to conduct pollution monitoring and remediation. However, the Successor Agency received approval from the DOF to transfer

the properties and their maintenance to the City on June 30, 2016. Therefore, the City is now the responsible party at the sites. These nine properties sit within the larger Marina Bay development site. A Remediation Action Plan (RAP) was prepared for Marina Bay in 1993 and included references to each of the Deed Restricted Properties. Eight of the nine deed restricted properties are subject to an Operations & Maintenance (O&M) Plan. The O&M Plans require annual inspections of the cap material and reporting

of the findings to DTSC. The O&M Plans also require that a five-year review report be prepared and submitted to DTSC. The five-year review reports describe the inspection and maintenance activities that were performed over the previous five years. The annual inspection costs are estimated at \$13,500, with the five year review estimated at \$40,000 (this cost includes revising a previously submitted work plan, conducting the review, and preparing the report). The monitoring costs over a five year period are estimated at \$125,500. Additionally, costs for environmental consultation to address DTSC concerns at the nine deed the nine deed restricted properties are estimated at \$15,000 annually.

The RAP was subsequently amended in 2008 to address Area T, one of the Nine Deed Restricted Properties. The amended RAP subjects the site to groundwater sampling and analysis. The approximate annual costs for the existing groundwater sampling and analysis program is approximately \$26,000. The known pollution at this site are petroleum hydrocarbons dissolved in groundwater. Active remediation was conducted from September 2008 through June 2020 by the former Redevelopment Agency and the Successor Agency and the active remediation has been successful at removing a layer of petroleum hydrocarbons on the groundwater. However, the groundwater impacted with dissolved petroleum hydrocarbons is located in close proximity to the Marina Bay harbor. It is anticipated that DTSC will request that the Successor Agency submit a work plan describing the methods to petroleum hydrocarbons at Area T. Groundwater impacted by dissolved petroleum hydrocarbons is anticipated to be required by DTSC. The Successor Agency requested that its consultant prepare a feasibility study and cost analysis to conduct such remediation. The preliminary cost estimate to implement the groundwater remediation program is estimated at \$120,000. A plan to maintain the cap on Area T will be prepared and the cost for this plan is \$7,500. This preliminary estimate has not been accrued as a liability in the City’s Statement of Net Position. This estimate is also subject to change from price increases or reductions, technology, and changes in applicable laws or regulations.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

17. COMMITMENTS AND CONTINGENCIES, Continued

I. Marina Bay - Pollution Remediation, Continued

A Covenant to Restrict Use of Property for Area FM, also one of the Nine Deed Restricted Properties, was recorded on March 21, 2005. As described in the deed restriction, the remedial alternative for Area FM includes installing and maintaining a temporary 1-foot-thick soil cap over the property as an interim measure; the final cap will consist of hardscape including commercial buildings, roadways, and parking areas. The deed restriction also requires the preparation of an O&M Plan. According to a DTSC-approved Remedial Design and Implementation Plan (RDIP) for Area FM, the proposed permanent cap will be implemented during site redevelopment activities and will consist of building foundations and slabs, paved walkways and parking areas, landscaping and other features constructed over the site. Site redevelopment has yet to occur, the interim temporary cap has not been implemented, and the O&M Plan has yet to be prepared for Area FM. DTSC is requiring the City to construct the temporary cap on Area FM. The City is preparing to construct a temporary asphalt cap to minimize surface water runoff and reduce routine maintenance and prepared a Work Plan Amendment for Construction of Temporary Asphalt Cap. Upon approval by DTSC, the City will install the temporary cap. The cost to prepare the planning documents, conduct observation, documentation, and reporting of the cap installation, as well as preparation of an O&M Plan is \$96,200. The estimate cost to construct the temporary cap can't be made.

J. Other Commitments and Contingencies

The Authority and its component units RHA Housing Corporation and RHA RAD LLC entered into several arrangements including a Co-Guarantor Contribution Agreement with third parties as participants in a tax credit bonds project to accommodate the required funding to convert two properties from a conventional public housing project to a rental assistance demonstration program, as discussed in Note 17.I.

K. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2022 were as listed below:

| | Amount |
|---|--------------|
| General Fund | \$ 295,229 |
| Community Development and Loan Programs | |
| Special Revenue Fund | 46,314 |
| Non-Major Governmental Funds | 9,382,784 |
| | \$ 9,724,327 |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. *Redevelopment Dissolution*

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibit all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

ABx1 26 and AB1484 created three regulatory authorities, the Successor Agency Oversight Board, State Controller and Department of Finance (DOF), to review former Agency's asset transfers, obligation payments and wind down activities. ABx1 26 specifically directs the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the Redevelopment Agency or, on or after February 1, 2012, to the Successor Agency. The State Controller's Office completed its asset transfer review in November 2013 and the State ordered the return of certain assets to the Successor Agency to the Redevelopment Agency. The City complied with certain aspects of the State's order during fiscal year 2013 by returning applicable capital assets to the Successor Agency and the Oversight Board retroactively approved other prior transfers to the City and the State has indicated that no further action is necessary. The State also ordered the return of assets previously transferred to the City as Housing Successor totaling \$16,460,848, because the transfer of the housing assets had not been approved by the Oversight Board. The Oversight Board adopted a Resolution on February 25, 2014 retroactively approving the transfer of the loans to the Housing Successor.

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and the remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Low and Moderate Income Housing Fund which is included in the Community Development and Loan Programs Special Revenue Fund. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Asset Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

A. *Redevelopment Dissolution, Continued*

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in April 2012. As of July 1, 2018, Contra Costa County has formed a county-wide Oversight Board to oversee the activities of all Successor Agencies within the County, including Richmond. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

AB1484 required the Successor Agency to complete two due diligence reviews – one for the low and moderate income housing assets of the Successor Agency (Housing DDR), and a second for all other balances of the Successor Agency (Non-housing DDR). The due diligence reviews were to calculate the balance of unencumbered balances as of June 30, 2012 available to be remitted to the County for disbursement to taxing entities. The Successor Agency submitted both due diligence reviews to the State Department of Finance for review and approval. The Department of Finance approved the Housing DDR, after making an adjustment, and the Successor Agency remitted the unencumbered balance of \$4,067,242 to the County in November 2014. The Department of Finance approved the Non-housing DDR in December 2014, and no funds were required to be remitted to the County. The Successor Agency received a Finding of Completion on December 9, 2014.

The activities of the Successor Agency are reported in the Successor Agency to the Richmond Community Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Cash and investments of the Successor Agency as of June 30, 2022 are discussed in Note 2 above. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2022.

B. *Loans Receivable*

The Successor Agency assumed non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage economic development. Under these programs, grants or loans were provided under favorable terms to developers who agreed to expend these funds in accordance with the Agency's terms.

Ford Assembly Building Loan

Under a loan agreement dated November 22, 2004 between the Redevelopment Agency and Ford Point LLC, the Redevelopment Agency agreed to loan \$3,000,000 to fund improvements to the Ford Assembly Building, collateralized by a Deed of Trust. After a period of variable interest rates, the loan has converted to a fixed 5% interest rate. Interest and principal payments are due semi-annually through 2025. The loan was paid-off as of June 30, 2022.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

C. Capital Assets

The Successor Agency assumed the non-housing capital assets of the Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

D. Long-term Obligations

The following is a summary of long-term debt transactions during the year ended June 30, 2022:

| | Balance July 1, 2021 | Additions (A) | Retirements | Balance June 30, 2022 | Due Within One Year | Due in More than One Year |
|-------------------------------------|-------------------------|---------------|----------------|--------------------------|------------------------|------------------------------|
| Bonds Payable | \$ 45,420,925 | \$ 167,723 | \$ (5,195,000) | \$ 40,393,648 | \$ 4,965,000 | \$ 35,428,648 |
| Loans payable from direct borrowing | 14,690,000 | - | (1,450,000) | 13,240,000 | 1,625,000 | 11,615,000 |
| Total | \$ 60,110,925 | \$ 167,723 | \$ (6,645,000) | \$ 53,633,648 | \$ 6,590,000 | \$ 47,043,648 |

(A) Includes bond accretion for capital appreciation bonds totaling \$767,307.

Bonds Payable

Bonds payable at June 30, 2022 consisted of the following:

| | Net |
|--|---------------|
| Harbour Tax Allocation Refunding Bonds - 1998 Series A | \$ 2,242,449 |
| Subordinate Tax Allocation Bonds - 2007 Series B | 10,468,319 |
| Successor Agency of RCRA Refunding Bonds - 2014 Series A & B | 8,873,585 |
| Successor Agency of RCRA Refunding Bonds - 2021 Series A & B | 16,680,000 |
| Successor Agency 2021A Bond Premium | 2,129,295 |
| Total | \$ 40,393,648 |

1998 Harbour Redevelopment Project Tax Allocation Refunding Bonds Series A - Original Issue \$21,862,779

The bonds were issued by the Agency to refinance a portion of the 1991 Harbour Redevelopment Project Tax Allocation Refunding Bonds, refinance certain loans from the City to the Agency, which were used by the City to finance certain publicly owned capital projects, finance certain redevelopment activities within the Harbour Redevelopment Project Area, fund a reserve account and pay certain costs of issuance of the 1998 bonds. The bonds mature annually through 2023, in amounts ranging from \$50,000 to \$1,130,000. Interest rates vary from 3.5% to a maximum of 5.2% and are payable semiannually on January 1 and July 1. The bonds are secured by a pledge of tax revenues derived from taxable property within the Harbour Project Area. On March 27, 2014, the Agency issued the Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B which resulted in the defeasance of the outstanding balance of the current interest portion of the bonds in the amount of \$9,180,000, as discussed below.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

1998 Harbour Redevelopment Project Tax Allocation Refunding Bonds Series A - Original Issue \$21,862,779, Continued

At June 30, 2022, the Bonds consisted of the following:

| | Value | Accretion / Amortization | Unamortized Premium (Discount) | Net |
|----------------------------|--------------|-----------------------------|--------------------------------------|--------------|
| Capital appreciation bonds | \$ 2,300,000 | \$ 112,212 | \$ (169,763) | \$ 2,242,449 |

The annual debt service requirements on the bonds are as follows:

| For the Years Ending June 30, | Principal |
|----------------------------------|--------------|
| 2023 | \$ 1,150,000 |
| 2024 | 1,150,000 |
| Total | \$ 2,300,000 |

Richmond Community Redevelopment Agency Subordinate Tax Allocation Bonds Series 2007A and Series B - Original Issue Series A \$65,400,000, Series B \$9,772,622

On July 12, 2007 the Redevelopment Agency issued Series 2007A Subordinate Tax Allocation Bonds in the amount of \$65,400,000. The proceeds from the Bonds were used to pay the amount of \$22,000,000 to the City to assist with the financing of the Civic Center Project, and to fund other Redevelopment Agency projects.

The 2007A Subordinate Tax Allocation Bonds were issued as variable auction rate bonds with interest calculated every thirty-five days, however, the Agency entered into a 29-year interest rate swap agreement for the entire amount of its 2007A Subordinate Tax Allocation Bonds. In fiscal year 2010 the Agency experienced a significant decline in tax increment revenue. In order to bring debt service in line with current revenues and maintain compliance with the required 1.4:1 tax increment to debt service coverage ratio, the Agency suspended a number of projects originally funded by the 2007A Bonds and applied approximately \$36 million of the unspent 2007A proceeds and other available funds along with the proceeds from the issuance of the Subordinate Tax Allocation Refunding Bonds, Series 2010A to refund the outstanding balance of the 2007A Bonds. As part of the issuance of the 2010A Bonds, the interest rate swap agreement associated with the 2007A Bonds was amended and restated as discussed with the Series 2010A Bonds below.

On July 12, 2007 the Redevelopment Agency issued Series 2007B Housing Set-Aside Subordinate Tax Allocation Capital Appreciation Bonds in the amount of \$9,772,622 at interest rates ranging from 5.57% to 6.40%. The proceeds from the 2007B Bonds will be used to finance certain low and moderate income housing activities of the Redevelopment Agency. The 2007B Bonds mature annually through 2037, in amounts ranging from \$465,000 to \$2,020,000. The 2007B Bonds are secured by a pledge of subordinated housing and non-housing tax revenues.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Richmond Community Redevelopment Agency Subordinate Tax Allocation Bonds Series 2007A and Series B - Original Issue Series A \$65,400,000, Series B \$9,772,622, Continued

At June 30, 2022, the 2007B Bonds consisted of the following:

| | Value | Accretion / Amortization | Unamortized Premium (Discount) | Net |
|----------------------------|---------------|-----------------------------|--------------------------------------|---------------|
| Capital appreciation bonds | \$ 15,445,000 | \$ 655,094 | \$ (5,631,775) | \$ 10,468,319 |

The annual debt service requirements on the 2007B Bonds are as follows:

| For the Years Ending June 30, | Principal |
|----------------------------------|----------------------|
| 2023 | \$ 1,085,000 |
| 2024 | 1,145,000 |
| 2025 | 1,175,000 |
| 2026 | 1,230,000 |
| 2027 | 1,285,000 |
| 2028-2032 | 5,350,000 |
| 2033-2037 | 4,175,000 |
| Total | <u>\$ 15,445,000</u> |

Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B - Original Issue Amounts \$25,795,000 and \$1,655,000, respectively

The 2014 A & B Bonds were issued on March 27, 2014 by the Successor Agency to the Richmond Community Redevelopment Agency. The proceeds of the Bonds, together with other available funds, were used to refund and defease the outstanding balance of the current interest portion of the 1998 Harbour Redevelopment Project Tax Allocation Refunding Bonds Series A, and the outstanding balances of the Richmond Joint Powers Financing Authority Tax Allocation Revenue Bonds Series 2000 A & B and Richmond Joint Powers Financing Authority Tax Allocation Revenue Bonds Series 2003A. Interest rates range from 1.40% to 5.00% and is payable semiannually on March 1 and September 1. The 2014A Bonds mature annually on each September 1 through 2025 while the 2014B Bonds mature annually on each September 1 through 2018. Both Bonds are secured by a pledge of Redevelopment Property Tax Trust Fund revenues. The outstanding balances of the defeased debt as of June 30, 2022 were as follows:

| | |
|--|---------------------|
| Harbour Tax Allocation Refunding Bonds - 1998 Series A | <u>\$ 2,330,000</u> |
| Total | <u>\$ 2,330,000</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B - Original Issue Amounts \$25,795,000 and \$1,655,000, respectively, Continued

At June 30, 2022, the 2014 A & B Bonds consisted of the following:

| | |
|---------------------|---------------------|
| Bonds outstanding | \$ 8,570,000 |
| Unamortized premium | 303,585 |
| | <hr/> |
| Net | <u>\$ 8,873,585</u> |

The annual debt service requirements on the A & B bonds are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|---------------------|-------------------|---------------------|
| 2023 | \$ 2,000,000 | \$ 373,500 | \$ 2,373,500 |
| 2024 | 2,095,000 | 271,125 | 2,366,125 |
| 2025 | 2,185,000 | 164,125 | 2,349,125 |
| 2026 | 2,290,000 | 54,750 | 2,344,750 |
| Total | <u>\$ 8,570,000</u> | <u>\$ 863,500</u> | <u>\$ 9,433,500</u> |

Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2021 Series A & B - Original Issue Amounts \$15,070,000 and \$2,665,000, respectively

On December 18, 2020, the Redevelopment Agency issued Series 2020A&B Community Redevelopment Agency Refunding Bonds. The proceeds was used to repay a portion of the obligations of the Successor Agency under a Loan Agreement (Housing), dated as of October 1, 2004, by and between the Former Agency and the Richmond Joint Powers Financing Authority that secures payment of the Richmond Joint Powers Financing Authority Housing Set-Aside Tax Allocation Revenue Bonds, Series 2004B (Tax-Exempt) in the outstanding principal amount of \$720,000, and refund the \$21,625,000 outstanding principal amount of Richmond Community Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (Merged Project Areas), 2010 Series A (the "2010A Bonds" and, together with the 2004 Loan Agreement, the "Prior Obligations")

The Series 2021 Refunding Bonds will each be issued as fully registered Bonds and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2021 Refunding Bonds, as more fully described in APPENDIX G. The Series 2021 Refunding Bonds will be dated the date of delivery and issued in registered form in denominations of \$5,000 or any integral multiple of \$5,000 and will mature on September 1 of each year in the amounts as set forth on the inside cover page. Interest on the Series 2021 Refunding Bonds will be payable on each March 1 and September 1, commencing September 1, 2021.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2021 Series A & B - Original Issue Amounts \$15,070,000 and \$2,665,000, respectively, Continued

At June 30, 2022, the bond premium consisted of the following:

| | Value | Accretion / Amortization | Unamortized Premium (Discount) | Net |
|---------------------------------|---------------|-----------------------------|--------------------------------------|---------------|
| Successor Agency Bond 2021A & B | \$ 16,680,000 | \$ - | \$ 2,129,295 | \$ 18,809,295 |

The annual debt service requirements on the A & B bonds are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|---------------|--------------|---------------|
| 2023 | \$ 730,000 | \$ 579,360 | \$ 1,309,360 |
| 2024 | 1,800,000 | 556,980 | 2,356,980 |
| 2025 | 1,185,000 | 525,500 | 1,710,500 |
| 2026 | 2,155,000 | 458,700 | 2,613,700 |
| 2027 | 2,045,000 | 374,700 | 2,419,700 |
| 2028-2032 | 7,275,000 | 485,500 | 7,760,500 |
| 2033-2037 | 1,490,000 | 83,800 | 1,573,800 |
| Total | \$ 16,680,000 | \$ 3,064,540 | \$ 19,744,540 |

Loans Payable

The Richmond Joint Powers Financing Authority (Authority) has issued the Bonds listed below to assist in financing the Agency's operations. The Authority has retained reserve amounts required under the respective Bond indentures and loaned the net proceeds of these Bond issues to the Agency. The Authority is responsible for paying principal and interest on the Bonds; the Agency is responsible for making payments to the Authority in the amounts shown below.

The outstanding balances of loans payable to the Authority at June 30, 2022 came from the Bond issues listed below:

| | |
|---|----------------------|
| JPFA Tax Allocation Revenue Bonds - 2003 Series B | \$ 5,130,000 |
| JPFA Tax Allocation Revenue Bonds - 2004 Series A & B | 8,110,000 |
| Total | <u>\$ 13,240,000</u> |

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Loan from the Authority dated August 1, 2003

In 2003, the Authority issued 2003 Tax Allocation Revenue Bonds Series A and Series B in the original amount of \$28,580,000. The net proceeds of the bond issue were loaned to the Agency to provide funding for certain capital improvements and to repay the City of Richmond \$18,000,000 in partial payment of prior obligations. Under the terms of the loan agreement between the Agency and the Authority dated August 1, 2003, repayment of the loan is being made from certain tax increment revenues derived from taxable property within the Post-2004 Limit Area pledged by the Agency for the purpose of loan repayment. On March 27, 2014, the Agency issued the Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B which resulted in the refunding and defeasance of the outstanding balance of the 2003 Series A Bonds in the amount of \$12,910,000, as discussed above.

At issuance, the Bonds were insured by MBIA Insurance Corporation (which was reinsured by National Public Finance Guarantee Corporation (“NPFGC”). On December 5, 2017, Kroll Bond Rating Agency downgraded its insurance financial strength rating for NPFGC from ‘AA+’ to ‘AA’ and subsequently withdrew the rating citing business reasons. On January 17, 2018, Moody’s Investors Service (“Moody’s”) downgraded its insurance financial strength rating on NPFGC from ‘A3’ to ‘Baa2’. As a result of the foregoing, Moody’s downgraded its Insured Rating on the Bonds from ‘A3’ to ‘Baa2’. On February 13, 2019, S&P Global Ratings (formerly Standard and Poor’s Ratings Services) upgraded its Local Currency Long-Term and Underlying Ratings on the Bonds from ‘A+’ to ‘AA-’.

The annual debt service requirements on the 2003 Series B loan as of June 30, 2022 are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|--------------|------------|--------------|
| 2023 | \$ 885,000 | \$ 295,313 | \$ 1,180,313 |
| 2024 | 940,000 | 237,825 | 1,177,825 |
| 2025 | 1,600,000 | 157,815 | 1,757,815 |
| 2026 | 1,705,000 | 53,708 | 1,758,708 |
| Total | \$ 5,130,000 | \$ 744,661 | \$ 5,874,661 |

Loan from the Authority dated October 1, 2004

In 2004, the Authority issued the 2004 Tax Allocation Revenue Bonds Series A and Series B in the original amounts of \$15,000,000 and \$2,000,000, respectively. The net proceeds of the bond issue were loaned to the Agency to provide funding for certain capital improvements, low/moderate income housing and to repay the City of Richmond \$6,367,031 in prior obligations. Under the terms of the loan agreement between the Agency and the Authority dated August 1, 2003, repayment of the loan is being made from certain subordinate housing and non-housing tax increment revenues derived from the taxable property within the Merged Project Area pledged by the Agency for the purpose of loan repayment.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Loan from the Authority dated October 1, 2004, Continued

The annual debt service requirements for these loans as of June 30, 2022 are as follows:

| For the Years Ending June 30, | Principal | Interest | Total |
|----------------------------------|---------------------|---------------------|---------------------|
| 2023 | \$ 740,000 | \$ 421,056 | \$ 1,161,056 |
| 2024 | 690,000 | 382,160 | 1,072,160 |
| 2025 | 710,000 | 344,080 | 1,054,080 |
| 2026 | 750,000 | 304,368 | 1,054,368 |
| 2027 | 5,220,000 | 141,984 | 5,361,984 |
| Total | <u>\$ 8,110,000</u> | <u>\$ 1,593,648</u> | <u>\$ 9,703,648</u> |

Pledge of Redevelopment Tax Increment Revenues

The Bond issues and loans payable to the Authority discussed above consist of senior and parity obligations secured by future tax increment revenues. The pledge of all future tax increment revenues (housing and non-housing revenue) ends upon repayment of \$54,618,772 remaining debt service on the Bonds and loans which is scheduled to occur in 2037.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2022 calculated by the County Auditor–Controller were \$43,112,344. The total received by the Successor Agency for fiscal year 2022 debt service and other enforceable obligations was \$10,741,388, which the Successor Agency used along with cash on-hand to pay debt service of \$10,464,587.

A special assessment district has been established in an area of the Agency to provide improvements to properties located in that district. Properties in the district are assessed for the cost of improvements: these assessments are payable solely by property owners over the term of the debt issued to finance these improvements. The Agency is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties in these special assessment districts, nor is it obligated to advance Agency funds to repay these debts in the event of default.

One District, Marina Westshore Community Facilities District No. 1998-1, had issued Community Facilities District No. 1998-1 Special Tax Bonds which had a remaining balance outstanding of \$1,775,000 at June 30, 2022.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Conduit Debt

The Agency has assisted private-sector entities by sponsoring their issuance of debt for purposes the Agency deems to be in the public interest. These debt issues are secured solely by the property financed by the debt. The Agency is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties secured by these debts, nor is it obligated to advance Agency funds to repay these debts in the event of default by any of these issuers. At June 30, 2022, the balances of these issuers' outstanding debts were as follows:

| | | |
|---|----|------------|
| Baycliff Apartment Project, 2004 Revenue Bonds | \$ | - |
| Crescent Park Apartment Project, 2007 Series A & Series A-T Revenue Bonds | | 20,443,016 |

E. Commitments and Contingencies

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) annually that contains all proposed expenditures for the subsequent twelve-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

19. SUBSEQUENT EVENTS

A. Series 2022 Taxable Pension Refunding Bonds

On August 25, 2022, the City issued Series 2022 Taxable Pension Refunding Bonds in the amount of \$154,140,000. The proceeds from the Bonds were used to refund all of the City's outstanding Taxable Pension Funding Bonds, Series 2005 B-1 Bonds and Taxable Pension Funding Bonds, Series 2005 B-2, to pay interest rate swap termination fees and pay the costs of issuance related to the Series 2022 Bonds. The Bonds bear interest rates of 4.234% to 5.508%. Principal payments are due annually on January 15, 2026 through 2037 and semi-annual interest payments are due January 15 and July 15 commencing on July 15, 2023.

20. NEW ACCOUNTING STANDARDS

Accounting Standards Adopted

- GASB Statement No. 87, *Leases* – The objective of this statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

20. NEW ACCOUNTING STANDARDS, Continued

Accounting Standards Adopted, Continued

- GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* – The objective of this statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 92, *Omnibus 2020* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates* – Statement No. 93 requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument’s variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The provisions of Statement No. 93 has multiple effective dates. The city has implemented GASB99 to allow the continued use of LIBOR as an appropriate benchmark through the extended period of June 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

20. NEW ACCOUNTING STANDARDS, Continued

Accounting Standards Adopted, Continued

- GASB Statement No. 99, Omnibus 2022 – The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement applies to the City for the current fiscal year.

New Accounting Standards

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- GASB Statement 91, Conduit Debt Obligations – The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for the City’s year ending June 30, 2023.
- GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the City’s year ending June 30, 2023.
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements – The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the City’s year ending June 30, 2023.
- GASB Statement No. 100, Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62 – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the City’s year ending June 30, 2024.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

20. NEW ACCOUNTING STANDARDS, Continued

New Accounting Standards, Continued

- GASB Statement No. 101, Compensated Absences – The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the City’s year ending June 30, 2025.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

BUDGET AND BUDGETARY ACCOUNTING

Budgeting Procedures

The City adopts a budget annually to be effective July 1, for the ensuing fiscal year. Budgeted expenditures are adopted through the passage of a resolution. This resolution constitutes the maximum authorized expenditures for the fiscal year and cannot legally be exceeded except by subsequent amendments of the budget by the City Council.

The City uses an encumbrance system as an extension of normal budgetary accounting for the General Fund, special revenue funds, and capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end.

An operating budget is adopted each fiscal year on a basis consistent with Generally Accepted Accounting Principles (GAAP) for the General Fund, certain Special Revenue Funds (State Gas Tax, General Purpose, Paratransit Operations, Public Safety, Lighting and Landscaping Districts, Developer Impact Fees, Community Development and Loan Programs, Richmond Neighborhood Stabilization Corporation, Rent Control, Cost Recovery and Environmental Community Investment Agreement) and the debt service funds (2005 Pension Obligation Bonds, General Debt Service and Civic Center Debt Service). Public hearings are conducted on the proposed budgets to review all appropriations and sources of financing. Capital projects funds are budgeted on a project length basis and are therefore not comparable on an annual basis.

Expenditures are controlled at the fund level for all budgeted departments within the City. This is the level at which expenditures may not legally exceed appropriations. Budgeted amounts for the Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual include budget amendments approved by City Council.

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|--------------------|-----------------------|----------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 47,460,890 | \$ 45,233,561 | \$ 47,362,317 | \$ 2,128,756 |
| Sales taxes | 50,060,211 | 51,993,736 | 53,453,323 | 1,459,587 |
| Utility user taxes | 45,452,324 | 46,522,663 | 48,373,588 | 1,850,925 |
| Other taxes | 18,269,102 | 20,953,343 | 26,573,077 | 5,619,734 |
| Licenses, permits and fees | 9,569,100 | 8,144,350 | 8,731,752 | 587,402 |
| Fines, forfeitures and penalties | 550,000 | 468,897 | 405,439 | (63,458) |
| Use of money and property | 236,079 | 236,079 | 254,822 | 18,743 |
| Intergovernmental | 403,569 | 431,447 | 618,716 | 187,269 |
| Charges for services | 5,621,157 | 5,634,444 | 6,153,304 | 518,860 |
| Rent | 733,206 | 747,268 | 723,596 | (23,672) |
| Other | 158,977 | 1,510,327 | 898,401 | (611,926) |
| Total revenues | 178,514,615 | 181,876,115 | 193,548,335 | 11,672,220 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 35,672,860 | 34,814,698 | 33,961,939 | 852,759 |
| Public safety | 104,751,036 | 107,664,838 | 94,871,787 | 12,793,051 |
| Public works | 27,837,348 | 29,138,845 | 25,445,699 | 3,693,146 |
| Cultural and recreational | 11,014,614 | 11,238,867 | 10,268,987 | 969,880 |
| Capital outlay | 1,335,000 | 1,077,000 | 470,678 | 606,322 |
| Debt service: | | | | |
| Principal | 945,068 | 945,068 | 2,782,527 | (1,837,459) |
| Interest and fiscal charges | 120,292 | 120,292 | 125,779 | (5,487) |
| Total expenditures | 181,676,218 | 184,999,608 | 167,927,396 | 17,072,212 |
| REVENUES OVER (UNDER) EXPENDITURES | (3,161,603) | (3,123,493) | 25,620,939 | 28,744,432 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of property | 100,000 | 100,000 | 6,788 | (93,212) |
| Transfers in | 11,656,182 | 12,004,224 | 9,859,938 | (2,144,286) |
| Transfers out | (7,884,939) | (12,801,419) | (14,137,938) | (1,336,519) |
| Total other financing sources (uses) | 3,871,243 | (697,195) | (4,271,212) | (3,574,017) |
| Net change in fund balances | \$ 709,640 | \$ (3,820,688) | 21,349,727 | \$ 25,170,415 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 49,114,042 | |
| End of year | | | <u>\$ 70,463,769</u> | |

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Community Development and Loan Programs Special Revenue Fund For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|-----------------------|-----------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Licenses, permits and fees | \$ 668,221 | \$ 668,221 | \$ 26,302 | \$ (641,919) |
| Use of money and property | 200,042 | 200,042 | 160,477 | (39,565) |
| Intergovernmental | 966,432 | 966,432 | - | (966,432) |
| Other | 991,904 | 991,904 | 1,014,187 | 22,283 |
| Total revenues | 2,826,599 | 2,826,599 | 1,200,966 | (1,625,633) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Community development | 3,221,421 | 3,499,301 | 507,865 | 2,991,436 |
| Housing and redevelopment | 1,492,165 | 1,545,048 | 735,675 | 809,373 |
| Capital outlay | 1,150,000 | 1,150,000 | - | 1,150,000 |
| Total expenditures | 5,863,586 | 6,194,349 | 1,243,540 | 4,950,809 |
| REVENUES OVER (UNDER) EXPENDITURES | (3,036,987) | (3,367,750) | (42,574) | 3,325,176 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of property | 106,036 | 106,036 | 81,689 | (24,347) |
| Transfers in | 562,101 | 562,101 | - | (562,101) |
| Transfers out | (562,101) | (1,042,101) | (10,000) | 1,032,101 |
| Total other financing sources (uses) | 106,036 | (373,964) | 71,689 | 445,653 |
| Net change in fund balances | \$ (2,930,951) | \$ (3,741,714) | 29,115 | \$ 3,770,829 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year, as restated | | | 31,397,876 | |
| End of year | | | \$ 31,426,991 | |

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Measurement Date | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 |
| Total Pension Liability | | | | |
| Service cost | \$ 6,902,037 | \$ 7,529,439 | \$ 7,652,864 | \$ 7,637,812 |
| Interest | 35,423,024 | 34,974,846 | 34,315,542 | 33,323,855 |
| Differences between actual and expected experience | (6,412,719) | (4,393,691) | (331,531) | (4,642,948) |
| Changes in assumptions | - | - | - | (3,224,832) |
| Benefit payments, including refunds of employee contributions | <u>(30,000,846)</u> | <u>(29,018,486)</u> | <u>(27,565,398)</u> | <u>(25,970,450)</u> |
| Net change in the total pension liability | 5,911,496 | 9,092,108 | 14,071,477 | 7,123,437 |
| Total pension liability - beginning | <u>513,389,020</u> | <u>504,296,912</u> | <u>490,225,435</u> | <u>483,101,998</u> |
| Total pension liability - ending (a) | <u><u>\$ 519,300,516</u></u> | <u><u>\$ 513,389,020</u></u> | <u><u>\$ 504,296,912</u></u> | <u><u>\$ 490,225,435</u></u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 14,612,575 | \$ 13,778,755 | \$ 12,156,723 | \$ 10,489,795 |
| Contributions - employee | 2,657,439 | 2,749,990 | 2,843,043 | 2,894,841 |
| Net investment income | 83,636,340 | 18,237,576 | 23,350,283 | 28,880,923 |
| Plan to plan resource movement | (4,882) | - | - | (842) |
| Administrative expense | (378,350) | (526,586) | (259,047) | (542,721) |
| Benefit payments, including refunds of employee contributions | <u>(30,000,846)</u> | <u>(29,018,486)</u> | <u>(27,565,398)</u> | <u>(25,970,450)</u> |
| Other miscellaneous income (expense) | <u>-</u> | <u>-</u> | <u>842</u> | <u>(1,030,636)</u> |
| Net change in plan fiduciary net position | 70,522,276 | 5,221,249 | 10,526,446 | 14,720,910 |
| Plan fiduciary net position - beginning | <u>378,751,581</u> | <u>373,530,332</u> | <u>363,003,886</u> | <u>348,282,976</u> |
| Plan fiduciary net position - ending (b) | <u><u>\$ 449,273,857</u></u> | <u><u>\$ 378,751,581</u></u> | <u><u>\$ 373,530,332</u></u> | <u><u>\$ 363,003,886</u></u> |
| Net pension liability - ending (a) - (b) | <u><u>\$ 70,026,659</u></u> | <u><u>\$ 134,637,439</u></u> | <u><u>\$ 130,766,580</u></u> | <u><u>\$ 127,221,549</u></u> |
| Plan fiduciary net position as a percentage percentage of the total pension liability | 86.52% | 73.77% | 74.07% | 74.05% |
| Covered payroll | \$ 32,686,024 | \$ 35,129,597 | \$ 36,295,759 | \$ 35,725,311 |
| Net pension liability as a percentage of covered payroll | 214.24% | 383.26% | 360.28% | 356.11% |

Notes to the schedule:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

* Fiscal year 2015 was the 1st year of implementation.

| <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |
| \$ 8,053,459 | \$ 7,200,571 | \$ 7,446,410 | \$ 7,816,868 |
| 32,804,753 | 32,305,003 | 31,414,256 | 30,597,498 |
| (4,464,966) | (3,484,064) | (5,280,549) | - |
| 25,548,824 | - | (7,116,200) | - |
| <u>(25,074,448)</u> | <u>(23,917,069)</u> | <u>(23,302,793)</u> | <u>(23,007,539)</u> |
| 36,867,622 | 12,104,441 | 3,161,124 | 15,406,827 |
| 446,234,376 | 434,129,935 | 430,968,811 | 415,561,984 |
| <u>\$ 483,101,998</u> | <u>\$ 446,234,376</u> | <u>\$ 434,129,935</u> | <u>\$ 430,968,811</u> |
| \$ 8,860,295 | \$ 8,093,834 | \$ 7,189,716 | \$ 6,661,038 |
| 2,996,354 | 3,087,656 | 3,141,565 | 3,195,699 |
| 35,805,938 | 1,630,388 | 7,502,958 | 51,867,728 |
| (50,018) | (4,762) | (6,885) | - |
| (481,651) | (205,714) | (379,925) | - |
| (25,074,448) | (23,917,069) | (23,302,793) | (23,007,539) |
| - | - | - | - |
| 22,056,470 | (11,315,667) | (5,855,364) | 38,716,926 |
| 326,226,506 | 337,542,173 | 343,397,537 | 304,680,611 |
| <u>\$ 348,282,976</u> | <u>\$ 326,226,506</u> | <u>\$ 337,542,173</u> | <u>\$ 343,397,537</u> |
| <u>\$ 134,819,022</u> | <u>\$ 120,007,870</u> | <u>\$ 96,587,762</u> | <u>\$ 87,571,274</u> |
| 72.09% | 73.11% | 77.75% | 79.68% |
| \$ 35,964,798 | \$ 36,638,889 | \$ 36,151,102 | \$ 37,210,225 |
| 374.86% | 327.54% | 267.18% | 235.34% |

Changes in Assumptions: None in 2019,2020 or 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Contributions - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|---|------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 14,466,499 | \$ 14,438,844 | \$ 13,783,427 | \$ 12,150,650 |
| Contributions in relation to actuarially determined contributions | (14,466,499) | (14,438,844) | (13,783,427) | (12,150,650) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 31,565,766 | \$ 32,686,024 | \$ 35,129,597 | \$ 36,295,759 |
| Contributions as a percentage of covered payroll | 45.83% | 44.17% | 39.24% | 33.48% |

Notes to the schedule:

Valuation date: 6/30/2020 6/30/2019 6/30/2017 6/30/2016

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

| | |
|---------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | For details, see June 30, 2018 CalPERS Funding Valuation Report |
| Asset valuation method | For details, see June 30, 2018 CalPERS Funding Valuation Report |
| Inflation | 2.500% |
| Payroll growth | 2.750% |
| Salary increases | Varies by Entry Age and Service. |
| Investment rate of return | 7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, and 7.00% for 2021 net of pension plan investment and administrative expenses, including inflation. |
| Retirement age | The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. |
| Mortality rate table | The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries |

* Fiscal year 2015 was the 1st year of implementation.

| <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> |
|---------------------|--------------------|--------------------|--------------------|
| \$ 10,436,250 | \$ 8,867,763 | \$ 8,084,584 | \$ 7,178,549 |
| <u>(10,436,250)</u> | <u>(8,867,763)</u> | <u>(8,084,584)</u> | <u>(7,178,549)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 35,725,311 | \$ 35,964,798 | \$ 36,638,889 | \$ 36,151,102 |
| 29.21% | 24.66% | 22.07% | 19.86% |
| 6/30/2015 | 6/30/2014 | 6/30/2013 | 6/30/2012 |

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Safety Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Measurement Date | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 |
| Total Pension Liability | | | | |
| Service cost | \$ 10,261,858 | \$ 10,958,278 | \$ 11,313,128 | \$ 11,391,456 |
| Interest | 48,387,109 | 47,218,257 | 46,009,128 | 44,562,419 |
| Differences between actual and expected experience | (1,211,011) | (2,189,929) | 433,759 | 413,272 |
| Changes in assumptions | - | - | - | (2,676,340) |
| Benefit payments, including refunds of employee contributions | (41,557,485) | (38,982,005) | (37,105,985) | (35,123,568) |
| Net change in the total pension liability | 15,880,471 | 17,004,601 | 20,650,030 | 18,567,239 |
| Total pension liability - beginning | 693,601,610 | 676,597,009 | 655,946,979 | 637,379,740 |
| Total pension liability - ending (a) | \$ 709,482,081 | \$ 693,601,610 | \$ 676,597,009 | \$ 655,946,979 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 21,598,699 | \$ 19,362,087 | \$ 16,658,515 | \$ 14,016,085 |
| Contributions - employee | 4,314,111 | 4,232,707 | 4,238,132 | 4,226,345 |
| Net investment income | 105,126,083 | 22,875,702 | 29,333,974 | 36,380,672 |
| Plan to plan resource movement | 4,881 | - | - | (1,062) |
| Administrative expense | (476,147) | (662,340) | (326,144) | (684,883) |
| Benefit payments, including refunds of employee contributions | (41,557,485) | (38,982,005) | (37,105,985) | (35,123,568) |
| Other miscellaneous income (expense) | - | - | 1,062 | (1,300,605) |
| Net change in plan fiduciary net position | 89,010,142 | 6,826,151 | 12,799,554 | 17,512,984 |
| Plan fiduciary net position - beginning | 476,652,329 | 469,826,178 | 457,026,624 | 439,513,640 |
| Plan fiduciary net position - ending (b) | \$ 565,662,471 | \$ 476,652,329 | \$ 469,826,178 | \$ 457,026,624 |
| Net pension liability - ending (a) - (b) | \$ 143,819,610 | \$ 216,949,281 | \$ 206,770,831 | \$ 198,920,355 |
| Plan fiduciary net position as a percentage of the total pension liability | 79.73% | 68.72% | 69.44% | 69.67% |
| Covered payroll | \$ 33,272,769 | \$ 34,316,884 | \$ 35,870,534 | \$ 34,439,607 |
| Net pension liability as a percentage of covered payroll | 432.24% | 632.19% | 576.44% | 577.59% |

Notes to the schedule:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

* Fiscal year 2015 was the 1st year of implementation.

| <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|
| 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |
| \$ 11,650,927 | \$ 10,297,536 | \$ 10,142,245 | \$ 10,167,167 |
| 43,264,626 | 41,950,593 | 40,142,006 | 38,254,517 |
| 797,969 | 2,950,295 | 3,799,388 | - |
| 35,109,898 | - | (9,563,090) | - |
| (33,620,000) | (30,593,589) | (28,747,508) | (27,199,743) |
| 57,203,420 | 24,604,835 | 15,773,041 | 21,221,941 |
| 580,176,320 | 555,571,485 | 539,798,444 | 518,576,503 |
| <u>\$ 637,379,740</u> | <u>\$ 580,176,320</u> | <u>\$ 555,571,485</u> | <u>\$ 539,798,444</u> |
| \$ 12,699,049 | \$ 11,488,714 | \$ 10,652,641 | \$ 9,352,438 |
| 4,471,008 | 4,607,993 | 3,797,568 | 3,348,408 |
| 45,166,243 | 2,062,417 | 9,408,186 | 64,842,562 |
| 50,018 | 4,762 | 3,476 | - |
| (607,337) | (258,432) | (477,249) | - |
| (33,620,000) | (30,593,589) | (28,747,508) | (27,199,743) |
| - | - | - | - |
| 28,158,981 | (12,688,135) | (5,362,886) | 50,343,665 |
| 411,354,659 | 424,042,794 | 429,405,680 | 379,062,015 |
| <u>\$ 439,513,640</u> | <u>\$ 411,354,659</u> | <u>\$ 424,042,794</u> | <u>\$ 429,405,680</u> |
| <u>\$ 197,866,100</u> | <u>\$ 168,821,661</u> | <u>\$ 131,528,691</u> | <u>\$ 110,392,764</u> |
| 68.96% | 70.90% | 76.33% | 79.55% |
| \$ 37,273,957 | \$ 37,352,212 | \$ 36,161,966 | \$ 35,479,947 |
| 530.84% | 451.97% | 363.72% | 311.14% |

Changes in Assumptions: None in 2019, 2020 or 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Safety Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Contributions - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|---|------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 21,603,382 | \$ 21,315,231 | \$ 19,355,578 | \$ 16,363,802 |
| Contributions in relation to actuarially determined contributions | (21,603,382) | (21,315,231) | (19,355,578) | (16,363,802) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 30,325,691 | \$ 33,272,769 | \$ 34,316,884 | \$ 35,870,534 |
| Contributions as a percentage of covered payroll | 71.24% | 64.06% | 56.40% | 45.62% |

Notes to the schedule:

| | | | | |
|-----------------|-----------|-----------|-----------|-----------|
| Valuation date: | 6/30/2020 | 6/30/2019 | 6/30/2017 | 6/30/2016 |
|-----------------|-----------|-----------|-----------|-----------|

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21

| | |
|---------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | For details, see June 30, 2018 CalPERS Funding Valuation Report |
| Asset valuation method | For details, see June 30, 2018 CalPERS Funding Valuation Report |
| Inflation | 2.50% |
| Payroll growth | 2.750% |
| Salary increases | Varies by Entry Age and Service. |
| Investment rate of return | 7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, and 7.00% for 2021 net of pension plan investment and administrative expenses, including inflation. |
| Retirement age | The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. |
| Mortality rate table | The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries |

* Fiscal year 2015 was the 1st year of implementation.

| <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> |
|---------------------|---------------------|---------------------|---------------------|
| \$ 14,013,858 | \$ 12,696,582 | \$ 11,492,798 | \$ 10,650,057 |
| <u>(14,013,858)</u> | <u>(12,696,582)</u> | <u>(11,492,798)</u> | <u>(10,650,057)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 34,439,607 | \$ 37,273,957 | \$ 37,352,212 | \$ 36,151,966 |
| 40.69% | 34.06% | 30.77% | 29.46% |

6/30/2015 6/30/2014 6/30/2013 6/30/2012

were derived from the June 30, 2018 funding valuation report.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

General Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|--|---------------------|---------------------|---------------------|---------------------|
| Measurement Date | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
| Total Pension Liability | | | | |
| Service cost | \$ - | \$ - | \$ - | \$ - |
| Interest | \$ 16,222 | \$ 35,526 | \$ 57,712 | \$ 70,585 |
| Differences between actual and expected experience | - | 106,639 | - | 150,123 |
| Changes in assumptions | - | 72,660 | 66,443 | 102,792 |
| Changes in benefits | - | - | - | - |
| Benefit payments, including refunds of employee contributions | (371,727) | (401,991) | (424,760) | (494,605) |
| Net change in the total pension liability | (355,505) | (187,166) | (300,605) | (171,105) |
| Total pension liability - beginning | 1,808,072 | 1,995,238 | 2,295,843 | 2,466,948 |
| Total pension liability - ending (a) | \$ 1,452,567 | \$ 1,808,072 | \$ 1,995,238 | \$ 2,295,843 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 345,348 | \$ 319,025 | \$ 503,714 | \$ 812,561 |
| Contributions - donations and other income | - | - | - | - |
| Contributions - member | - | - | - | - |
| Net investment income | 3,617 | 5,501 | 23,724 | 8,124 |
| Other additions | - | - | - | - |
| Benefit payments, including member contribution refunds | (371,727) | (401,991) | (424,760) | (494,605) |
| Administrative expenses | - | - | - | - |
| Other deductibles | - | - | - | - |
| Net change in the total pension liability | (22,762) | (77,465) | 102,678 | 326,080 |
| Plan fiduciary net position - beginning | 1,093,026 | 1,170,491 | 1,067,813 | 741,733 |
| Plan fiduciary net position - ending (b) | \$ 1,070,264 | \$ 1,093,026 | \$ 1,170,491 | \$ 1,067,813 |
| Net pension liability - ending (a) - (b) | \$ 382,303 | \$ 715,046 | \$ 824,747 | \$ 1,228,030 |
| Plan fiduciary net position as a percentage of the total pension liability | 73.7% | 60.5% | 58.7% | 46.5% |
| Covered payroll | n/a | n/a | n/a | n/a |
| Net pension liability as a percentage of covered payroll | n/a | n/a | n/a | n/a |

* Fiscal year 2014 was the 1st year of implementation.

| <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> | <u>6/30/2014</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |
| \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 80,100 | \$ 92,742 | \$ 107,632 | \$ 128,954 | \$ 147,247 |
| - | 40,459 | - | 345,786 | - |
| (20,669) | - | - | 322,312 | - |
| - | - | - | - | - |
| <u>(524,939)</u> | <u>(584,272)</u> | <u>(623,662)</u> | <u>(672,546)</u> | <u>(592,105)</u> |
| (465,508) | (451,071) | (516,030) | 124,506 | (444,858) |
| <u>2,932,456</u> | <u>3,383,527</u> | <u>3,899,557</u> | <u>3,775,051</u> | <u>4,219,909</u> |
| <u>\$ 2,466,948</u> | <u>\$ 2,932,456</u> | <u>\$ 3,383,527</u> | <u>\$ 3,899,557</u> | <u>\$ 3,775,051</u> |
| \$ 814,594 | \$ 73,592 | \$ 602,970 | \$ 602,970 | \$ 602,970 |
| - | - | - | - | - |
| - | - | - | - | - |
| 2,207 | 3,351 | 2,255 | 2,017 | (837) |
| - | - | - | - | - |
| (524,939) | (584,272) | (623,662) | (672,546) | (592,105) |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>291,862</u> | <u>(507,329)</u> | <u>(18,437)</u> | <u>(67,559)</u> | <u>10,028</u> |
| <u>449,871</u> | <u>957,200</u> | <u>975,637</u> | <u>1,043,196</u> | <u>1,033,168</u> |
| <u>\$ 741,733</u> | <u>\$ 449,871</u> | <u>\$ 957,200</u> | <u>\$ 975,637</u> | <u>\$ 1,043,196</u> |
| <u>\$ 1,725,215</u> | <u>\$ 2,482,585</u> | <u>\$ 2,426,327</u> | <u>\$ 2,923,920</u> | <u>\$ 2,731,855</u> |
| 30.1% | 15.3% | 28.3% | 25.0% | 27.6% |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Police and Firemen's Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|--|-----------------------|-----------------------|----------------------|----------------------|
| Measurement Date | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
| Total Pension Liability | | | | |
| Interest | \$ 283,996 | \$ 561,163 | \$ 606,022 | \$ 952,312 |
| Differences between actual and expected experience | - | (3,680,825) | - | (3,103,425) |
| Changes in assumptions | - | 28,483 | - | 1,037,914 |
| Benefit payments, including refunds of employee contributions | (1,117,194) | (1,412,673) | (1,793,082) | (2,170,136) |
| Net change in the total pension liability | (833,198) | (4,503,852) | (1,187,060) | (3,283,335) |
| Total pension liability - beginning | 8,672,774 | 13,176,626 | 14,363,686 | 17,647,021 |
| Total pension liability - ending (a) | \$ 7,839,576 | \$ 8,672,774 | \$ 13,176,626 | \$ 14,363,686 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ - | \$ 937,004 | \$ 937,004 | \$ 1,270,466 |
| Net investment income | (1,939,002) | 2,527,138 | 584,954 | 645,593 |
| Benefit payments, including member contribution refunds | (1,117,194) | (1,412,673) | (1,793,082) | (2,170,136) |
| Other deductibles | - | - | - | - |
| Net change in the total pension liability | (3,056,196) | 2,051,469 | (271,124) | (254,077) |
| Plan fiduciary net position - beginning | 13,113,847 | 11,062,378 | 11,333,502 | 11,587,579 |
| Plan fiduciary net position - ending (b) | \$ 10,057,651 | \$ 13,113,847 | \$ 11,062,378 | \$ 11,333,502 |
| Net pension liability - ending (a) - (b) | \$ (2,218,075) | \$ (4,441,073) | \$ 2,114,248 | \$ 3,030,184 |
| Plan fiduciary net position as a percentage of the total pension liability | 128.3% | 151.2% | 84.0% | 78.9% |
| Covered payroll | n/a | n/a | n/a | n/a |
| Net pension liability as a percentage of covered payroll | n/a | n/a | n/a | n/a |

* Fiscal year 2014 was the 1st year of implementation.

| <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> | <u>6/30/2014</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |
| \$ 1,031,753 | \$ 1,111,386 | \$ 1,214,089 | \$ 1,464,746 | \$ 1,579,762 |
| - | 261,891 | - | (323,462) | - |
| - | - | - | 1,380,854 | - |
| <u>(2,656,508)</u> | <u>(2,859,902)</u> | <u>(3,140,552)</u> | <u>(3,074,421)</u> | <u>(3,436,887)</u> |
| (1,624,755) | (1,486,625) | (1,926,463) | (552,283) | (1,857,125) |
| <u>19,271,776</u> | <u>20,758,401</u> | <u>22,684,864</u> | <u>23,237,147</u> | <u>25,094,272</u> |
| <u>\$ 17,647,021</u> | <u>\$ 19,271,776</u> | <u>\$ 20,758,401</u> | <u>\$ 22,684,864</u> | <u>\$ 23,237,147</u> |
| \$ 1,270,466 | \$ 1,270,466 | \$ 1,222,197 | \$ 740,235 | \$ 740,235 |
| 589,027 | 1,340,997 | (165,490) | 369,240 | 2,968,492 |
| (2,656,508) | (2,859,902) | (3,140,552) | (3,074,421) | (3,436,887) |
| - | - | - | - | (3,424,568) |
| <u>(797,015)</u> | <u>(248,439)</u> | <u>(2,083,845)</u> | <u>(1,964,946)</u> | <u>(3,152,728)</u> |
| <u>12,384,594</u> | <u>12,633,033</u> | <u>14,716,878</u> | <u>16,681,824</u> | <u>19,834,552</u> |
| <u>\$ 11,587,579</u> | <u>\$ 12,384,594</u> | <u>\$ 12,633,033</u> | <u>\$ 14,716,878</u> | <u>\$ 16,681,824</u> |
| <u>\$ 6,059,442</u> | <u>\$ 6,887,182</u> | <u>\$ 8,125,368</u> | <u>\$ 7,967,986</u> | <u>\$ 6,555,323</u> |
| 65.7% | 64.3% | 60.9% | 64.9% | 71.8% |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Garfield Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|---|-------------------|-------------------|-------------------|-------------------|
| Measurement Date | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
| Total Pension Liability | | | | |
| Interest | \$ 2,950 | \$ 4,877 | \$ 7,756 | \$ 17,334 |
| Differences between actual and expected experience | - | 51,995 | - | (220,079) |
| Changes in assumptions | - | 10,397 | 10,225 | (1,426) |
| Benefit payments, including refunds of employee contributions | (51,807) | (50,048) | (49,067) | (77,703) |
| Net change in the total pension liability | (48,857) | 17,221 | (31,086) | (281,874) |
| Total pension liability - beginning | 320,914 | 303,693 | 334,779 | 616,653 |
| Total pension liability - ending (a) | \$ 272,057 | \$ 320,914 | \$ 303,693 | \$ 334,779 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 12,408 | \$ - | \$ - | \$ 102,140 |
| Net investment income | (1,751) | 1,984 | 6,914 | 7,024 |
| Benefit payments, including member contribution refunds | (51,807) | (50,048) | (49,067) | (77,703) |
| Net change in the total pension liability | (41,150) | (48,064) | (42,153) | 31,461 |
| Plan fiduciary net position - beginning | 249,005 | 297,069 | 339,222 | 307,761 |
| Plan fiduciary net position - ending (b) | \$ 207,855 | \$ 249,005 | \$ 297,069 | \$ 339,222 |
| Net pension liability - ending (a) - (b) | \$ 64,202 | \$ 71,909 | \$ 6,624 | \$ (4,443) |
| Plan fiduciary net position as a percentage percentage of the total pension liability | 76.4% | 77.6% | 97.8% | 101.3% |
| Covered payroll | n/a | n/a | n/a | n/a |
| Net pension liability as a percentage of covered payroll | n/a | n/a | n/a | n/a |

* Fiscal year 2014 was the 1st year of implementation.

| <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> | <u>6/30/2014</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |
| \$ 19,334 | \$ 19,517 | \$ 21,615 | \$ 28,597 | \$ 30,759 |
| - | 67,810 | - | (45,458) | - |
| - | - | - | 64,544 | - |
| (94,323) | (92,474) | (90,660) | (88,883) | (87,140) |
| (74,989) | (5,147) | (69,045) | (41,200) | (56,381) |
| 691,642 | 696,789 | 765,834 | 807,034 | 863,415 |
| <u>\$ 616,653</u> | <u>\$ 691,642</u> | <u>\$ 696,789</u> | <u>\$ 765,834</u> | <u>\$ 807,034</u> |
| \$ 102,140 | \$ 102,140 | \$ 102,140 | \$ 102,140 | \$ 102,140 |
| 2,627 | 1,517 | 933 | 577 | 227 |
| (94,323) | (92,474) | (90,660) | (88,883) | (87,141) |
| 10,444 | 11,183 | 12,413 | 13,834 | 15,226 |
| 297,317 | 286,134 | 273,721 | 259,887 | 244,661 |
| <u>\$ 307,761</u> | <u>\$ 297,317</u> | <u>\$ 286,134</u> | <u>\$ 273,721</u> | <u>\$ 259,887</u> |
| <u>\$ 308,892</u> | <u>\$ 394,325</u> | <u>\$ 410,655</u> | <u>\$ 492,113</u> | <u>\$ 547,147</u> |
| 49.9% | 43.0% | 41.1% | 35.7% | 32.2% |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Schedule of Contributions - Last 10 Years

| Fiscal Year Ended | (1) Actuarially Determined Contribution (ADC) | (2) Employer Contributions | (3) Contribution Deficiency (Excess) (1) - (2) | (4) Covered Employee Payroll | (5) ADC / Covered Employee Payroll (1) / (4) |
|--|--|-------------------------------|---|---------------------------------|---|
| General Pension Plan | | | | | |
| June 30, 2011 | \$ 486,092 | \$ 486,092 | \$ - | n/a | n/a |
| June 30, 2012 | 455,662 | 148,186 | 307,476 | n/a | n/a |
| June 30, 2013 | 502,278 | 660,992 | (158,714) | n/a | n/a |
| June 30, 2014 | 602,970 | 602,970 | - | n/a | n/a |
| June 30, 2015 | 602,970 | 602,970 | - | n/a | n/a |
| June 30, 2016 | 750,016 | 602,970 | 147,046 | n/a | n/a |
| June 30, 2017 | 750,016 | 73,592 | 676,424 | n/a | n/a |
| June 30, 2018 | 947,219 | 814,594 | 132,625 | n/a | n/a |
| June 30, 2019 | 947,219 | 812,561 | 134,658 | n/a | n/a |
| June 30, 2020 | 469,402 | 503,714 | (34,312) | n/a | n/a |
| June 30, 2021 | 312,462 | 319,025 | (6,563) | n/a | n/a |
| June 30, 2022 | 345,348 | 345,348 | - | n/a | n/a |
| Police & Firemen's Pension Plan | | | | | |
| June 30, 2011 | \$ 2,257,912 | \$ - | \$ 2,257,912 | n/a | n/a |
| June 30, 2012 | 1,596,771 | - | 1,596,771 | n/a | n/a |
| June 30, 2013 | 1,813,721 | 1,596,771 | 216,950 | n/a | n/a |
| June 30, 2014 | 740,235 | 740,234 | 1 | n/a | n/a |
| June 30, 2015 | 740,235 | 740,235 | - | n/a | n/a |
| June 30, 2016 | 1,270,466 | 1,222,197 | 48,269 | n/a | n/a |
| June 30, 2017 | 1,270,466 | 1,270,466 | - | n/a | n/a |
| June 30, 2018 | 1,389,612 | 1,270,466 | 119,146 | n/a | n/a |
| June 30, 2019 | 1,389,612 | 1,270,466 | 119,146 | n/a | n/a |
| June 30, 2020 | 937,004 | 937,004 | - | n/a | n/a |
| June 30, 2021 | 937,004 | 937,004 | - | n/a | n/a |
| June 30, 2022 | - | - | - | n/a | n/a |
| Garfield Pension Plan | | | | | |
| June 30, 2011 | \$ 76,692 | \$ 76,692 | \$ - | n/a | n/a |
| June 30, 2012 | 78,731 | - | 78,731 | n/a | n/a |
| June 30, 2013 | 92,092 | 77,000 | 15,092 | n/a | n/a |
| June 30, 2014 | 102,140 | 102,140 | - | n/a | n/a |
| June 30, 2015 | 102,140 | 102,140 | - | n/a | n/a |
| June 30, 2016 | 78,987 | 102,140 | (23,153) | n/a | n/a |
| June 30, 2017 | 78,987 | 102,140 | (23,153) | n/a | n/a |
| June 30, 2018 | 86,103 | 102,140 | (16,037) | n/a | n/a |
| June 30, 2019 | 86,103 | 102,140 | (16,037) | n/a | n/a |
| June 30, 2020 | - | - | - | n/a | n/a |
| June 30, 2021 | - | - | - | n/a | n/a |
| June 30, 2022 | 12,408 | 12,408 | - | n/a | n/a |

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Schedule of Contributions - Last 10 Years, Continued

Notes to Schedule:

| | <u>Police and Firemen's Plan</u> | <u>General Pension Plan</u> | <u>Garfield Pension Plan</u> |
|--|---|---------------------------------|----------------------------------|
| Actuarially determined contribution rates are calculated as of the end of the fiscal year in which contributions are reported from the July 1, 2019 Actuarial Valuation. | | | |
| Methods and assumptions used to determine contribution rates: | | | |
| Actuarial cost method | Entry age normal cost | Entry age normal cost | Entry age normal cost |
| Amortization method | Investment Gains & Losses: Straight-line amortization over a closed 5-year period. | | |
| | Effects of Assumptions Changes and Experience Gains and Losses: | | |
| | Straight-line amortization over a closed period equal to the average of the expected remaining service lives of all members that are provided with pensions through the pension plan. Since the plan no longer has active members, the effects of assumption changes and experience are recognized immediately. | | |
| Remaining amortization period | 5 years | 1 year | (A) |
| Asset valuation method | Market value of assets | Market value of assets | Market value of assets |
| Inflation (short-term) | 2.00% | 2.00% | 2.00% |
| Salary increases used to estimate future increases to pensions | n/a | n/a | n/a |
| Discount rate, net of investment expenses | 3.50% | 1.00% | 1.00% |
| Retirement age | Closed to new members | Closed to new members | Closed to new members |
| Mortality | California PERS Mortality Table in its 2017 experience study (based on CalPERS 1997 - 2015 experience) | | |

(A) There is no amortization of unfunded liability if the plan is more than 100% funded.

*Schedule of Investment Returns - Last 10 Years**

Annual money-weighted rate

| of return, net of investment expense | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------|--------|-------|-------|-------|--------|--------|-------|-------|
| General Pension Plan | 0.36% | 0.44% | 1.54% | 0.64% | 1.00% | 0.50% | 0.30% | 0.30% | 0.10% |
| Police and Firemen's Pension Plan | -15.40% | 22.61% | 5.11% | 5.51% | 4.90% | 11.80% | -1.20% | 2.40% | 3.90% |
| Garfield Pension Plan | -0.77% | 0.72% | 2.18% | 1.93% | 1.00% | 0.60% | 0.40% | 0.30% | 0.40% |

* Fiscal year 2014 was the 1st year of implementation.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES

OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan

*Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years**

| For the Measurement Period Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Total OPEB Liability | | | | |
| Service cost | \$ 2,088,997 | \$ 2,072,961 | \$ 4,292,499 | \$ 3,452,679 |
| Interest | 6,997,592 | 6,846,932 | 7,222,766 | 7,625,498 |
| Changes in benefit terms | - | - | - | (19,910,800) |
| Differences between actual and expected experience | (11,982,490) | (140,135) | (28,723,614) | - |
| Changes in assumptions | (6,119,213) | 1,173,106 | (42,412,472) | (1,409,953) |
| Benefit payments | <u>(7,272,797)</u> | <u>(7,011,178)</u> | <u>(7,753,129)</u> | <u>(7,247,073)</u> |
| Net change in the total OPEB liability | (16,287,911) | 2,941,686 | (67,373,950) | (17,489,649) |
| Total OPEB liability - beginning | 123,244,653 | 120,302,967 | 187,676,917 | 205,166,566 |
| Total OPEB liability - ending (a) | <u>\$ 106,956,742</u> | <u>\$ 123,244,653</u> | <u>\$ 120,302,967</u> | <u>\$ 187,676,917</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 10,042,891 | \$ 9,515,699 | \$ 12,720,085 | \$ 6,714,785 |
| Contributions - employee | 589,125 | 623,088 | 642,475 | 532,288 |
| Net investment income | (4,613,857) | 6,562,745 | 709,908 | 1,170,454 |
| Administrative expense | (61,195) | (111,868) | (89,764) | (81,950) |
| Benefit payments | (7,272,797) | (7,011,178) | (7,753,129) | (7,247,073) |
| Plan to Plan transfer (1) | - | - | - | (1,879,640) |
| Net change in the total OPEB liability | (1,315,833) | 9,578,486 | 6,229,575 | (791,136) |
| Plan fiduciary net position - beginning | 32,439,804 | 22,861,318 | 16,631,743 | 17,422,879 |
| Plan fiduciary net position - ending (b) | <u>\$ 31,123,971</u> | <u>\$ 32,439,804</u> | <u>\$ 22,861,318</u> | <u>\$ 16,631,743</u> |
| Net OPEB liability - ending (a) - (b) | <u>\$ 75,832,771</u> | <u>\$ 90,804,849</u> | <u>\$ 97,441,649</u> | <u>\$ 171,045,174</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 29.10% | 26.32% | 19.00% | 8.86% |
| Covered employee payroll | \$ 45,133,662 | \$ 46,698,024 | \$ 50,016,647 | \$ 49,511,523 |
| Net OPEB liability as a percentage of covered employee payroll | 168.02% | 194.45% | 194.82% | 345.47% |

(1) Transferred to the RPOA Plan established in fiscal year 2019.

* Fiscal year 2017 was the 1st year of implementation.

| 6/30/2018 | 6/30/2017 |
|-----------------------|-----------------------|
| \$ 6,730,397 | \$ 7,558,987 |
| 7,927,217 | 7,064,307 |
| - | - |
| (2,816,969) | - |
| 8,715,168 | (15,340,529) |
| <u>(6,861,529)</u> | <u>(6,497,645)</u> |
| 13,694,284 | (7,214,880) |
| <u>191,472,282</u> | <u>198,687,162</u> |
| <u>\$ 205,166,566</u> | <u>\$ 191,472,282</u> |

| | |
|-----------------------|-----------------------|
| \$ 13,599,120 | \$ 13,218,475 |
| 765,475 | 278,850 |
| 632,089 | 227,394 |
| (49,169) | (11,250) |
| <u>(6,861,529)</u> | <u>(6,497,645)</u> |
| - | - |
| 8,085,986 | 7,215,824 |
| <u>9,336,893</u> | <u>2,121,069</u> |
| <u>\$ 17,422,879</u> | <u>\$ 9,336,893</u> |
| <u>\$ 187,743,687</u> | <u>\$ 182,135,389</u> |

| | |
|---------------|---------------|
| 8.49% | 4.88% |
| \$ 65,359,713 | \$ 66,774,795 |
| 287.25% | 272.76% |

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES, Continued

OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan, Continued

*Schedule of Plan Contributions - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|---|---------------------|---------------------|--------------------|--------------------|
| Contractually required contributions (CRC) (1)/ Actuarially determined employer contribution (ADEC) | \$ 9,525,000 | \$ 12,641,000 | \$ 7,753,129 | \$ 7,247,073 |
| Contributions in relation to the CRC/ADEC | <u>(10,042,891)</u> | <u>(9,515,697)</u> | <u>(7,753,129)</u> | <u>(7,247,073)</u> |
| Contribution deficiency (excess) | <u>\$ (517,891)</u> | <u>\$ 3,125,303</u> | <u>\$ -</u> | <u>\$ -</u> |

Notes:

(1) Before FY2021, the City does not calculate an Actuarially Determined Contribution, but the City's agreements with its bargaining units provide for various benefit levels as discussed in the Notes to the Financial Statements. Contributions reported include the implicit subsidy.

*Schedule of Investment Returns - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|--|-----------|-----------|-----------|-----------|
| Annual money weighted rate of return, net of investment expense | -13.92% | 26.66% | 3.48% | 6.74% |

* Fiscal year 2017 was the 1st year of implementation.

| <u>6/30/2018</u> | <u>6/30/2017</u> |
|--------------------|--------------------|
| \$ 6,861,529 | \$ 6,497,645 |
| <u>(6,861,529)</u> | <u>(6,497,645)</u> |
| <u>\$ -</u> | <u>\$ -</u> |

| <u>6/30/2018</u> | <u>6/30/2017</u> |
|------------------|------------------|
| 6.30% | 10.75% |

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES, Continued

RPOA OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan

*Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years**

| For the Measurement Period Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|---|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | |
| Service cost | \$ 1,027,120 | \$ 1,871,012 | \$ 2,053,367 | \$ 1,939,517 |
| Interest | 1,107,706 | 800,939 | 850,944 | 764,597 |
| Changes in benefit terms | - | - | - | 21,995,467 |
| Differences between actual and expected experience | (4,595,658) | 10,367 | (1,784,304) | - |
| Changes in assumptions | (323,325) | (9,082,375) | 401,383 | - |
| Benefit payments | (382,892) | (277,277) | (156,536) | (82,673) |
| Net change in the total OPEB liability | (3,167,049) | (6,677,334) | 1,364,854 | 24,616,908 |
| Total OPEB liability - beginning | 19,304,428 | 25,981,762 | 24,616,908 | - |
| Total OPEB liability - ending (a) | \$ 16,137,379 | \$ 19,304,428 | \$ 25,981,762 | \$ 24,616,908 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 1,955,147 | \$ 1,028,868 | \$ 1,851,964 | \$ - |
| Contributions - employee | 403,650 | 453,163 | 425,213 | 82,673 |
| Net investment income | (833,976) | 935,134 | 170,322 | - |
| Plan to Plan transfer (1) | - | - | - | 1,879,640 |
| Benefit payments | (382,892) | (277,277) | (156,536) | (82,673) |
| Administrative expense | (3,187) | (2,612) | - | - |
| Net change in the total OPEB liability | 1,138,742 | 2,137,276 | 2,290,963 | 1,879,640 |
| Plan fiduciary net position - beginning | 6,307,879 | 4,170,603 | 1,879,640 | - |
| Plan fiduciary net position - ending (b) | \$ 7,446,621 | \$ 6,307,879 | \$ 4,170,603 | \$ 1,879,640 |
| Net OPEB liability - ending (a) - (b) | \$ 8,690,758 | \$ 12,996,549 | \$ 21,811,159 | \$ 22,737,268 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 46.15% | 32.68% | 16.05% | 7.64% |
| Covered employee payroll | \$ 13,527,611 | \$ 16,100,126 | \$ 16,699,113 | \$ 17,404,407 |
| Net OPEB liability as a percentage of covered employee payroll | 64.24% | 80.72% | 130.61% | 130.64% |

(1) Transferred from the OPEB Plan.

* Fiscal year 2019 was the 1st year of implementation.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES, Continued

RPOA OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan, Continued

*Schedule of Plan Contributions - Last 10 Years**

| Fiscal Year Ended: | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 |
|--|---------------------|--------------------|--------------------|-----------------|
| Contractually required(CRC)/ Actuarially determined employer contributions (ADEC) (1) | \$ 1,627,000 | \$ 1,878,000 | \$ 1,851,964 | \$ 82,673 |
| Contributions in relation to the CRC/ ADEC | <u>(1,955,147)</u> | <u>(1,028,868)</u> | <u>(1,851,964)</u> | <u>(82,673)</u> |
| Contribution deficiency (excess) | <u>\$ (328,147)</u> | <u>\$ 849,132</u> | <u>\$ -</u> | <u>\$ -</u> |

Notes:

- (1) Before FY2021 the City does not calculate an Actuarially Determined Contribution, but the City's agreements with its bargaining units provide for various benefit levels as discussed in the Notes to the Financial Statements. Contributions reported include the implicit subsidy.

* Fiscal year 2019 was the 1st year of implementation.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

State Gas Tax Fund accounts for the subventions received from state gas taxes under the provision of the Streets and Highways Code. State gas taxes are restricted for street construction activities including location of underground utilities, geotechnical work relating to identification of soil and groundwater contamination, materials sampling, and testing.

General Purpose Fund accounts for other restricted monies that are to be used for the specific purposes for which the funds were set up.

Paratransit Operations Fund accounts for monies used to provide subsidized, accessible transportation to the seniors and disabled residents of the City of Richmond and the adjacent unincorporated areas of West Contra Costa County.

Employment & Training Fund is a fund set up to plan, administer and operate job training programs for the adult and youth residents of Richmond.

Public Safety Fund records the receipt and use of grant monies under the Local Law Enforcements Block Grant Program, Office of Traffic Safety Grants, OES Grants, FEMA Grants, and various other grants.

Lighting and Landscaping Districts Fund was set up to account for maintenance services in the nature of landscaping, lighting, cleaning provided to the Hilltop parking lot area, the Marina Way Development area, and the Marina Bay area.

Developer Impact Fees Fund is used to account for monies received from fees levied by the City on new commercial and residential projects. These funds will be used to mitigate the additional public safety and infrastructure costs resulting from these development projects.

Secured Pension Override Fund records the receipt of Pension Tax override collected through property taxes for payment of pension contributions.

Richmond Neighborhood Stabilization Corporation Fund accounts for the activities of the Corporation.

Rent Control Fund is used to account for fees paid by landlords to fund the operation of Richmond's Fair Rent, Just Cause for Eviction, and Homeowner Protection programs.

Cost Recovery Fund is used to record the receipt and use of monies for services provided to the public and developers.

Environmental and Community Investment Agreement (ECIA) Fund accounts for funding received from Chevron in conjunction with the Chevron Modernization Project Environmental and Community Investment Agreement to fund various projects and programs within the City of Richmond.

American Rescue Plan Act Fund accounts for funding received from federal government in conjunction with the American Rescue Plan Act to provide resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Debt Service Funds

2005 Pension Obligation Bonds Debt Service Fund receives transfers from the General Fund and the Pension Tax Override Fund, and pays the debt service on the 2005 Pension Obligation Bonds.

General Debt Service Fund accounts for monies received in connection with the 1995A and the 1999 Series A Pension Obligation Bonds and the related payments on such debt. The 1995 Series A bonds were to refinance the cost of capital improvements, and the 1999 Series A bonds were issued to fund a portion of the unfunded accrued actuarial liability in the Pension Fund.

Civic Center Debt Service Fund accounts for principal and interest payments on the Civic Center Project Lease Revenue Bonds.

Capital Projects Funds

General Capital Improvement Fund accounts for monies designated for capital improvement projects.

Measure C/J Fund was set up when the voters of Contra Costa County approved Measure C providing for the creation of the Contra Costa County Transportation Authority. The half-cent transportation sales tax was renewed under Measure J, effective April 1, 2009. The Authority collects one-half percent sales and use tax. Twenty percent of this tax is allocated to the City of Richmond to be used for the improvement of local transportation, including streets and roads in accordance with Measure C and Measure J compliance.

Harbor Navigation Fund records expenses relating to the construction of certain public improvements relating to the Port of Richmond consisting of dredging and deepening of the Richmond Harbor.

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City of Richmond
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

| | Special Revenue Funds | | | |
|--|-----------------------|---------------------|------------------|---------------------|
| | State Gas Tax | General Purpose | Paratransit | Employment |
| | Fund | Fund | Operations | and Training |
| | Fund | Fund | Fund | Fund |
| ASSETS | | | | |
| Cash and investments | \$ 4,224,898 | \$ 3,597,565 | \$ 3,502 | \$ 801,872 |
| Restricted cash and investments | - | - | - | 11,573 |
| Receivables: | | | | |
| Accounts, net | 425,594 | 3 | 60 | 46,076 |
| Interest | 2,545 | 1,353 | 67 | - |
| Grants | - | 2,764,957 | 35,903 | 1,934,604 |
| Loans | - | - | - | - |
| Total assets | 4,653,037 | 6,363,878 | 39,532 | 2,794,125 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | 705,486 | 432,606 | 21,923 | 250,069 |
| Refundable deposits | - | - | - | - |
| Due to other funds | - | - | - | - |
| Unearned revenue | - | 1,977,605 | - | 206,005 |
| Total liabilities | 705,486 | 2,410,211 | 21,923 | 456,074 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | - | 2,013,166 | 35,903 | 1,222,191 |
| Total deferred inflows of resources | - | 2,013,166 | 35,903 | 1,222,191 |
| Fund Balances: | | | | |
| Restricted | 3,947,551 | 1,940,501 | - | 1,115,860 |
| Assigned | - | - | - | - |
| Unassigned | - | - | (18,294) | - |
| Total fund balances | 3,947,551 | 1,940,501 | (18,294) | 1,115,860 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 4,653,037 | \$ 6,363,878 | \$ 39,532 | \$ 2,794,125 |

Special Revenue Funds

| Public Safety Fund | Lighting and Landscaping Districts Fund | Developer Impact Fees Fund | Secured Pension Override Fund | Richmond Neighborhood Stabilization Corporation Fund | Rent Control Fund |
|-----------------------|---|----------------------------------|-------------------------------------|---|----------------------|
| \$ 307,075 | \$ 1,519,163 | \$ 9,994,327 | \$ - | \$ - | \$ 1,324,958 |
| - | - | - | - | 124,772 | - |
| - | 1,496 | - | - | - | 2,939 |
| 246 | 922 | 6,376 | - | - | 991 |
| - | - | - | - | - | - |
| - | - | - | - | 779,013 | - |
| <u>307,321</u> | <u>1,521,581</u> | <u>10,000,703</u> | <u>-</u> | <u>903,785</u> | <u>1,328,888</u> |
| - | 42,237 | 137,545 | - | 7,581 | 27,806 |
| - | - | - | - | - | - |
| - | - | - | - | 41,505 | - |
| - | - | - | - | - | 5,615 |
| <u>-</u> | <u>42,237</u> | <u>137,545</u> | <u>-</u> | <u>49,086</u> | <u>33,421</u> |
| - | 1,496 | - | - | 779,013 | - |
| - | 1,496 | - | - | 779,013 | - |
| 307,321 | 1,477,848 | 9,863,158 | - | 75,686 | 1,295,467 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>307,321</u> | <u>1,477,848</u> | <u>9,863,158</u> | <u>-</u> | <u>75,686</u> | <u>1,295,467</u> |
| <u>\$ 307,321</u> | <u>\$ 1,521,581</u> | <u>\$ 10,000,703</u> | <u>\$ -</u> | <u>\$ 903,785</u> | <u>\$ 1,328,888</u> |

City of Richmond
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

| | Special Revenue Funds | | | |
|--|-----------------------|---|-------------------------------|------------------------------------|
| | Cost Recovery Fund | Environmental and Community Investment Agreement Fund | American Rescue Plan Act Fund | 2005 Pension Obligation Bonds Fund |
| ASSETS | | | | |
| Cash and investments | \$ 2,970,964 | \$ 20,069,562 | \$ 13,593,732 | \$ - |
| Restricted cash and investments | - | - | - | 12,779,202 |
| Receivables: | | | | |
| Accounts, net | 619,032 | - | - | - |
| Interest | 4,973 | 10,090 | 8,643 | - |
| Grants | 6,980,951 | - | - | - |
| Loans | - | - | - | - |
| Total assets | 10,575,920 | 20,079,652 | 13,602,375 | 12,779,202 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | 1,389,947 | 4,222,376 | 172,378 | 18,950 |
| Refundable deposits | 669,256 | - | - | - |
| Due to other funds | - | - | - | - |
| Unearned revenue | 70,093 | - | 13,388,208 | - |
| Total liabilities | 2,129,296 | 4,222,376 | 13,560,586 | 18,950 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | 5,451,612 | - | - | - |
| Total deferred inflows of resources | 5,451,612 | - | - | - |
| Fund Balances: | | | | |
| Restricted | 2,995,012 | 15,857,276 | 41,789 | 12,760,252 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances | 2,995,012 | 15,857,276 | 41,789 | 12,760,252 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 10,575,920 | \$ 20,079,652 | \$ 13,602,375 | \$ 12,779,202 |

| Debt Service Funds | | Capital Projects Funds | | | Total |
|---------------------------|--------------------------------|----------------------------------|---------------------|------------------------|-----------------------------|
| General Debt Service Fund | Civic Center Debt Service Fund | General Capital Improvement Fund | Measure C/J Fund | Harbor Navigation Fund | Nonmajor Governmental Funds |
| \$ 113 | \$ 1,075,213 | \$ 2,646,914 | \$ 878,887 | \$ 45,589 | \$ 63,054,334 |
| - | 52 | 89,516 | - | - | 13,005,115 |
| - | - | 93,500 | - | - | 1,188,700 |
| 94 | 370 | - | 349 | 29 | 37,048 |
| - | - | - | 2,965,609 | - | 14,682,024 |
| - | - | - | - | - | 779,013 |
| <u>207</u> | <u>1,075,635</u> | <u>2,829,930</u> | <u>3,844,845</u> | <u>45,618</u> | <u>92,746,234</u> |
| - | - | 171,283 | 356,455 | - | 7,956,642 |
| - | - | - | - | - | 669,256 |
| - | - | - | - | - | 41,505 |
| - | 2,432,668 | - | - | - | 18,080,194 |
| - | 2,432,668 | 171,283 | 356,455 | - | 26,747,597 |
| - | - | - | 1,060,456 | - | 10,563,837 |
| - | - | - | 1,060,456 | - | 10,563,837 |
| 207 | - | 2,658,647 | 2,427,934 | - | 56,764,509 |
| - | - | - | - | 45,618 | 45,618 |
| - | (1,357,033) | - | - | - | (1,375,327) |
| 207 | (1,357,033) | 2,658,647 | 2,427,934 | 45,618 | 55,434,800 |
| <u>\$ 207</u> | <u>\$ 1,075,635</u> | <u>\$ 2,829,930</u> | <u>\$ 3,844,845</u> | <u>\$ 45,618</u> | <u>\$ 92,746,234</u> |

City of Richmond
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

| | Special Revenue Funds | | | |
|---|-----------------------|-------------------------|-----------------------------------|------------------------------------|
| | State Gas Tax Fund | General Purpose Fund | Paratransit Operations Fund | Employment and Training Fund |
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses, permits and fees | - | 25,000 | - | - |
| Fines, forfeitures and penalties | - | 2,054 | - | - |
| Use of money and property | 13,215 | 6,491 | 671 | - |
| Intergovernmental | 4,783,957 | 3,569,100 | 345,658 | 1,613,446 |
| Charges for services | - | 610,784 | 8,299 | - |
| Other | - | 5,666 | 92,003 | 942 |
| Total revenues | 4,797,172 | 4,219,095 | 446,631 | 1,614,388 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | 835,671 | 814,328 | - |
| Public safety | - | 1,713,198 | - | - |
| Public works | 3,010,542 | 15,780 | - | - |
| Community development | - | - | 12,616 | 5,160,389 |
| Cultural and recreational | - | 182,147 | - | - |
| Housing and redevelopment | - | - | - | - |
| Capital outlay | 1,080,666 | 16,000 | - | 3,109 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 4,091,208 | 2,762,796 | 826,944 | 5,163,498 |
| REVENUES OVER (UNDER) EXPENDITURES | 705,964 | 1,456,299 | (380,313) | (3,549,110) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 224,865 | - | 2,189,330 |
| Transfers out | - | (24,630) | - | - |
| Total other financing sources (uses) | - | 200,235 | - | 2,189,330 |
| Net change in fund balances | 705,964 | 1,656,534 | (380,313) | (1,359,780) |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | 3,241,587 | 283,967 | 362,019 | 2,475,640 |
| End of year | \$ 3,947,551 | \$ 1,940,501 | \$ (18,294) | \$ 1,115,860 |

Special Revenue Funds

| Public Safety Fund | Lighting and Landscaping Districts Fund | Developer Impact Fees Fund | Secured Pension Override Fund | Richmond Neighborhood Stabilization Corporation Fund | Rent Control Fund |
|-----------------------|---|----------------------------------|-------------------------------------|---|----------------------|
| \$ - | \$ 1,731,159 | \$ - | \$ 10,609,053 | \$ - | \$ - |
| - | - | 926,649 | - | - | 2,332,429 |
| - | - | - | - | - | - |
| 1,252 | 4,401 | 35,705 | - | 2 | 6,803 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,918 | - | - | - | - | 14,641 |
| 4,170 | 1,735,560 | 962,354 | 10,609,053 | 2 | 2,353,873 |
| - | - | - | 64,820 | - | - |
| 3,967 | - | 105,073 | - | - | - |
| - | 2,280,250 | 487,778 | - | - | - |
| - | - | - | - | - | - |
| - | - | 6,627 | - | - | - |
| - | - | - | - | 57,336 | 2,207,882 |
| - | - | 351,940 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 3,967 | 2,280,250 | 951,418 | 64,820 | 57,336 | 2,207,882 |
| 203 | (544,690) | 10,936 | 10,544,233 | (57,334) | 145,991 |
| - | 664,930 | - | - | 10,000 | - |
| - | - | - | (10,689,231) | - | - |
| - | 664,930 | - | (10,689,231) | 10,000 | - |
| 203 | 120,240 | 10,936 | (144,998) | (47,334) | 145,991 |
| 307,118 | 1,357,608 | 9,852,222 | 144,998 | 123,020 | 1,149,476 |
| \$ 307,321 | \$ 1,477,848 | \$ 9,863,158 | \$ - | \$ 75,686 | \$ 1,295,467 |

City of Richmond
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

| | Special Revenue Funds | | | |
|---|-----------------------|---|-------------------------------|------------------------------------|
| | Cost Recovery Fund | Environmental and Community Investment Agreement Fund | American Rescue Plan Act Fund | 2005 Pension Obligation Bonds Fund |
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ 12,659,853 |
| Licenses, permits and fees | 8,668,203 | - | - | - |
| Fines, forfeitures and penalties | - | - | - | - |
| Use of money and property | 26,251 | 54,117 | 41,790 | 11,136 |
| Intergovernmental | 6,608,306 | 7,000,000 | 482,154 | - |
| Charges for services | 1,214,398 | - | - | - |
| Other | 6,438 | 417 | - | - |
| Total revenues | 16,523,596 | 7,054,534 | 523,944 | 12,670,989 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 8,720,804 | 4,442,789 | 3,671 | - |
| Public safety | - | 58,465 | - | - |
| Public works | 891,597 | 264,412 | - | - |
| Community development | - | - | - | - |
| Cultural and recreational | - | 39,390 | 86,115 | - |
| Housing and redevelopment | - | - | 357,094 | - |
| Capital outlay | 8,286,737 | 1,798,779 | 35,275 | - |
| Debt service: | | | | |
| Principal | - | - | - | 10,302,000 |
| Interest and fiscal charges | - | - | - | 1,458,010 |
| Total expenditures | 17,899,138 | 6,603,835 | 482,155 | 11,760,010 |
| REVENUES OVER (UNDER) EXPENDITURES | (1,375,542) | 450,699 | 41,789 | 910,979 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 4,150,293 | - | - | 8,089 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 4,150,293 | - | - | 8,089 |
| Net change in fund balances | 2,774,751 | 450,699 | 41,789 | 919,068 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | 220,261 | 15,406,577 | - | 11,841,184 |
| End of year | \$ 2,995,012 | \$ 15,857,276 | \$ 41,789 | \$ 12,760,252 |

| Debt Service Funds | | Capital Projects Funds | | | Total |
|---------------------------|--------------------------------|----------------------------------|------------------|------------------------|-----------------------------|
| General Debt Service Fund | Civic Center Debt Service Fund | General Capital Improvement Fund | Measure C/J Fund | Harbor Navigation Fund | Nonmajor Governmental Funds |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,000,065 |
| - | - | - | - | - | 11,952,281 |
| - | - | - | - | - | 2,054 |
| 576 | 2,174 | 162 | 2,064 | 159 | 206,969 |
| - | - | - | 2,993,244 | - | 27,395,865 |
| - | 5,564,718 | - | - | - | 7,398,199 |
| - | - | 121,500 | - | - | 244,525 |
| 576 | 5,566,892 | 121,662 | 2,995,308 | 159 | 72,199,958 |
| - | - | - | - | - | 14,882,083 |
| - | - | - | - | - | 1,880,703 |
| - | - | 106,089 | 1,420,494 | - | 8,476,942 |
| - | - | - | - | - | 5,173,005 |
| - | - | - | - | - | 314,279 |
| - | - | - | - | - | 2,622,312 |
| - | - | 636,757 | 723,104 | - | 12,932,367 |
| 710,000 | 3,440,000 | - | - | - | 14,452,000 |
| 239,961 | 4,294,097 | - | - | - | 5,992,068 |
| 949,961 | 7,734,097 | 742,846 | 2,143,598 | - | 66,725,759 |
| (949,385) | (2,167,205) | (621,184) | 851,710 | 159 | 5,474,199 |
| 940,700 | 2,406,458 | 289,515 | - | - | 10,884,180 |
| - | - | - | - | - | (10,713,861) |
| 940,700 | 2,406,458 | 289,515 | - | - | 170,319 |
| (8,685) | 239,253 | (331,669) | 851,710 | 159 | 5,644,518 |
| 8,892 | (1,596,286) | 2,990,316 | 1,576,224 | 45,459 | 49,790,282 |
| \$ 207 | \$ (1,357,033) | \$ 2,658,647 | \$ 2,427,934 | \$ 45,618 | \$ 55,434,800 |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
State Gas Tax Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------|------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 13,215 | \$ 13,215 |
| Intergovernmental | 4,978,671 | 4,978,671 | 4,783,957 | (194,714) |
| Total revenues | 4,978,671 | 4,978,671 | 4,797,172 | (181,499) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 2,651,894 | 3,361,018 | 3,010,542 | 350,476 |
| Capital outlay | 2,326,797 | 2,222,568 | 1,080,666 | 1,141,902 |
| Total expenditures | 4,978,691 | 5,583,586 | 4,091,208 | 1,492,378 |
| Net change in fund balances | \$ (20) | \$ (604,915) | 705,964 | \$ 1,310,879 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 3,241,587 | |
| End of year | | | \$ 3,947,551 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Purpose Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|-----------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Licenses, permits and fees | \$ 149,207 | \$ 149,207 | \$ 25,000 | \$ (124,207) |
| Fines, forfeitures and penalties | - | - | 2,054 | 2,054 |
| Use of money and property | - | - | 6,491 | 6,491 |
| Intergovernmental | 1,688,649 | 11,014,906 | 3,569,100 | (7,445,806) |
| Charges for services | - | 79,368 | 610,784 | 531,416 |
| Other | - | 7,500 | 5,666 | (1,834) |
| Total revenues | 1,837,856 | 11,250,981 | 4,219,095 | (7,031,886) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 501,869 | 8,230,619 | 835,671 | 7,394,948 |
| Public safety | 1,364,264 | 3,361,344 | 1,713,198 | 1,648,146 |
| Public works | 1,037 | 257,925 | 15,780 | 242,145 |
| Cultural and recreational | 259,301 | 417,125 | 182,147 | 234,978 |
| Capital outlay | 284,000 | 504,000 | 16,000 | 488,000 |
| Total expenditures | 2,410,471 | 12,771,013 | 2,762,796 | 10,008,217 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (572,615) | (1,520,032) | 1,456,299 | 2,976,331 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | 224,865 | 224,865 |
| Transfers out | - | - | (24,630) | (24,630) |
| Total other financing sources (uses) | - | - | 200,235 | 200,235 |
| Net change in fund balances | \$ (572,615) | \$ (1,520,032) | 1,656,534 | \$ 3,176,566 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 283,967 | |
| End of year | | | \$ 1,940,501 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Paratransit Operations Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 671 | \$ 671 |
| Intergovernmental | 840,000 | 840,000 | 345,658 | (494,342) |
| Charges for services | - | - | 8,299 | 8,299 |
| Other | - | - | 92,003 | 92,003 |
| Total revenues | 840,000 | 840,000 | 446,631 | (393,369) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 776,844 | 789,644 | 814,328 | (24,684) |
| Community development | 13,400 | 600 | 12,616 | (12,016) |
| Total expenditures | 790,244 | 790,244 | 826,944 | (36,700) |
| Net change in fund balances | \$ 49,756 | \$ 49,756 | (380,313) | \$ (430,069) |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 362,019 | |
| End of year | | | \$ (18,294) | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Employment and Training Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------|--------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Intergovernmental | \$ 6,250,873 | \$ 6,847,112 | \$ 1,613,446 | \$ (5,233,666) |
| Charges for services | 193,536 | 193,536 | - | (193,536) |
| Other | 151,738 | 151,738 | 942 | (150,796) |
| Total revenues | 6,596,147 | 7,192,386 | 1,614,388 | (5,577,998) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Community development | 8,154,537 | 10,715,013 | 5,160,389 | 5,554,624 |
| Capital outlay | 100,000 | 108,000 | 3,109 | 104,891 |
| Total expenditures | 8,254,537 | 10,823,013 | 5,163,498 | 5,659,515 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (1,658,390) | (3,630,627) | (3,549,110) | 81,517 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 1,445,705 | 3,425,705 | 2,189,330 | (1,236,375) |
| Total other financing sources (uses) | 1,445,705 | 3,425,705 | 2,189,330 | (1,236,375) |
| Net change in fund balances | \$ (212,685) | \$ (204,922) | (1,359,780) | \$ (1,154,858) |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 2,475,640 | |
| End of year | | | \$ 1,115,860 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Public Safety Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------|---------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 1,252 | \$ 1,252 |
| Intergovernmental | 360,335 | 360,335 | - | (360,335) |
| Other | - | - | 2,918 | 2,918 |
| Total revenues | 360,335 | 360,335 | 4,170 | (356,165) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 579,835 | 579,835 | 3,967 | 575,868 |
| Total expenditures | 579,835 | 579,835 | 3,967 | 575,868 |
| Net change in fund balances | \$ (219,500) | \$ (219,500) | 203 | \$ 219,703 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 307,118 | |
| End of year | | | \$ 307,321 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Lighting and Landscaping Districts Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 1,728,833 | \$ 1,728,833 | \$ 1,731,159 | \$ 2,326 |
| Use of money and property | - | - | 4,401 | 4,401 |
| Total revenues | 1,728,833 | 1,728,833 | 1,735,560 | 6,727 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 2,509,414 | 2,603,414 | 2,280,250 | 323,164 |
| Total expenditures | 2,509,414 | 2,603,414 | 2,280,250 | 323,164 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (780,581) | (874,581) | (544,690) | 329,891 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 664,930 | 664,930 | 664,930 | - |
| Total other financing sources (uses) | 664,930 | 664,930 | 664,930 | - |
| Net change in fund balances | \$ (115,651) | \$ (209,651) | 120,240 | \$ 329,891 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 1,357,608 | |
| End of year | | | \$ 1,477,848 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Developer Impact Fees Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------|-----------------------|-----------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Licenses, permits and fees | \$ - | \$ 783,321 | \$ 926,649 | \$ 143,328 |
| Use of money and property | - | - | 35,705 | 35,705 |
| Total revenues | - | 783,321 | 962,354 | 179,033 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety | 167,762 | 173,400 | 105,073 | 68,327 |
| Public works | 515,000 | 730,358 | 487,778 | 242,580 |
| Cultural and recreational | 523,334 | 524,698 | 6,627 | 518,071 |
| Capital outlay | 1,376,311 | 2,516,393 | 351,940 | 2,164,453 |
| Total expenditures | 2,582,407 | 3,944,849 | 951,418 | 2,993,431 |
| Net change in fund balances | \$ (2,582,407) | \$ (3,161,528) | 10,936 | \$ 3,172,464 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 9,852,222 | |
| End of year | | | \$ 9,863,158 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Secured Pension Override Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 11,420,605 | \$ 11,420,605 | \$ 10,609,053 | \$ (811,552) |
| Total revenues | 11,420,605 | 11,420,605 | 10,609,053 | (811,552) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | 64,820 | (64,820) |
| Public safety | 937,004 | 937,004 | - | 937,004 |
| Total expenditures | 937,004 | 937,004 | 64,820 | 872,184 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 10,483,601 | 10,483,601 | 10,544,233 | 60,632 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (10,858,742) | (10,337,600) | (10,689,231) | (351,631) |
| Total other financing sources (uses) | (10,858,742) | (10,337,600) | (10,689,231) | (351,631) |
| Net change in fund balances | \$ (375,141) | \$ 146,001 | (144,998) | \$ (290,999) |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 144,998 | |
| End of year | | | \$ - | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Richmond Neighborhood Stabilization Corporation Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|--------------------|--------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Use of money and property | \$ 144 | \$ 144 | \$ 2 | \$ (142) |
| Other | 15,000 | 15,000 | - | (15,000) |
| Total revenues | 15,144 | 15,144 | 2 | (15,142) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Housing and redevelopment | 41,991 | 41,991 | 57,336 | (15,345) |
| Total expenditures | 41,991 | 41,991 | 57,336 | (15,345) |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (26,847) | (26,847) | (57,334) | (30,487) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | 10,000 | 10,000 |
| Total other financing sources (uses) | - | - | 10,000 | 10,000 |
| Net change in fund balances | \$ (26,847) | \$ (26,847) | (47,334) | \$ (20,487) |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 123,020 | |
| End of year | | | \$ 75,686 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Rent Control Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------|-------------------|-------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Licenses, permits and fees | \$ 2,893,854 | \$ 2,893,854 | \$ 2,332,429 | \$ (561,425) |
| Use of money and property | 14,460 | 14,460 | 6,803 | (7,657) |
| Other | 30,000 | 30,000 | 14,641 | (15,359) |
| Total revenues | 2,938,314 | 2,938,314 | 2,353,873 | (584,441) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Housing and redevelopment | 2,613,278 | 2,616,278 | 2,207,882 | 408,396 |
| Total expenditures | 2,613,278 | 2,616,278 | 2,207,882 | 408,396 |
| Net change in fund balances | \$ 325,036 | \$ 322,036 | 145,991 | \$ (176,045) |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 1,149,476 | |
| End of year | | | \$ 1,295,467 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Cost Recovery Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|---------------------|------------------------|--------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Licenses, permits and fees | \$ 7,065,663 | \$ 7,093,462 | \$ 8,668,203 | \$ 1,574,741 |
| Use of money and property | - | - | 26,251 | 26,251 |
| Intergovernmental | 15,333,845 | 17,208,845 | 6,608,306 | (10,600,539) |
| Charges for services | 3,786,000 | 3,786,000 | 1,214,398 | (2,571,602) |
| Other | - | - | 6,438 | 6,438 |
| Total revenues | 26,185,508 | 28,088,307 | 16,523,596 | (11,564,711) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 10,788,567 | 13,939,498 | 8,720,804 | 5,218,694 |
| Public works | 878,609 | 1,345,292 | 891,597 | 453,695 |
| Capital outlay | 14,673,845 | 25,751,314 | 8,286,737 | 17,464,577 |
| Total expenditures | 26,341,021 | 41,036,104 | 17,899,138 | 23,136,966 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (155,513) | (12,947,797) | (1,375,542) | 11,572,255 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 1,800,000 | 4,150,293 | 2,350,293 |
| Total other financing sources (uses) | - | 1,800,000 | 4,150,293 | 2,350,293 |
| Net change in fund balances | \$ (155,513) | \$ (11,147,797) | 2,774,751 | \$ 13,922,548 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 220,261 | |
| End of year | | | \$ 2,995,012 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Environmental and Community Investment Agreement Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------|------------------------|------------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 54,117 | \$ 54,117 |
| Intergovernmental | 58,000 | 58,000 | 7,000,000 | 6,942,000 |
| Other | - | - | 417 | 417 |
| Total revenues | 58,000 | 58,000 | 7,054,534 | 6,996,534 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 7,886,030 | 7,186,030 | 4,442,789 | 2,743,241 |
| Public safety | 148,000 | 148,000 | 58,465 | 89,535 |
| Public works | 271,800 | 384,089 | 264,412 | 119,677 |
| Community development | - | - | - | - |
| Cultural and recreational | 534,430 | 534,430 | 39,390 | 495,040 |
| Capital outlay | 1,512,678 | 2,968,658 | 1,798,779 | 1,169,879 |
| Total expenditures | 10,352,938 | 11,221,207 | 6,603,835 | 4,617,372 |
| Net change in fund balances | \$ (10,294,938) | \$ (11,163,207) | 450,699 | \$ 11,613,906 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 15,406,577 | |
| End of year | | | \$ 15,857,276 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
American Rescue Plan Act Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------|------------------|----------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 41,790 | \$ 41,790 |
| Intergovernmental | - | - | 482,154 | 482,154 |
| Total revenues | - | - | 523,944 | 523,944 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | 300,000 | 3,671 | 296,329 |
| Cultural and recreational | - | 250,000 | 86,115 | 163,885 |
| Housing and redevelopment | - | 1,000,000 | 357,094 | 642,906 |
| Capital outlay | - | 3,000,000 | 35,275 | 2,964,725 |
| Total expenditures | - | 4,550,000 | 482,155 | 4,067,845 |
| Net change in fund balances | \$ - | \$ (4,550,000) | 41,789 | \$ 4,591,789 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | - | |
| End of year | | | \$ 41,789 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
2005 Pension Obligation Bonds Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|-----------------------|-----------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Property taxes | \$ 12,659,853 | \$ 12,659,853 | \$ 12,659,853 | \$ - |
| Use of money and property | - | - | 11,136 | 11,136 |
| Total revenues | 12,659,853 | 12,659,853 | 12,670,989 | 11,136 |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | 10,302,000 | 10,302,000 | 10,302,000 | - |
| Interest and fiscal charges | 3,560,146 | 3,560,146 | 1,458,010 | 2,102,136 |
| Total expenditures | 13,862,146 | 13,862,146 | 11,760,010 | 2,102,136 |
| REVENUES OVER (UNDER) EXPENDITURES | (1,202,293) | (1,202,293) | 919,979 | 2,113,272 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | 8,089 | 8,089 |
| Total other financing sources (uses) | - | - | 8,089 | 8,089 |
| Net change in fund balances | \$ (1,202,293) | \$ (1,202,293) | 919,068 | \$ 2,121,361 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 11,841,184 | |
| End of year | | | \$ 12,760,252 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Debt Service Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 576 | \$ 576 |
| Total revenues | - | - | 576 | 576 |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | 710,000 | 710,000 | 710,000 | - |
| Interest and fiscal charges | 239,396 | 239,396 | 239,961 | (565) |
| Total expenditures | 949,396 | 949,396 | 949,961 | (565) |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (949,396) | (949,396) | (949,385) | 11 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 1,092,338 | 1,092,338 | 940,700 | (151,638) |
| Total other financing sources (uses) | 1,092,338 | 1,092,338 | 940,700 | (151,638) |
| Net change in fund balances | \$ 142,942 | \$ 142,942 | (8,685) | \$ (151,627) |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 8,892 | |
| End of year | | | \$ 207 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Civic Center Debt Service Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|-----------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 2,174 | 2,174 |
| Charges for services | 5,445,541 | 5,445,541 | 5,564,718 | 119,177 |
| Total revenues | 5,445,541 | 5,445,541 | 5,566,892 | 121,351 |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | 3,440,000 | 3,440,000 | 3,440,000 | - |
| Interest and fiscal charges | 4,285,100 | 4,285,100 | 4,294,097 | (8,997) |
| Total expenditures | 7,725,100 | 7,725,100 | 7,734,097 | (8,997) |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (2,279,559) | (2,279,559) | (2,167,205) | 112,354 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 2,406,458 | 2,406,458 | 2,406,458 | - |
| Total other financing sources (uses) | 2,406,458 | 2,406,458 | 2,406,458 | - |
| Net change in fund balances | \$ 126,899 | \$ 126,899 | 239,253 | \$ 112,354 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | (1,596,286) | |
| End of year | | | \$ (1,357,033) | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Capital Improvement Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|-----------------------|-----------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 162 | \$ 162 |
| Other | - | - | 121,500 | 121,500 |
| Total revenues | - | - | 121,662 | 121,662 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | - | 160,610 | 106,089 | 54,521 |
| Capital outlay | 6,053,380 | 3,534,569 | 636,757 | 2,897,812 |
| Total expenditures | 6,053,380 | 3,695,179 | 742,846 | 2,952,333 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (6,053,380) | (3,695,179) | (621,184) | 3,073,995 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 1,520,000 | 289,515 | (1,230,485) |
| Total other financing sources (uses) | - | 1,520,000 | 289,515 | (1,230,485) |
| Net change in fund balances | \$ (6,053,380) | \$ (2,175,179) | (331,669) | \$ 1,843,510 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 2,990,316 | |
| End of year | | | \$ 2,658,647 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure C/J Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 2,064 | \$ 2,064 |
| Intergovernmental | 4,446,194 | 4,446,194 | 2,993,244 | (1,452,950) |
| Total revenues | 4,446,194 | 4,446,194 | 2,995,308 | (1,450,886) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public works | 1,324,957 | 2,156,704 | 1,420,494 | 736,210 |
| Capital outlay | 3,096,513 | 3,754,351 | 723,104 | 3,031,247 |
| Total expenditures | 4,421,470 | 5,911,055 | 2,143,598 | 3,767,457 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 24,724 | (1,464,861) | 851,710 | 2,316,571 |
| Net change in fund balances | \$ 24,724 | \$ (1,464,861) | 851,710 | \$ 2,316,571 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 1,576,224 | |
| End of year | | | \$ 2,427,934 | |

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Harbor Navigation Fund
For the year ended June 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|-------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | \$ - | \$ - | \$ 159 | \$ 159 |
| Total revenues | - | - | 159 | 159 |
| Net change in fund balances | \$ - | \$ - | 159 | \$ 159 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of year | | | 45,459 | |
| End of year | | | \$ 45,618 | |

NONMAJOR ENTERPRISE FUNDS

Richmond Marina Fund records revenues collected from berth rentals and the use of the marina facilities. The fund also records expenses incurred for the operation of the facility and for the payment of the loan from the California Department of Boating and Waterways.

Storm Sewer Fund records the revenues from storm sewer fees and transfers from operations reserves. It also records the expenses of maintaining a clean storm sewer system so that the City is in compliance with the federally mandated Storm Water Pollution Prevention Program.

Cable TV Fund was setup for the administration and enforcement of the franchise agreements with two cable television systems, management of municipal cable channel, departmental video services, media and public information, and telecommunications planning. The fund records revenue received from franchise fees and indirect charges to other funds and administration expenses incurred in operating the system.

City of Richmond
Combining Statement of Net Position
Nonmajor Enterprise Funds
For the year ended June 30, 2022

| | Richmond Marina Fund | Storm Sewer Fund | Cable TV Fund | Total Nonmajor Enterprise Funds |
|---|-------------------------|---------------------|-----------------------|---------------------------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 4,534,858 | \$ 1,730,786 | \$ 737,865 | \$ 7,003,509 |
| Restricted cash and investments | 86,625 | - | - | 86,625 |
| Receivables: | | | | |
| Accounts, net | 87,577 | 4,432 | 258,351 | 350,360 |
| Interest | 2,796 | 955 | 471 | 4,222 |
| Total current assets | <u>4,711,856</u> | <u>1,736,173</u> | <u>996,687</u> | <u>7,444,716</u> |
| Noncurrent assets: | | | | |
| Receivables: | | | | |
| Lease receivables | 5,396,449 | - | - | 5,396,449 |
| Capital assets: | | | | |
| Nondepreciable | 330,794 | 3,566,834 | - | 3,897,628 |
| Depreciable | 4,338,356 | 30,889,661 | 140,882 | 35,368,899 |
| Less accumulated depreciation | <u>(3,235,723)</u> | <u>(29,892,160)</u> | <u>(122,805)</u> | <u>(33,250,688)</u> |
| Net capital assets | <u>1,433,427</u> | <u>4,564,335</u> | <u>18,077</u> | <u>6,015,839</u> |
| Total noncurrent assets | <u>6,829,876</u> | <u>4,564,335</u> | <u>18,077</u> | <u>11,412,288</u> |
| Total assets | <u>11,541,732</u> | <u>6,300,508</u> | <u>1,014,764</u> | <u>18,857,004</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows of resources - pension | - | 12,788 | 204,702 | 217,490 |
| Deferred outflows of resources - OPEB | - | 4,918 | 35,121 | 40,039 |
| Total deferred outflows of resources | <u>-</u> | <u>17,706</u> | <u>239,823</u> | <u>257,529</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 16,994 | 525,581 | 13,258 | 555,833 |
| Interest payable | 92,202 | - | - | 92,202 |
| Refundable deposits | 88,466 | 1,200 | - | 89,666 |
| Compensated absences - current | - | - | 40,598 | 40,598 |
| Long-term debt - current | 106,231 | - | - | 106,231 |
| Total current liabilities | <u>303,893</u> | <u>526,781</u> | <u>53,856</u> | <u>884,530</u> |
| Noncurrent liabilities: | | | | |
| Unearned revenue | - | 591,867 | - | 591,867 |
| Compensated absences | - | - | 11,091 | 11,091 |
| Long-term debt | 2,128,971 | - | - | 2,128,971 |
| Net pension liability | - | 61,899 | 990,883 | 1,052,782 |
| Net OPEB liability | - | 111,989 | 799,924 | 911,913 |
| Total noncurrent liabilities | <u>2,128,971</u> | <u>765,755</u> | <u>1,801,898</u> | <u>4,696,624</u> |
| Total liabilities | <u>2,432,864</u> | <u>1,292,536</u> | <u>1,855,754</u> | <u>5,581,154</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows of resources - pension | - | 39,070 | 625,433 | 664,503 |
| Deferred inflows of resources - OPEB | - | 53,316 | 380,828 | 434,144 |
| Deferred inflows of resources - leases | 5,371,636 | - | - | 5,371,636 |
| Total deferred inflows of resources | <u>5,371,636</u> | <u>92,386</u> | <u>1,006,261</u> | <u>6,470,283</u> |
| NET POSITION (DEFICIT) | | | | |
| Net investment in capital assets | (801,775) | 4,564,335 | 18,077 | 3,780,637 |
| Restricted for debt service | 86,625 | - | - | 86,625 |
| Unrestricted | 4,452,382 | 368,957 | (1,625,505) | 3,195,834 |
| Total net position | <u>\$ 3,737,232</u> | <u>\$ 4,933,292</u> | <u>\$ (1,607,428)</u> | <u>\$ 7,063,096</u> |

City of Richmond
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the year ended June 30, 2022

| | Richmond Marina Fund | Storm Sewer Fund | Cable TV Fund | Total Nonmajor Enterprise Funds |
|---|-------------------------|---------------------|------------------|---------------------------------------|
| OPERATING REVENUES: | | | | |
| Rental | \$ 162,777 | \$ - | \$ - | \$ 162,777 |
| Service charges | - | 2,056,362 | 1,103,873 | 3,160,235 |
| Lease income | 361,875 | 5,453 | - | 367,328 |
| Total operating revenues | 524,652 | 2,061,815 | 1,103,873 | 3,690,340 |
| OPERATING EXPENSES: | | | | |
| Salaries and benefits | - | (235,910) | 395,746 | 159,836 |
| General and administrative | 59,643 | 1,399,958 | 264,038 | 1,723,639 |
| Maintenance | - | - | 3,048 | 3,048 |
| Depreciation | 85,456 | 45,037 | 1,824 | 132,317 |
| Total operating expenses | 145,099 | 1,209,085 | 664,656 | 2,018,840 |
| OPERATING INCOME (LOSS) | 379,553 | 852,730 | 439,217 | 1,671,500 |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Interest income | 116,926 | 3,454 | 2,538 | 122,918 |
| Interest expense | (100,965) | (73,491) | - | (174,456) |
| Total nonoperating revenues (expenses) | 15,961 | (70,037) | 2,538 | (51,538) |
| Income (loss) before contributions and transfers | 395,514 | 782,693 | 441,755 | 1,619,962 |
| CONTRIBUTIONS AND TRANSFERS: | | | | |
| Transfers in | - | 2,654,027 | - | 2,654,027 |
| Transfers out | (86,778) | - | - | (86,778) |
| Total contributions and transfers | (86,778) | 2,654,027 | - | 2,567,249 |
| Change in net position | 308,736 | 3,436,720 | 441,755 | 4,187,211 |
| NET POSITION: | | | | |
| Beginning of year | 3,428,496 | 1,496,572 | (2,049,183) | 2,875,885 |
| End of year | \$ 3,737,232 | \$ 4,933,292 | \$ (1,607,428) | \$ 7,063,096 |

City of Richmond
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended June 30, 2022

| | Richmond Marina Fund | Storm Sewer Fund | Cable TV Fund | Total Nonmajor Enterprise Funds |
|--|-------------------------|---------------------|-------------------|---------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts from customers | \$ 551,149 | \$ 2,062,962 | \$ 1,135,845 | \$ 3,749,956 |
| Payments to suppliers | (42,156) | (1,197,987) | (264,155) | (1,504,298) |
| Payments to employees | - | (46,923) | (786,116) | (833,039) |
| Net cash provided by (used in) operating activities | 508,993 | 818,052 | 85,574 | 1,412,619 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Interfund receipts (payments) | - | (2,580,535) | - | (2,580,535) |
| Transfers in | - | 2,654,027 | - | 2,654,027 |
| Transfers out | (86,778) | - | - | (86,778) |
| Net cash provided by (used in) noncapital financing activities | (86,778) | 73,492 | - | (13,286) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition of capital assets | - | (42,934) | (19,901) | (62,835) |
| Principal payments on capital debt | (101,656) | - | - | (101,656) |
| Interest paid | (105,158) | (73,491) | - | (178,649) |
| Net cash provided by (used in) capital and related financing activities | (206,814) | (116,425) | (19,901) | (343,140) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest | 115,428 | 2,499 | 2,256 | 120,183 |
| Net cash provided by (used in) investing activities | 115,428 | 2,499 | 2,256 | 120,183 |
| Net cash flows | 330,829 | 777,618 | 67,929 | 1,176,376 |
| CASH AND INVESTMENTS - Beginning of year | 4,290,654 | 953,168 | 669,936 | 5,913,758 |
| CASH AND INVESTMENTS - End of year | \$ 4,621,483 | \$ 1,730,786 | \$ 737,865 | \$ 7,090,134 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ 379,553 | \$ 852,730 | \$ 439,217 | \$ 1,671,500 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation expense | 85,456 | 45,037 | 1,824 | 132,317 |
| Changes in assets and liabilities: | | | | |
| Receivables, net | 51,310 | 1,147 | 31,972 | 84,429 |
| Accounts payable and accrued liabilities | 16,994 | 201,971 | 2,931 | 221,896 |
| Refundable deposits | 493 | - | - | 493 |
| Compensated absences payable | - | - | 4,114 | 4,114 |
| Net pension liability and deferred outflows/inflows | - | (227,241) | (371,283) | (598,524) |
| Net OPEB liability and deferred outflows/inflows | - | (55,592) | (23,201) | (78,793) |
| lease receivable and deferred outflows/inflows | (24,813) | - | - | (24,813) |
| Net cash provided by (used in) operating activities | \$ 508,993 | \$ 818,052 | \$ 85,574 | \$ 1,412,619 |

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds introduced by GASB Statement No. 34 does not extend to internal service funds because they do not do business with outside parties. GASB Statement No. 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the fund financial statements, including the funds below.

Insurance Reserves Fund is used to report activities related to employees' claims due to industrial injuries and activities related to general claims against the City for damages incurred.

Equipment Services and Replacement Fund is used to report activities related to maintenance and replacement of City vehicles.

Compensated Absences Fund is used to account for sick, vacation and compensatory time leave payouts related to employee retirements.

City of Richmond
Combining Statement of Net Position
Internal Service Funds
For the year ended June 30, 2022

| | Insurance Reserves | Equipment Services and Replacement | Compensated Absences | Total Internal Service Funds |
|---|-----------------------|--|-------------------------|------------------------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 49,671,087 | \$ 3,807,444 | \$ 1,079,336 | \$ 54,557,867 |
| Receivables: | | | | |
| Accounts, net | - | 3,312 | - | 3,312 |
| Interest | 29,982 | 2,093 | - | 32,075 |
| Grants | 3,290,326 | - | - | 3,290,326 |
| Total current assets | <u>52,991,395</u> | <u>3,812,849</u> | <u>1,079,336</u> | <u>57,883,580</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Depreciable | - | 31,213,838 | - | 31,213,838 |
| Less accumulated depreciation | - | (20,988,195) | - | (20,988,195) |
| Net capital assets | - | 10,225,643 | - | 10,225,643 |
| Total noncurrent assets | - | 10,225,643 | - | 10,225,643 |
| Total assets | <u>52,991,395</u> | <u>14,038,492</u> | <u>1,079,336</u> | <u>68,109,223</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows of resources - pension | 232,347 | - | - | 232,347 |
| Deferred outflows of resources - OPEB | 26,903 | - | - | 26,903 |
| Total deferred outflows of resources | <u>259,250</u> | <u>-</u> | <u>-</u> | <u>259,250</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | 983,366 | 2,342 | - | 985,708 |
| Interest payable | - | 8,485 | - | 8,485 |
| Compensated absences - current | 66,303 | - | - | 66,303 |
| Claims payable - current | 14,606,071 | - | - | 14,606,071 |
| Long-term debt - current | - | 261,947 | - | 261,947 |
| Total current liabilities | <u>15,655,740</u> | <u>272,774</u> | <u>-</u> | <u>15,928,514</u> |
| Noncurrent liabilities: | | | | |
| Claims payable | 36,486,531 | - | - | 36,486,531 |
| Long-term debt | - | 1,474,133 | - | 1,474,133 |
| Net pension liability | 1,124,702 | - | - | 1,124,702 |
| Net OPEB liability | 612,742 | - | - | 612,742 |
| Total noncurrent liabilities | <u>38,223,975</u> | <u>1,474,133</u> | <u>-</u> | <u>39,698,108</u> |
| Total liabilities | <u>53,879,715</u> | <u>1,746,907</u> | <u>-</u> | <u>55,626,622</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows of resources - pension | 709,898 | - | - | 709,898 |
| Deferred inflows of resources - OPEB | 291,715 | - | - | 291,715 |
| Total deferred inflows of resources | <u>1,001,613</u> | <u>-</u> | <u>-</u> | <u>1,001,613</u> |
| NET POSITION (DEFICIT) | | | | |
| Net investment in capital assets | - | 8,489,563 | - | 8,489,563 |
| Unrestricted | (1,630,683) | 3,802,022 | 1,079,336 | 3,250,675 |
| Total net position | <u>\$ (1,630,683)</u> | <u>\$ 12,291,585</u> | <u>\$ 1,079,336</u> | <u>\$ 11,740,238</u> |

City of Richmond
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the year ended June 30, 2022

| | Insurance Reserves | Equipment Services and Replacement | Compensated Absences | Total Internal Service Funds |
|---|-----------------------|--|-------------------------|------------------------------------|
| OPERATING REVENUES: | | | | |
| Service charges - internal | \$ 17,113,205 | \$ 2,416,000 | \$ 2,600,000 | \$ 22,129,205 |
| Other | - | 101,003 | - | 101,003 |
| Total operating revenues | 17,113,205 | 2,517,003 | 2,600,000 | 22,230,208 |
| OPERATING EXPENSES: | | | | |
| Salaries and benefits | (1,878,475) | - | 2,431,615 | 553,140 |
| General and administrative | 1,151,902 | - | - | 1,151,902 |
| Maintenance | 7,744,626 | (201,092) | - | 7,543,534 |
| Depreciation | - | 2,254,908 | - | 2,254,908 |
| Claims losses | 21,145,703 | - | - | 21,145,703 |
| Total operating expenses | 28,163,756 | 2,053,816 | 2,431,615 | 32,649,187 |
| OPERATING INCOME (LOSS) | (11,050,551) | 463,187 | 168,385 | (10,418,979) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Gain (loss) from retirement of capital assets | - | (3,361) | - | (3,361) |
| Interest income | 241,212 | 6,788 | - | 248,000 |
| Grants | 7,217,327 | - | - | 7,217,327 |
| Interest expense | - | (72,836) | - | (72,836) |
| Total nonoperating revenues (expenses) | 7,458,539 | (69,409) | - | 7,389,130 |
| Income (loss) before contributions and transfers | (3,592,012) | 393,778 | 168,385 | (3,029,849) |
| CONTRIBUTIONS AND TRANSFERS: | | | | |
| Capital contributions | - | 1,358,413 | - | 1,358,413 |
| Transfers in | - | 601,018 | - | 601,018 |
| Total contributions and transfers | - | 1,959,431 | - | 1,959,431 |
| Change in net position | (3,592,012) | 2,353,209 | 168,385 | (1,070,418) |
| NET POSITION: | | | | |
| Beginning of year, as restated | 1,961,329 | 9,938,376 | 910,951 | 12,810,656 |
| End of year | \$ (1,630,683) | \$ 12,291,585 | \$ 1,079,336 | \$ 11,740,238 |

City of Richmond
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2022

| | Insurance Reserves | Equipment Services and Replacement | Compensated Absences | Total Internal Service Funds |
|--|-----------------------|--|-------------------------|------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts from interfund services | \$ 17,122,205 | \$ 2,513,691 | \$ 2,600,000 | \$ 22,235,896 |
| Payments to suppliers | (9,522,895) | 203,434 | - | (9,319,461) |
| Payments to employees | (1,030,138) | - | (2,431,615) | (3,461,753) |
| Insurance premiums and claims paid | (14,445,440) | - | - | (14,445,440) |
| Net cash provided by (used in) operating activities | (7,876,268) | 2,717,125 | 168,385 | (4,990,758) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Interfund receipts (payments) | 2,580,535 | - | - | 2,580,535 |
| Transfers in | - | 601,018 | - | 601,018 |
| Net cash provided by (used in) noncapital financing activities | 2,580,535 | 601,018 | - | 3,181,553 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Grant receipts | 3,927,001 | - | - | 3,927,001 |
| Acquisition of capital assets | - | (736,759) | - | (736,759) |
| Principal payments on capital debt | - | (251,950) | - | (251,950) |
| Interest paid | - | (74,068) | - | (74,068) |
| Net cash provided by (used in) capital and related financing activities | 3,927,001 | (1,062,777) | - | 2,864,224 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest | 227,360 | 4,757 | - | 232,117 |
| Net cash provided by (used in) investing activities | 227,360 | 4,757 | - | 232,117 |
| Net cash flows | (1,141,372) | 2,260,123 | 168,385 | 1,287,136 |
| CASH AND INVESTMENTS - Beginning of year | 50,812,459 | 1,547,321 | 910,951 | 53,270,731 |
| CASH AND INVESTMENTS - End of year | \$ 49,671,087 | \$ 3,807,444 | \$ 1,079,336 | \$ 54,557,867 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ (11,050,551) | \$ 463,187 | \$ 168,385 | \$ (10,418,979) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation expense | - | 2,254,908 | - | 2,254,908 |
| Changes in assets and liabilities: | | | | |
| Receivables, net | 9,000 | (3,312) | - | 5,688 |
| Prepays and other assets | - | - | - | - |
| Accounts payable and accrued liabilities | (626,367) | 2,342 | - | (624,025) |
| Compensated absences payable | (44,924) | - | - | (44,924) |
| Claims payable | 6,700,263 | - | - | 6,700,263 |
| Net pension liability and deferred outflows/inflows | (1,657,674) | - | - | (1,657,674) |
| Net OPEB liability and deferred outflows/inflows | (1,206,015) | - | - | (1,206,015) |
| Net cash provided by (used in) operating activities | \$ (7,876,268) | \$ 2,717,125 | \$ 168,385 | \$ (4,990,758) |

TRUST FUNDS

Pension Trust Funds

General Pension Fund records the activity of the General Pension Plan, a defined benefit plan that covers 28 former City employees not covered by PERS, all of whom have retired.

Police and Firemen's Pension Fund records the activity of the Police and Firemen's Pension Plan, a defined benefit pension plan that covers 75 police and fire personnel employed prior to October 1964.

Garfield Pension Fund records the activity of the Garfield Pension Plan, a defined contribution pension plan that was set up for a retired police chief.

Private-Purpose Trust Funds

Pt. Molate Fund is used to account for assets held by the City as an agent for the U.S. Navy and a private developer for the cleanup of Point Molate.

Successor Agency to the Richmond Community Redevelopment Agency Fund accounts for the activities of the Successor Agency to the former Redevelopment Agency.

City of Richmond
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2022

| | Pension | | | Total |
|---|---------------------|------------------------------|-------------------|----------------------|
| | General Pension | Police and Firemen's Pension | Garfield Pension | |
| ASSETS | | | | |
| Restricted cash and investments | \$ 1,069,561 | \$ 53,324 | \$ 23,671 | \$ 1,146,556 |
| Local Agency Investment Fund | - | - | 184,164 | 184,164 |
| Mutual fund investments | - | 10,001,639 | - | 10,001,639 |
| Interest receivable | 704 | 142 | 20 | 866 |
| Total assets | 1,070,265 | 10,055,105 | 207,855 | 11,333,225 |
| NET POSITION: | | | | |
| Restricted for employees' pension and OPEB benefits | 1,070,265 | 10,055,105 | 207,855 | 11,333,225 |
| Total net position | \$ 1,070,265 | \$ 10,055,105 | \$ 207,855 | \$ 11,333,225 |

City of Richmond
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the year ended June 30, 2022

| | Pension | | | Total |
|--|-----------------|------------------------------|------------------|--------------------|
| | General Pension | Police and Firemen's Pension | Garfield Pension | |
| ADDITIONS: | | | | |
| Contributions to trust - employers | \$ 345,348 | \$ - | \$ 12,408 | \$ 357,756 |
| Net investment income: | | | | |
| Net increase (decrease) in fair value of investments | 502 | (2,097,001) | (2,382) | (2,098,881) |
| Interest income | 3,116 | 235,257 | 631 | 239,004 |
| Less investment management fees | - | (77,258) | - | (77,258) |
| Total additions | 348,966 | (1,939,002) | 10,657 | (1,579,379) |
| DEDUCTIONS: | | | | |
| Pension benefits | 371,727 | 1,119,740 | 51,807 | 1,543,274 |
| Total deductions | 371,727 | 1,119,740 | 51,807 | 1,543,274 |
| Change in net position | (22,761) | (3,058,742) | (41,150) | (3,122,653) |
| NET POSITION: | | | | |
| Beginning of year | 1,093,026 | 13,113,847 | 249,005 | 14,455,878 |
| End of year | \$ 1,070,265 | \$ 10,055,105 | \$ 207,855 | \$ 11,333,225 |

City of Richmond
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2022

| | Pt. Molate | Successor Agency to the Richmond Community Redevelopment Agency | Total |
|---|---------------------|--|------------------------|
| ASSETS | | | |
| Cash and investments | \$ - | \$ 6,909,914 | \$ 6,909,914 |
| Restricted cash and investments | 1,458,779 | 16,667,383 | 18,126,162 |
| Accounts receivable | - | 523 | 523 |
| Interest receivable | 6 | - | 6 |
| Prepays and other assets | - | 5,485,179 | 5,485,179 |
| Total assets | 1,458,785 | 29,062,999 | 30,521,784 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows of resources - deferred loss on refunding | - | 391,179 | 391,179 |
| Total deferred outflows of resources | - | 391,179 | 391,179 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 167,655 | 66,551 | 234,206 |
| Interest payable | - | 593,945 | 593,945 |
| Long-term debt: | | | |
| Due within one year | - | 6,590,000 | 6,590,000 |
| Due in more than one year | - | 47,043,648 | 47,043,648 |
| Total liabilities | 167,655 | 54,294,144 | 54,461,799 |
| NET POSITION: | | | |
| Held in trust for other governments | 1,291,130 | (24,839,966) | (23,548,836) |
| Total net position | \$ 1,291,130 | \$ (24,839,966) | \$ (23,548,836) |

City of Richmond
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the year ended June 30, 2022

| | Pt. Molate | Successor Agency to the Richmond Community Redevelopment Agency | Total |
|--|------------------|--|------------------|
| ADDITIONS: | | | |
| Property taxes | \$ - | \$ 8,306,100 | \$ 8,306,100 |
| Interest income | 231 | 218,764 | 218,995 |
| Gain from sale of property | - | 954,500 | 954,500 |
| Total additions | 231 | 9,479,364 | 9,479,595 |
| DEDUCTIONS: | | | |
| Community development | - | 1,459,882 | 1,459,882 |
| Payments in accordance with trust agreements | 903,639 | - | 903,639 |
| Interest and fiscal charges | - | 2,052,525 | 2,052,525 |
| Total deductions | 903,639 | 3,512,407 | 4,416,046 |
| Change in net position | (903,408) | 5,966,957 | 5,063,549 |
| NET POSITION: | | | |
| Beginning of year | 2,194,538 | (30,806,923) | (28,612,385) |
| End of year | \$ 1,291,130 | \$ (24,839,966) | \$ (23,548,836) |

City of Richmond
Subcombining Statement of Fiduciary Net Position
Successor Agency to the Richmond Community Redevelopment Agency
June 30, 2022

| | Redevelopment | | Capital | Bond Funded |
|---|---------------------|----------------|----------------------|------------------|
| | Property Tax | Administration | Projects | Capital Projects |
| | Trust Fund | | | |
| ASSETS | | | | |
| Cash and investments | \$ 2,558,733 | \$ 467 | \$ 4,350,714 | \$ - |
| Restricted cash and investments | - | - | 3,485,447 | - |
| Accounts receivable | - | - | 523 | - |
| Prepays and other assets | - | - | 5,485,179 | - |
| Total assets | 2,558,733 | 467 | 13,321,863 | - |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows of resources - deferred loss on refunding | - | - | - | - |
| Total deferred outflows of resources | - | - | - | - |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | - | 467 | 66,084 | - |
| Interest payable | - | - | - | - |
| Long-term debt: | | | | |
| Due within one year | - | - | - | - |
| Due in more than one year | - | - | - | - |
| Total liabilities | - | 467 | 66,084 | - |
| NET POSITION: | | | | |
| Held in trust for successor agency | 2,558,733 | - | 13,255,779 | - |
| Total net position | \$ 2,558,733 | \$ - | \$ 13,255,779 | \$ - |

| Bond Payments | Intrafund Eliminations | Total |
|------------------------|---------------------------|------------------------|
| \$ - | \$ - | \$ 6,909,914 |
| 13,181,936 | - | 16,667,383 |
| - | - | 523 |
| - | - | 5,485,179 |
| <u>13,181,936</u> | <u>-</u> | <u>29,062,999</u> |
| 391,179 | - | 391,179 |
| <u>391,179</u> | <u>-</u> | <u>391,179</u> |
| - | - | 66,551 |
| 593,945 | - | 593,945 |
| 6,590,000 | - | 6,590,000 |
| 47,043,648 | - | 47,043,648 |
| <u>54,227,593</u> | <u>-</u> | <u>54,294,144</u> |
| (40,654,478) | - | (24,839,966) |
| <u>\$ (40,654,478)</u> | <u>\$ -</u> | <u>\$ (24,839,966)</u> |

City of Richmond
Subcombining Statement of Changes in Fiduciary Net Position
Successor Agency to the Richmond Community Redevelopment Agency
For the year ended June 30, 2022

| | Redevelopment | | Capital | Bond Funded |
|---------------------------------|--------------------|----------------|------------------|------------------|
| | Property Tax | Administration | Projects | Capital Projects |
| | Trust Fund | | | |
| ADDITIONS: | | | | |
| Property taxes | \$ 8,306,100 | \$ - | \$ - | \$ - |
| Net investment income: | | | | |
| Interest income | - | - | 118,263 | - |
| Less investment management fees | - | - | - | - |
| Transfers from other funds | - | 409,709 | 48,613 | - |
| Gain from sale of property | - | - | 954,500 | - |
| Total additions | 8,306,100 | 409,709 | 1,121,376 | - |
| DEDUCTIONS: | | | | |
| Community development | - | 409,709 | 473,232 | - |
| Interest and fiscal charges | - | - | - | - |
| Transfers to other funds | 10,913,829 | - | 30,067 | - |
| Total deductions | 10,913,829 | 409,709 | 503,299 | - |
| Change in net position | (2,607,729) | - | 618,077 | - |
| NET POSITION: | | | | |
| Beginning of year | 5,166,462 | - | 12,637,702 | - |
| End of year | \$ 2,558,733 | \$ - | \$ 13,255,779 | \$ - |



| <u>Bond</u> <u>Payments</u> | <u>Intrafund</u> <u>Eliminations</u> | <u>Total</u> |
|--------------------------------|---|------------------------|
| \$ - | \$ - | \$ 8,306,100 |
| 100,501 | - | 218,764 |
| - | - | - |
| 10,500,574 | (10,958,896) | - |
| - | - | 954,500 |
| <u>10,601,075</u> | <u>(10,958,896)</u> | <u>9,479,364</u> |
| 576,941 | - | 1,459,882 |
| 2,052,525 | - | 2,052,525 |
| 15,000 | (10,958,896) | - |
| <u>2,644,466</u> | <u>(10,958,896)</u> | <u>3,512,407</u> |
| 7,956,609 | - | 5,966,957 |
| <u>(48,611,087)</u> | <u>-</u> | <u>(30,806,923)</u> |
| <u>\$ (40,654,478)</u> | <u>\$ -</u> | <u>\$ (24,839,966)</u> |

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CUSTODIAL FUNDS

Custodial Funds

Special Assessment Fund accounts for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.

General Agency Fund accounts for the assets held by the City as an agent for individuals, private organizations, and other governments.

Johnson Library Fund accounts for nonexpendable funds to be used to provide funding for special library projects.

Senior Center Fund accounts for assets held by the City in an agent capacity for programs benefiting the senior citizens residing within the City.

JPFA Reassessment Fund receives secured tax payments (from assessment rolls), and makes payments on the JPFA Revenue Reassessment Bonds; Series 2011A.

2016 A&B Reassessment District Fund receives payments of principal and interest on prior assessment bonds, and makes payment on the JPFA Reassessment Revenue Bonds Series A and B.

City of Richmond
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

| | Special Assessment | General Agency | Johnson Library |
|---|-----------------------|---------------------|--------------------|
| ASSETS | | | |
| Cash and investments | \$ 895,475 | \$ 2,861,960 | \$ 10,799 |
| Restricted cash and investments | 342,267 | 18,161 | - |
| Interest receivable | 529 | 1,779 | 7 |
| Total assets | 1,238,271 | 2,881,900 | 10,806 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | - | - | - |
| Total liabilities | - | - | - |
| NET POSITION | | | |
| Restricted for: Individuals, organizations, and other governments | 1,238,271 | 2,881,900 | 10,806 |
| Total net position | \$ 1,238,271 | \$ 2,881,900 | \$ 10,806 |

| Senior Center | JPFA Reassessment | 2016 A&B Reassessment District | Total Custodial Funds |
|------------------|----------------------|--------------------------------------|-----------------------------|
| \$ 64,292 | \$ 1,851,403 | \$ 740,712 | \$ 6,424,641 |
| - | - | 187,154 | 547,582 |
| 39 | 1,158 | 392 | 3,904 |
| <u>64,331</u> | <u>1,852,561</u> | <u>928,258</u> | <u>6,976,127</u> |
| 4,801 | - | - | 4,801 |
| <u>4,801</u> | <u>-</u> | <u>-</u> | <u>4,801</u> |
| 59,530 | 1,852,561 | 928,258 | 6,971,326 |
| <u>\$ 59,530</u> | <u>\$ 1,852,561</u> | <u>\$ 928,258</u> | <u>\$ 6,971,326</u> |

City of Richmond
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

| | Special Assessment | General Agency | Johnson Library |
|-------------------------------|-----------------------|---------------------|--------------------|
| ADDITIONS: | | | |
| Property taxes | \$ 318,947 | \$ - | \$ - |
| Contributions | - | 265,011 | - |
| Net investment income: | | | |
| Interest income | 2,879 | 9,343 | 37 |
| Total additions | 321,826 | 274,354 | 37 |
| DEDUCTIONS: | | | |
| Interest and fiscal charges | 321,448 | - | - |
| Other | - | 98,728 | - |
| Total deductions | 321,448 | 98,728 | - |
| Change in net position | 378 | 175,626 | 37 |
| NET POSITION: | | | |
| Beginning of year | 1,237,893 | 2,706,274 | 10,769 |
| End of year | <u>\$ 1,238,271</u> | <u>\$ 2,881,900</u> | <u>\$ 10,806</u> |

| Senior Center | JPFA Reassessment | 2016 A&B Reassessment District | Total Custodial Funds |
|------------------|----------------------|--------------------------------------|-----------------------------|
| \$ - | \$ - | \$ 889,454 | \$ 1,208,401 |
| 14,686 | - | - | 279,697 |
| 218 | 6,418 | 2,259 | 21,154 |
| 14,904 | 6,418 | 891,713 | 1,509,252 |
| - | - | 1,591,472 | 1,912,920 |
| 18,357 | - | - | 117,085 |
| 18,357 | - | 1,591,472 | 2,030,005 |
| (3,453) | 6,418 | (699,759) | (520,753) |
| 62,983 | 1,846,143 | 1,628,017 | 7,492,079 |
| \$ 59,530 | \$ 1,852,561 | \$ 928,258 | \$ 6,971,326 |

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**STATISTICAL
SECTION (UNAUDITED)**

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STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

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

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Tax Payers
4. Property Tax Levies and Collections
5. Utility Users Tax Collections
6. Utility Users Tax Direct Rates
7. Top Ten Utility Users Taxpayers

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:

1. Ratio of Outstanding Debt by Type
2. Revenue Bond Coverage - 1999, 2006, 2008, 2010A & 2010B Wastewater Revenue Bonds
3. Revenue Bond Coverage - 1996, 1999, 2004, 2007, and 2009 Port Terminal Lease Revenue Bonds, Note and Point Potrero Lease Revenue Bonds.
4. General Bonded Debt - Pension Obligation Bonds
5. Bonded Debt Pledged Revenue Coverage - Tax Allocation Bonds all Refunding Bonds
6. Computation of Direct and Overlapping Debt
7. Computation of Legal Bonded Debt Margin

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:

1. Demographic and Economic Statistics
2. Principal Employers

CITY OF RICHMOND
JUNE 30, 2022

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:

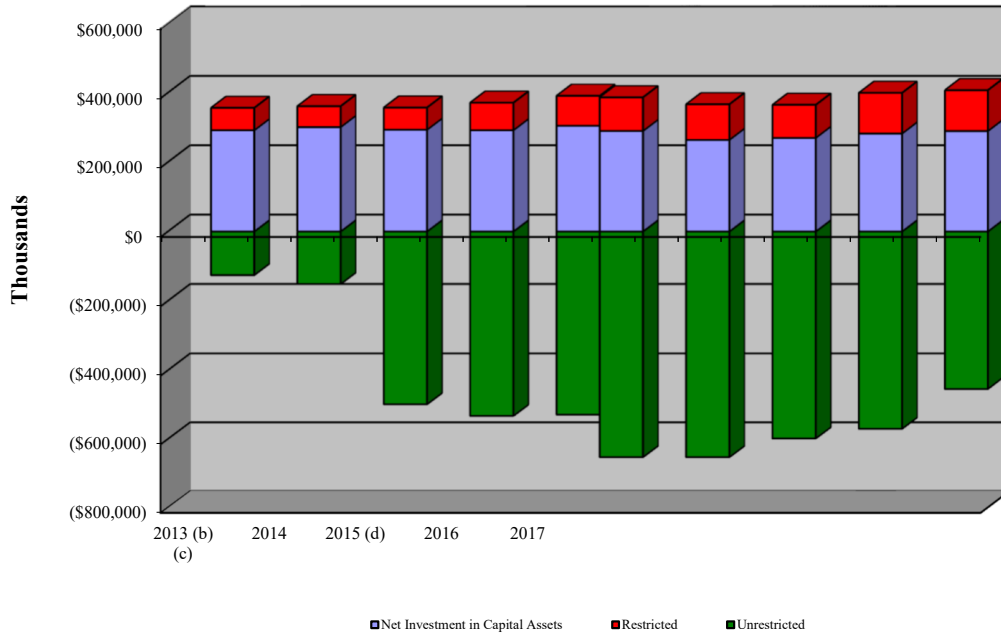
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Financial Reports for the relevant year.

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CITY OF RICHMOND
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



| | Fiscal Year Ended June 30 | | | | |
|--|----------------------------------|----------------------|------------------------|------------------------|------------------------|
| | 2013 (b) (c) | 2014 | 2015 (d) | 2016 | 2017 |
| Governmental activities | | | | | |
| Net investment in capital assets | \$214,572,546 | \$227,828,243 | \$218,144,811 | \$228,292,389 | \$233,619,046 |
| Restricted | 55,396,056 | 50,461,923 | 54,578,939 | 70,322,707 | 76,810,440 |
| Unrestricted | (119,231,699) | (148,161,106) | (479,961,080) | (508,981,299) | (504,602,583) |
| Total governmental activities net position | \$150,736,903 | \$130,129,060 | (\$207,237,330) | (\$210,366,203) | (\$194,173,097) |
| Business-type activities | | | | | |
| Net investment in capital assets | \$76,966,448 | \$72,911,000 | \$74,922,303 | \$63,405,228 | \$71,000,240 |
| Restricted | 9,196,255 | 9,793,767 | 9,408,237 | 9,008,038 | 9,441,288 |
| Unrestricted | (6,365,742) | (3,096,845) | (18,432,590) | (23,382,659) | (24,096,174) |
| Total business-type activities net position | \$79,796,961 | \$79,607,922 | \$65,897,950 | \$49,030,607 | \$56,345,354 |
| Primary government | | | | | |
| Net investment in capital assets | \$291,538,994 | \$300,739,243 | \$293,067,114 | \$291,697,617 | \$304,619,286 |
| Restricted | 64,592,311 | 60,255,690 | 63,987,176 | 79,330,745 | 86,251,728 |
| Unrestricted | (125,597,441) | (151,257,951) | (498,393,670) | (532,363,958) | (528,698,757) |
| Total primary government net position | \$230,533,864 | \$209,736,982 | (\$141,339,380) | (\$161,335,596) | (\$137,827,743) |

(a) Balance was restated in fiscal year 2013. Years prior to 2012 have not been restated.

(b) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position".

(c) Balance was restated in fiscal year 2014. Years prior to 2013 have not been restated.

(d) The City implemented the provisions of GASB Statement No. 68 in fiscal year 2015. Years prior to 2015 have not been restated.

(e) The City implemented the provisions of GASB Statement No. 75 in fiscal year 2018. Years prior to 2018 have not been restated.

| Fiscal Year Ended June 30 | | | | |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|
| 2018(e) | 2019 | 2020 | 2021 | 2022 |
| \$221,336,363 | \$211,717,676 | \$205,374,054 | \$206,419,763 | \$213,930,154 |
| 87,380,363 | 93,157,922 | 93,703,974 | 103,401,613 | 117,136,516 |
| <u>(625,067,289)</u> | <u>(644,341,826)</u> | <u>(597,270,745)</u> | <u>(568,565,683)</u> | <u>(491,415,035)</u> |
| <u>(\$316,350,563)</u> | <u>(\$339,466,228)</u> | <u>(\$298,192,717)</u> | <u>(\$258,744,307)</u> | <u>(\$160,348,365)</u> |
| \$68,213,687 | \$52,161,380 | \$64,270,898 | \$75,738,268 | \$75,469,292 |
| 9,514,522 | 9,440,965 | 1,517,087 | 13,859,999 | 607,958 |
| <u>(27,908,968)</u> | <u>(8,644,683)</u> | <u>(1,045,003)</u> | <u>(1,417,443)</u> | <u>37,774,604</u> |
| <u>\$49,819,241</u> | <u>\$52,957,662</u> | <u>\$64,742,982</u> | <u>\$88,180,824</u> | <u>\$113,851,854</u> |
| \$289,550,050 | \$263,879,056 | \$269,644,952 | \$282,158,031 | \$289,399,446 |
| 96,894,885 | 102,598,887 | 95,221,061 | 117,261,612 | 117,744,474 |
| <u>(652,976,257)</u> | <u>(652,986,509)</u> | <u>(598,315,748)</u> | <u>(569,983,126)</u> | <u>(453,640,431)</u> |
| <u>(\$266,531,322)</u> | <u>(\$286,508,566)</u> | <u>(\$233,449,735)</u> | <u>(\$170,563,483)</u> | <u>(\$46,496,511)</u> |

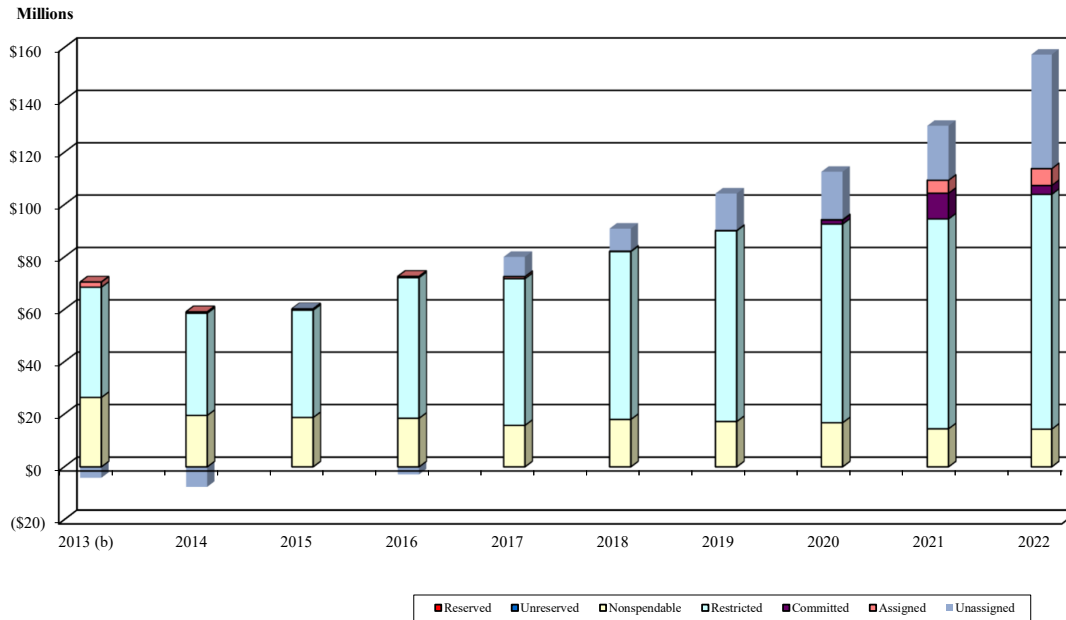
CITY OF RICHMOND
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2013 (b) | 2014 | 2015 (c) | 2016 | 2017 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$35,272,517 | \$36,119,297 | \$28,879,074 | \$32,197,941 | \$34,851,005 |
| Public Safety | 97,136,602 | 102,664,551 | 102,732,652 | 107,380,286 | 104,919,259 |
| Public Works | 46,011,618 | 46,403,830 | 43,363,799 | 44,410,102 | 41,558,084 |
| Community Development | 4,909,158 | 4,618,101 | 4,771,875 | 5,003,045 | 3,290,142 |
| Cultural and Recreational | 12,129,962 | 10,808,931 | 10,492,020 | 11,021,226 | 10,996,526 |
| Housing and Redevelopment | 2,816,094 | 1,984,908 | 2,751,290 | 2,051,898 | 7,449,423 |
| Interest and Fiscal Charges | 15,411,831 | 19,439,248 | 17,219,905 | 18,902,831 | 16,387,887 |
| Total Governmental Activities Expenses | <u>213,687,782</u> | <u>222,038,866</u> | <u>210,210,615</u> | <u>220,967,329</u> | <u>219,452,326</u> |
| Business-Type Activities: | | | | | |
| Richmond Housing Authority | 28,992,229 | 29,771,151 | 28,049,474 | 26,385,133 | 26,241,916 |
| Port of Richmond | 9,337,252 | 9,530,693 | 9,923,282 | 11,132,997 | 10,102,104 |
| Richmond Marina | 266,918 | 253,190 | 235,054 | 237,129 | 230,621 |
| Municipal Sewer | 16,964,175 | 16,298,623 | 15,965,608 | 16,446,626 | 17,720,735 |
| Storm Sewer | 2,815,541 | 3,210,678 | 3,282,406 | 2,465,929 | 2,320,723 |
| Cable TV | 990,802 | 890,846 | 948,426 | 2,114,436 | 1,028,185 |
| Total Business-Type Activities Expenses | <u>59,366,917</u> | <u>59,955,181</u> | <u>58,404,250</u> | <u>58,782,250</u> | <u>57,644,284</u> |
| Total Primary Government Expenses | <u>\$273,054,699</u> | <u>\$281,994,047</u> | <u>\$268,614,865</u> | <u>\$279,749,579</u> | <u>\$277,096,610</u> |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| General Government | \$11,596,612 | \$16,917,113 | \$11,107,654 | \$12,468,525 | \$15,543,381 |
| Public Safety | 5,400,290 | 6,217,749 | 10,466,292 | 7,271,472 | 8,932,212 |
| Public Works | 3,090,211 | 4,160,804 | 3,609,577 | 3,936,242 | 4,796,586 |
| Community Development | 234,836 | 405,404 | 1,385,689 | 1,069,767 | 615,388 |
| Cultural and Recreational | 516,499 | 584,475 | 475,091 | 1,128,267 | 1,252,192 |
| Housing and Redevelopment | | | | 42,040 | |
| Operating Grants and Contributions | 9,703,416 | 8,434,018 | 9,231,039 | 20,994,534 | 16,083,370 |
| Capital Grants and Contributions | 11,360,153 | 34,530,908 | 21,097,186 | 17,534,992 | 14,008,833 |
| Total Government Activities Program Revenues | <u>41,902,017</u> | <u>71,250,471</u> | <u>57,372,528</u> | <u>64,445,839</u> | <u>61,231,962</u> |
| Business-Type Activities: | | | | | |
| Charges for Services: | | | | | |
| Richmond Housing Authority | 2,619,669 | 2,638,834 | 1,917,602 | 1,851,337 | 3,067,020 |
| Port of Richmond | 9,043,026 | 10,201,751 | 9,480,367 | 10,581,419 | 10,182,777 |
| Municipal Sewer | 17,733,454 | 18,569,191 | 19,033,406 | 19,757,863 | 20,767,925 |
| Richmond Marina | 466,921 | 456,956 | 488,201 | 517,108 | 540,567 |
| Storm Sewer | 1,842,001 | 1,869,064 | 1,845,648 | 1,966,537 | 1,992,758 |
| Cable TV | 1,320,552 | 1,228,864 | 1,376,194 | 1,320,486 | 1,339,104 |
| Operating Grants and Contributions | 22,323,336 | 21,953,401 | 22,112,391 | 21,951,328 | 22,636,922 |
| Capital Grants and Contributions | 10,087,538 | 1,673,398 | 2,189,724 | 2,155,686 | 969,910 |
| Total Business-Type Activities Program Revenue | <u>65,436,497</u> | <u>58,591,459</u> | <u>58,443,533</u> | <u>60,101,764</u> | <u>61,496,983</u> |
| Total Primary Government Program Revenues | <u>\$107,338,514</u> | <u>\$129,841,930</u> | <u>\$115,816,061</u> | <u>\$124,547,603</u> | <u>\$122,728,945</u> |
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | (\$171,785,765) | (\$150,788,395) | (\$152,838,087) | (\$156,521,490) | (\$158,220,364) |
| Business-Type Activities | 6,069,580 | (1,363,722) | 39,283 | 1,319,514 | 3,852,699 |
| Total Primary Government Net Expense | <u>(\$165,716,185)</u> | <u>(\$152,152,117)</u> | <u>(\$152,798,804)</u> | <u>(\$155,201,976)</u> | <u>(\$154,367,665)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental Activities: | | | | | |
| Taxes: | | | | | |
| Property Taxes: | | | | | |
| Current Collections | \$47,207,734 | \$42,226,820 | \$45,129,392 | \$51,302,638 | \$56,588,547 |
| Sales Taxes | 29,865,548 | 29,627,711 | 33,155,376 | 40,877,125 | 41,620,189 |
| Utility User Taxes | 48,398,349 | 48,033,706 | 48,299,958 | 43,365,249 | 44,966,489 |
| Documentary Transfer Taxes | 2,957,834 | 3,461,473 | 4,818,936 | 6,187,096 | 7,452,985 |
| Other Taxes | 3,289,518 | 3,592,218 | 5,099,511 | 5,734,802 | 5,329,465 |
| Unrestricted Intergovernmental | 44,814 | | 1,806,532 | 43,312 | 49,448 |
| Use of Money and Property | 11,331,823 | (1,164,987) | (4,752,198) | 1,198,266 | 12,230,256 |
| Gain From Sale of Capital Assets | | 174,874 | 268,927 | 262,667 | 64,651 |
| Miscellaneous | 3,461,402 | 3,229,898 | 2,151,042 | 4,258,061 | 5,138,724 |
| Pension Stabilization Revenue | 2,549,922 | 998,839 | 954,202 | 915,860 | 885,938 |
| Developer Revenue Sharing | | | | | |
| Transfers | (590,394) | | 178,487 | 600,000 | 86,778 |
| Special/Extraordinary Items: | | | | | |
| Swap Termination | | | | (16,321,171) | |
| Transfer of Loans to Housing Successor | | | | | |
| Assets Transferred To/Liabilities Assumed By | | | | 14,968,712 | |
| Housing Successor/Successor Agency | (5,328,244) | | | | |
| Total Government Activities | <u>143,188,306</u> | <u>130,180,552</u> | <u>137,110,165</u> | <u>153,392,617</u> | <u>174,413,470</u> |
| Business-Type Activities: | | | | | |
| Taxes: | | | | | |
| Property Taxes | | | | | |
| Use of Money and Property | 4,054,073 | (185,246) | (563,129) | (3,076,857) | 3,548,826 |
| Settlement | | | | | |
| Other | | | | | |
| Special Item | | | | (14,510,000) | |
| Transfers | 590,394 | | (178,487) | (600,000) | (86,778) |
| Extraordinary Items | 9,023,704 | 1,359,929 | | | |
| Total Business-Type Activities | <u>13,668,171</u> | <u>1,174,683</u> | <u>(741,616)</u> | <u>(18,186,857)</u> | <u>3,462,048</u> |
| Total Primary Government | <u>\$156,856,477</u> | <u>\$131,355,235</u> | <u>\$136,368,549</u> | <u>\$135,205,760</u> | <u>\$177,875,518</u> |
| Change in Net Position | | | | | |
| Governmental Activities | (\$28,597,459) | (\$20,607,843) | (\$15,727,922) | (\$3,128,873) | \$16,193,106 |
| Business-Type Activities | 19,737,751 | (189,039) | (702,333) | (16,867,343) | 7,314,747 |
| Total Primary Government | <u>(\$8,859,708)</u> | <u>(\$20,796,882)</u> | <u>(\$16,430,255)</u> | <u>(\$19,996,216)</u> | <u>\$23,507,853</u> |

- (a) The Redevelopment Agency was dissolved effective January 31, 2012 and its net position transferred to a Successor Agency.
(b) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position".
(c) The City implemented the provisions of GASB Statement No. 68 in fiscal year 2015. Years prior to 2015 have not been restated.
(d) The City implemented the provisions of GASB Statement No. 75 in fiscal year 2018. Years prior to 2018 have not been restated.

| Fiscal Year Ended June 30 | | | | |
|---------------------------|------------------------|------------------------|------------------------|-----------------------|
| 2018 (d) | 2019 | 2020 | 2021 | 2022 |
| \$45,715,329 | \$45,626,305 | \$43,495,871 | \$46,917,122 | \$48,312,143 |
| 114,932,219 | 116,621,006 | 108,947,688 | 94,378,715 | 68,259,779 |
| 48,617,290 | 49,893,124 | 45,051,479 | 33,979,639 | 35,554,874 |
| 4,589,328 | 5,791,630 | 4,115,214 | 4,534,280 | 3,552,363 |
| 14,280,985 | 15,074,312 | 10,409,881 | 9,006,470 | 9,969,799 |
| 3,442,239 | 2,676,897 | 2,807,611 | 3,007,152 | 3,375,875 |
| 16,127,479 | 15,380,005 | 14,896,558 | 12,825,356 | 12,322,289 |
| <u>247,704,869</u> | <u>251,063,279</u> | <u>229,724,302</u> | <u>204,648,734</u> | <u>181,347,122</u> |
| 30,978,813 | 36,766,319 | 5,834,686 | 3,607,603 | (1,750,799) |
| 10,257,553 | 8,811,486 | 7,744,773 | 6,263,232 | 4,763,557 |
| 327,442 | 273,929 | 21,767,690 | 20,466,640 | 246,064 |
| 21,696,370 | 19,259,997 | 241,445 | 227,391 | 18,140,943 |
| 1,661,808 | 1,643,453 | 1,965,353 | 1,796,422 | 1,282,576 |
| 1,697,155 | 973,747 | 671,790 | 788,957 | 664,656 |
| <u>66,619,141</u> | <u>67,728,931</u> | <u>38,225,737</u> | <u>33,150,245</u> | <u>23,346,997</u> |
| <u>\$314,324,010</u> | <u>\$318,792,210</u> | <u>\$267,950,039</u> | <u>\$237,798,979</u> | <u>\$204,694,119</u> |
| \$16,838,782 | \$15,310,347 | \$13,211,033 | \$13,777,010 | \$18,422,370 |
| 8,147,458 | 7,124,227 | 6,631,900 | 3,674,412 | 3,448,026 |
| 6,529,172 | 5,118,216 | 7,792,157 | 7,198,221 | 4,405,851 |
| 1,748,222 | 1,603,581 | 827,055 | 665,999 | 110,552 |
| 1,545,399 | 2,200,702 | 1,111,472 | 814,073 | 577,978 |
| 1,878,958 | 2,189,703 | | | |
| 20,556,989 | 20,514,833 | 25,354,387 | 29,316,141 | 37,756,494 |
| <u>10,471,376</u> | <u>5,778,572</u> | <u>4,987,273</u> | <u>4,386,950</u> | <u>10,787,022</u> |
| <u>67,716,356</u> | <u>59,840,181</u> | <u>59,915,277</u> | <u>59,832,806</u> | <u>75,508,293</u> |
| 1,740,399 | 3,329,072 | 841,319 | 861,943 | 782,951 |
| 10,580,246 | 10,629,229 | 10,454,061 | 10,704,024 | 10,530,653 |
| 22,447,439 | 24,476,967 | 27,934,684 | 27,759,474 | 28,168,977 |
| 537,438 | 602,591 | 564,988 | 574,453 | 524,652 |
| 2,068,110 | 1,942,171 | 2,087,561 | 2,103,928 | 2,061,815 |
| 1,281,952 | 1,240,754 | 1,203,837 | 1,145,936 | 1,103,873 |
| 26,098,804 | 28,666,300 | 4,027,791 | 3,771,674 | 2,211,712 |
| 1,155,536 | 2,170,137 | 322,164 | 13,167 | |
| <u>65,909,924</u> | <u>73,057,221</u> | <u>47,436,405</u> | <u>46,934,599</u> | <u>45,384,633</u> |
| <u>\$133,626,280</u> | <u>\$132,897,402</u> | <u>\$107,351,682</u> | <u>\$106,767,405</u> | <u>\$120,892,926</u> |
| (\$179,988,513) | (\$191,223,098) | (\$169,809,025) | (\$144,815,928) | (\$105,838,829) |
| (709,217) | 5,328,290 | 9,210,668 | 13,784,354 | 22,037,636 |
| <u>(\$180,697,730)</u> | <u>(\$185,894,808)</u> | <u>(\$160,598,357)</u> | <u>(\$131,031,574)</u> | <u>(\$83,801,193)</u> |
| 59,441,796 | 60,592,022 | 63,004,942 | 65,075,408 | 65,248,507 |
| 44,474,973 | 47,659,481 | 44,537,156 | 48,998,406 | 53,453,323 |
| 46,079,755 | 45,905,937 | 45,552,523 | 45,240,705 | 48,373,587 |
| 6,486,347 | 8,011,672 | 8,707,564 | 19,857,680 | 18,612,087 |
| 6,144,968 | 6,227,213 | 7,127,375 | 7,424,135 | 8,176,511 |
| 58,842 | 4,705,047 | 5,367,784 | 6,593,602 | 7,241,103 |
| 7,000,785 | (6,825,744) | 2,946,978 | 1,461,004 | 1,593,846 |
| 39,226 | 71,779 | 82,036 | 71,458 | 88,477 |
| 4,195,794 | 1,980,973 | 1,992,600 | 1,357,022 | 2,140,211 |
| 86,778 | (220,947) | 86,778 | (11,279,988) | (3,516,663) |
| 1,208,259 | | | | |
| <u>175,217,523</u> | <u>168,107,433</u> | <u>179,405,736</u> | <u>184,799,432</u> | <u>201,410,989</u> |
| 3,431,293 | (1,015,459) | 770,319 | 145,810 | 909,597 |
| (86,778) | 220,947 | (86,778) | 11,279,988 | 3,516,663 |
| <u>3,344,515</u> | <u>(794,512)</u> | <u>683,541</u> | <u>11,425,798</u> | <u>4,426,260</u> |
| <u>\$178,562,038</u> | <u>\$167,312,921</u> | <u>\$180,089,277</u> | <u>\$196,225,230</u> | <u>\$205,837,249</u> |
| (\$4,770,990) | (\$23,115,665) | \$9,596,711 | \$39,983,504 | \$95,572,160 |
| 2,635,298 | 4,533,778 | 9,894,209 | 25,210,152 | 26,463,896 |
| <u>(\$2,135,692)</u> | <u>(\$18,581,887)</u> | <u>\$19,490,920</u> | <u>\$65,193,656</u> | <u>\$122,036,056</u> |

CITY OF RICHMOND
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



| | 2013 (b) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$26,366,829 | \$19,505,987 | \$18,708,682 | \$18,404,669 | \$15,697,680 | \$17,967,653 | \$17,170,714 | \$16,705,993 | \$14,399,738 | \$14,242,186 |
| Restricted | | | | | | | | | \$1,500,000 | \$1,505,053 |
| Committed | | | | | | | | \$1,500,000 | \$9,800,000 | \$3,383,453 |
| Assigned | 219,646 | 56,786 | 23,934 | 4,460 | 10,013 | 72,506 | 63,180 | 113,349 | 2,436,475 | 6,397,688 |
| Unassigned | 10,238,862 | 7,979,055 | 9,949,120 | 10,988,266 | 19,709,197 | 17,590,764 | 19,534,660 | 20,326,889 | 22,477,829 | 44,935,389 |
| Total General Fund | <u>\$36,825,337</u> | <u>\$27,541,828</u> | <u>\$28,681,736</u> | <u>\$29,397,395</u> | <u>\$35,416,890</u> | <u>\$35,630,923</u> | <u>\$36,768,554</u> | <u>\$38,646,231</u> | <u>\$49,114,042</u> | <u>\$70,463,769</u> (a) |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | | | \$484 | \$550 | | | | | | |
| Restricted | \$42,117,459 | \$39,066,351 | 41,017,602 | 53,752,247 | \$56,052,014 | \$64,125,353 | \$72,865,392 | \$75,880,927 | \$80,161,994 | \$88,191,500 |
| Committed | | | | | | | | | | |
| Assigned | 1,734,260 | 428,766 | 430,083 | 431,867 | 782,617 | 43,906 | 44,602 | 45,264 | 2,521,099 | 45,618 |
| Unassigned | (14,357,112) | (15,499,990) | (9,755,130) | (13,824,433) | (12,190,388) | (8,939,781) | (5,403,755) | (2,000,302) | (1,677,775) | (1,375,327) |
| Total all other governmental funds | <u>\$29,494,607</u> | <u>\$23,995,127</u> | <u>\$31,693,039</u> | <u>\$40,360,231</u> | <u>\$44,644,243</u> | <u>\$55,229,478</u> | <u>\$67,506,239</u> | <u>\$73,925,889</u> | <u>\$81,005,318</u> | <u>\$86,861,791</u> (a) |

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
(b) Balance was restated in fiscal year 2014. Years prior to 2013 have not been restated.

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CITY OF RICHMOND
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | |
|--|----------------------------|-----------------------|--------------------|--------------------|---------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Revenues | | | | | |
| Property taxes | \$48,518,328 | \$43,559,305 | \$46,498,061 | \$52,714,540 | \$58,042,766 |
| Sales taxes | 29,865,548 | 29,627,711 | 33,131,486 | 40,877,125 | 41,620,189 |
| Utility user fees | 48,398,349 | 48,033,706 | 48,299,958 | 43,365,249 | 44,966,489 |
| Other taxes | 6,247,352 | 7,053,691 | 9,918,447 | 11,628,519 | 12,566,579 |
| Licenses, permits and fees | 11,830,426 | 7,713,634 | 12,409,625 | 12,235,483 | 16,577,695 |
| Developer revenue sharing | | | | | |
| Fines, forfeitures and penalties | 617,509 | 821,411 | 1,353,518 | 901,838 | 1,065,421 |
| Use of money and property | 557,936 | 153,958 | 225,529 | 212,787 | 422,324 |
| Intergovernmental | 19,995,922 | 17,078,035 | 19,228,997 | 14,440,543 | 19,913,858 |
| Private grants | | | | 12,971,138 | 5,000,000 |
| Charges for services | 9,350,051 | 20,022,968 | 13,607,840 | 13,462,270 | 15,947,909 |
| Pension stabilization revenue | 2,549,922 | 998,839 | 954,202 | 915,860 | 885,938 |
| Rent | 681,141 | 708,626 | 809,113 | 768,753 | 839,821 |
| Other | 2,703,133 | 2,845,117 | 1,977,688 | 4,300,150 | 5,472,719 |
| Total Revenues | 181,315,617 | 178,617,001 | 188,414,464 | 208,794,255 | 223,321,708 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 33,251,610 | 32,005,878 | 29,786,089 | 31,819,369 | 36,973,645 |
| Public safety | 87,573,539 | 91,676,955 | 90,219,981 | 94,774,545 | 95,479,682 |
| Public works | 26,065,996 | 26,363,885 | 25,806,437 | 25,690,663 | 30,327,553 |
| Community development | 4,709,478 | 4,357,885 | 4,586,333 | 4,843,687 | 6,374,607 |
| Cultural and recreational | 11,175,362 | 10,223,708 | 10,021,481 | 10,551,337 | 10,786,216 |
| Housing and redevelopment | 3,089,640 | 2,266,265 | 2,625,533 | 3,038,135 | 7,672,540 |
| SERAF | | | | | |
| Capital outlay | 15,704,486 | 14,365,888 | 8,178,649 | 8,566,563 | 3,667,134 |
| Debt service: | | | | | |
| Principal repayment | 8,691,629 | 6,775,769 | 7,842,830 | 9,148,909 | 9,966,416 |
| Interest and fiscal charges | 7,504,922 | 10,989,996 | 13,407,604 | 12,503,442 | 11,471,169 |
| Swap termination payment | | | | 28,554,000 | |
| Total Expenditures | 197,766,662 | 199,026,229 | 192,474,937 | 229,490,650 | 212,718,962 |
| Excess (deficiency) of revenues over (under) expenditures | (16,451,045) | (20,409,228) | (4,060,473) | (20,696,395) | 10,602,746 |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from sale of property | 53,618 | 174,874 | 268,927 | 262,667 | 181,022 |
| Transfers in | 21,145,031 | 20,145,264 | 12,879,975 | 12,124,166 | 18,770,780 |
| Transfers out | (19,666,470) | (20,859,344) | (13,815,569) | (12,091,206) | (19,251,041) |
| Payment to refund bond escrow agent | | | | | |
| Issuance of long-term debt | 2,621,558 | 6,165,445 | 11,175,436 | 28,390,000 | |
| Bond issuance premium | 106,740 | | 82,880 | 1,393,619 | |
| Total other financing sources (uses) | 4,260,477 | 5,626,239 | 10,591,649 | 30,079,246 | (299,239) |
| Special and Extraordinary Items | | | | | |
| Assets transferred to/liabilities assumed by Housing Successor/Successor Agency | | | | | |
| Transfer of loans to housing successor | | | | | |
| Interfund advance restructuring | 745,119 | | | | |
| Total Special and Extraordinary Items | 745,119 | | | | |
| Net Change in fund balances | (\$11,445,449) | (\$14,782,989) | \$6,531,176 | \$9,382,851 | \$10,303,507 |
| Debt service as a percentage of noncapital expenditures | | | | | |
| | 8.7% | 9.4% | 11.4% | 9.8% | 10.3% |

Fiscal Year Ended June 30,

| 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|---------------------|--------------------|---------------------|---------------------|
| \$60,963,189 | \$66,816,032 | \$68,285,321 | \$70,294,487 | \$72,362,382 |
| 44,474,973 | 47,659,481 | 44,537,156 | 48,998,406 | 53,453,323 |
| 46,079,755 | 45,905,937 | 45,552,523 | 45,240,705 | 48,373,588 |
| 12,413,127 | 14,020,347 | 15,619,151 | 27,066,292 | 26,573,077 |
| 21,552,883 | 18,865,730 | 15,385,538 | 18,316,552 | 20,710,335 |
| 1,001,927 | 964,255 | 815,910 | 455,470 | 407,493 |
| 746,525 | 1,302,922 | 1,302,020 | 472,216 | 622,268 |
| 20,137,593 | 17,691,976 | 24,284,779 | 23,912,334 | 28,014,581 |
| 9,000,000 | 9,000,000 | | | |
| 17,045,201 | 16,625,733 | 16,807,806 | 15,371,589 | 13,551,503 |
| 852,940 | 988,741 | 892,579 | 699,301 | 723,596 |
| 4,418,779 | 2,999,947 | 1,998,535 | 1,491,314 | 2,157,113 |
| <u>238,686,892</u> | <u>242,841,101</u> | <u>235,481,318</u> | <u>252,318,666</u> | <u>266,949,259</u> |
| 44,009,256 | 42,470,628 | 47,122,400 | 47,429,988 | 48,844,022 |
| 96,546,035 | 99,824,574 | 100,037,206 | 97,682,457 | 96,752,490 |
| 35,016,495 | 37,133,097 | 34,207,196 | 32,067,844 | 33,922,641 |
| 8,057,638 | 5,126,848 | 5,189,613 | 5,606,322 | 5,680,870 |
| 11,347,436 | 12,713,460 | 11,482,027 | 9,717,875 | 10,583,266 |
| 1,942,637 | 3,436,988 | 3,544,492 | 3,225,876 | 3,357,987 |
| 10,000,595 | 5,774,234 | 4,871,461 | 6,135,189 | 13,403,045 |
| 11,032,933 | 12,518,807 | 12,552,283 | 14,423,082 | 17,234,527 |
| 10,785,342 | 10,026,887 | 10,431,652 | 7,044,795 | 6,117,847 |
| <u>228,738,367</u> | <u>229,025,523</u> | <u>229,438,330</u> | <u>223,333,428</u> | <u>235,896,695</u> |
| 9,948,525 | 13,815,578 | 6,042,988 | 28,985,238 | 31,052,564 |
| 39,226 | 71,779 | 82,036 | 71,458 | 88,477 |
| 14,472,164 | 19,215,848 | 18,336,677 | 15,524,305 | 20,744,118 |
| (14,868,906) | (19,688,813) | (18,221,126) | (27,033,761) | (24,861,799) |
| | | (77,315,000) | | |
| | | 79,171,752 | | |
| <u>(357,516)</u> | <u>(401,186)</u> | <u>2,054,339</u> | <u>(11,437,998)</u> | <u>(4,029,204)</u> |
| 1,208,259 | | | | |
| <u>1,208,259</u> | | | | |
| <u>\$10,799,268</u> | <u>\$13,414,392</u> | <u>\$8,097,327</u> | <u>\$17,547,240</u> | <u>\$27,023,360</u> |
| 10.0% | 10.2% | 10.3% | 9.9% | 10.5% |

CITY OF RICHMOND
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| ASSESSED VALUE ⁽¹⁾ | | | | | | | | | | |
| Land | \$3,216,147 | \$3,218,339 | \$3,781,609 | \$4,186,239 | \$4,520,312 | \$4,946,654 | \$5,423,245 | \$5,888,775 | \$6,277,934 | \$6,573,641 |
| Improvements | 9,268,934 | 7,181,567 | 8,187,280 | 8,683,770 | 9,216,704 | 9,400,903 | 10,129,347 | 10,214,867 | 10,541,291 | 10,494,291 |
| Total Real Property | 12,485,081 | 10,399,906 | 11,968,889 | 12,870,009 | 13,737,016 | 14,347,557 | 15,552,592 | 16,103,642 | 16,819,225 | 17,067,932 |
| Personal Property | 795,573 | 53,195 | 460,661 | 669,634 | 585,832 | \$589,457 | \$584,968 | \$617,157 | \$652,386 | \$635,202 |
| TOTAL | \$13,280,654 | \$10,453,101 | \$12,429,550 | \$13,539,643 | \$14,322,848 | \$14,937,014 | \$16,137,560 | \$16,720,799 | \$17,471,611 | 17,703,134.00 |
| EXEMPTIONS⁽²⁾ | | | | | | | | | | |
| Homeowners ^(a) | \$104,144 | \$100,680 | \$98,456 | \$96,539 | \$95,052 | \$94,266 | \$93,219 | \$91,907 | \$91,372 | \$91,348 |
| Other ^(b) | 519,976 | 527,179 | 587,350 | 641,475 | 688,713 | 760,841 | 809,325 | 932,222 | 1,008,837 | 1,214,858 |
| TOTAL | \$624,120 | \$627,859 | \$685,806 | \$738,014 | \$783,765 | \$855,107 | \$902,544 | \$1,024,129 | \$1,100,209 | \$1,306,206 |
| ASSESSED VALUE | | | | | | | | | | |
| (Net of Exemptions) | \$12,656,534 | \$9,825,242 | \$11,743,744 | \$12,801,629 | \$13,539,083 | \$14,081,907 | \$15,235,016 | \$15,696,670 | \$16,371,402 | \$16,396,928 |
| Redevelopment Tax | | | | | | | | | | |
| Increments⁽³⁾ | 1,558,233 | 1,595,033 | 1,799,831 | 2,055,811 | 2,248,742 | 2,567,061 | 2,892,823 | 3,175,294 | 3,175,294 | 3,175,294 |
| NET ASSESSED | | | | | | | | | | |
| VALUE | \$11,098,301 | \$8,230,209 | \$9,943,913 | \$10,745,818 | \$11,290,341 | \$11,514,846 | \$12,342,193 | \$12,521,376 | \$13,196,108 | \$13,221,634 |
| NET INCREASE | | | | | | | | | | |
| (DECREASE) | \$1,855,654 | (\$2,868,092) | \$1,713,704 | \$801,905 | \$544,523 | \$224,505 | \$827,347 | \$179,183 | \$853,915 | \$700,258 |
| % OF INCREASE | | | | | | | | | | |
| (DECREASE) | 20.08% | -25.84% | 20.82% | 8.06% | 5.07% | 1.99% | 7.19% | 1.45% | 6.92% | 5.59% |
| Total Direct Tax Rate⁽⁴⁾ | 0.38653% | 0.41948% | 0.41930% | 0.43781% | 0.43675% | 0.43591% | 0.43540% | 0.43473% | 0.43360% | 0.43360% |

⁽¹⁾ Assessed value (full cash value) of taxable property represents all property within the City. For the fiscal year 1981-82 and thereafter, the assessed value is 100% of the full cash value in accordance with State legislation. The maximum tax rate is 1% of the full cash value or \$1/\$100 of the assessed value, excluding the tax rate for debt service.

⁽²⁾ Exemptions are summarized as follows:
(a) Homeowners' exemption arises from Article XIII(25) which reimburses local governments for revenues lost through the homeowners' exemption in Article XIII(3)(k).
(b) Other exemptions are revenues lost to the City because of provisions of California Constitution, Article XIII(3).

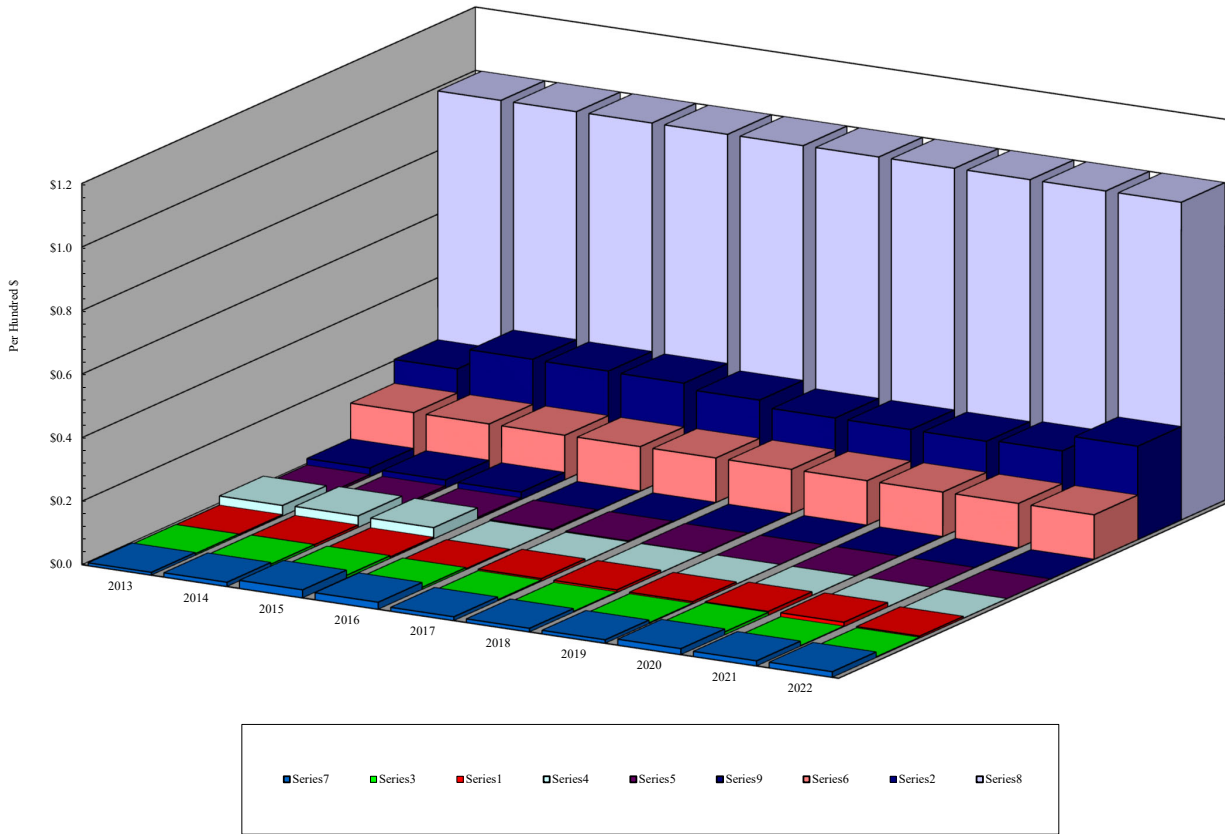
⁽³⁾ Tax increments are allocations made to the Redevelopment Agency under authority of California Constitution, Article XVI.

⁽⁴⁾ California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Richmond encompasses more than 92 tax rate areas. See Property Tax Rates statistics for additional information.

Source: County of Contra Costa, Office of the Auditor-Controller
HdL reports

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**CITY OF RICHMOND
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



| Fiscal Year | Basic County Wide Levy (1) | City of Richmond 1981 Pension Liability (2) | BART | East Bay Regional Parks District | Acalanes Union | East Bay MUD Dist. 1 Bond | Orinda Elementary | West Contra Costa Unified | Contra Costa Community College | Total Direct & Overlapping Tax Rates (2) |
|-------------|----------------------------|---|---------|----------------------------------|----------------|---------------------------|-------------------|---------------------------|--------------------------------|--|
| 2013 | 1.00000 | 0.14000 | 0.00430 | 0.00510 | 0.03330 | 0.00680 | 0.02730 | 0.21570 | 0.00870 | 1.44120 |
| 2014 | 1.00000 | 0.14000 | 0.00750 | 0.00780 | 0.03610 | 0.00660 | 0.02550 | 0.28180 | 0.01330 | 1.51860 |
| 2015 | 1.00000 | 0.14000 | 0.00450 | 0.00850 | 0.03500 | 0.00470 | 0.02320 | 0.28030 | 0.02520 | 1.52140 |
| 2016 | 1.00000 | 0.14000 | 0.00260 | 0.00670 | 0.00000 | 0.00340 | 0.00000 | 0.27810 | 0.02200 | 1.45280 |
| 2017 | 1.00000 | 0.14000 | 0.00800 | 0.00320 | 0.00000 | 0.00280 | 0.00000 | 0.26040 | 0.01200 | 1.42640 |
| 2018 | 1.00000 | 0.14000 | 0.00840 | 0.00210 | 0.00000 | 0.00110 | 0.00000 | 0.23970 | 0.01140 | 1.40270 |
| 2019 | 1.00000 | 0.14000 | 0.00700 | 0.00210 | 0.00000 | 0.00000 | 0.00000 | 0.23900 | 0.01100 | 1.39910 |
| 2020 | 1.00000 | 0.14000 | 0.01200 | 0.00940 | 0.00000 | 0.00000 | 0.00000 | 0.23790 | 0.01880 | 1.41810 |
| 2021 | 1.00000 | 0.14000 | 0.01390 | 0.00140 | 0.00000 | 0.00000 | 0.00000 | 0.24320 | 0.01610 | 1.41460 |
| 2022 | 1.00000 | 0.14000 | 0.00600 | 0.00200 | 0.00000 | 0.00000 | 0.00000 | 0.29390 | 0.01760 | 1.45950 |

NOTES:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest next taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.
- (4) Redevelopment Rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California state statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the City preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: County of Contra Costa Assessor

| City's Share of 1% Levy Per Prop 13 (3) | General Obligation Debt Rate | Redevelopment Rate (4) | Total Direct Rate (5) |
|--|---|-----------------------------------|--------------------------------------|
| 0.28784 | 0.14000 | 0.00000 | 0.38653 |
| 0.28784 | 0.14000 | 0.00000 | 0.41948 |
| 0.28784 | 0.14000 | 0.00000 | 0.41930 |
| 0.28784 | 0.14000 | 0.00000 | 0.43781 |
| 0.28784 | 0.14000 | 0.00000 | 0.43675 |
| 0.28784 | 0.14000 | 0.00000 | 0.43591 |
| 0.28784 | 0.14000 | 0.00000 | 0.43540 |
| 0.28784 | 0.14000 | 0.00000 | 0.43473 |
| 0.28784 | 0.14000 | 0.00000 | 0.43394 |
| 0.28784 | 0.14000 | 0.00000 | 0.43360 |

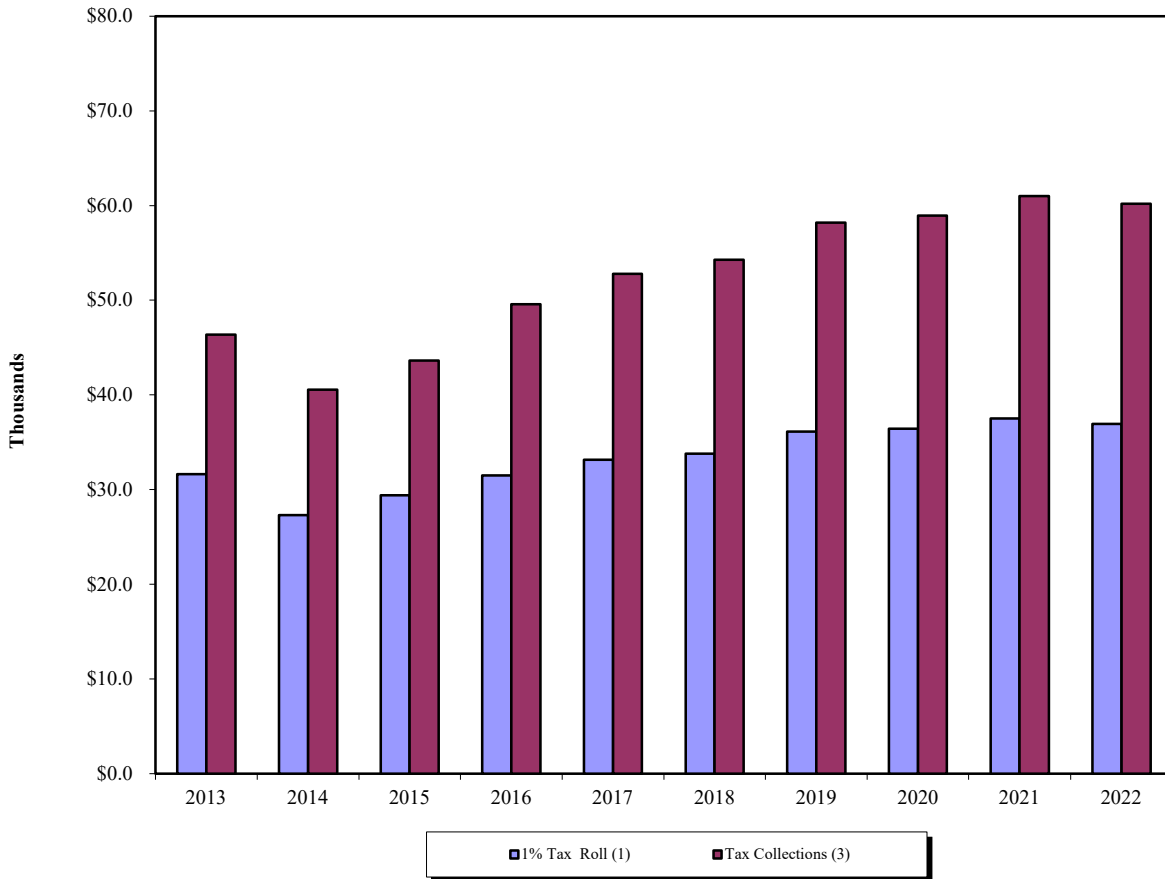
CITY OF RICHMOND
Principal Property Tax Payers
Current Year and Nine Years Ago
(In Thousands)

| Taxpayer | Type of Business | 2021-2022 | | | 2012-2013 | | |
|--------------------------------|------------------|------------------------|------|---|------------------------|------|---|
| | | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Chevron USA Inc. | Industrial | \$3,112,362 | 1 | 18.98% | \$5,194,308 | 1 | 41.04% |
| Guardian KW Hilltop LLC | Residential | 212,657 | 2 | 1.30% | 143,382 | 2 | 1.13% |
| LIPT Giant Road Inc. | Industrial | 90,150 | 3 | 0.55% | | | |
| Richmond Essex, LP | Residential | 82,699 | 4 | 0.50% | 60,694 | 5 | 0.48% |
| Kaiser Foundation Hospitals | Industrial | 82,557 | 5 | 0.50% | 76,677 | 3 | 0.61% |
| Transmontaigne Partners LP | Industrial | 58,459 | 6 | 0.36% | | | |
| 2995 Atlas Road Associates LLC | Industrial | 57,921 | 7 | 0.35% | | | |
| IPT Richmond DC LP | Industrial | 56,909 | 8 | 0.35% | | | |
| Exeter 700 702 National LP | Institutional | 50,138 | 9 | 0.31% | | | |
| Phillips 66 Company | Industrial | 50,132 | 10 | 0.31% | | | |
| US Bank | Commerical | | | | 75,184 | 4 | 0.59% |
| Biorichland LLC | Industrial | | | | 59,777 | 6 | 0.47% |
| Cherokee Simeon Venture I LLC | Commercial | | | | 46,477 | 7 | 0.37% |
| Pacific Atlantic Terminals LLC | Industrial | | | | 45,295 | 8 | 0.36% |
| Auto Warehousing Company | Unsecured | | | | 42,817 | 9 | 0.34% |
| Foss Maritime Company | Unsecured | | | | 42,314 | 10 | 0.33% |
| Subtotal | | <u>\$3,853,984</u> | | <u>23.50%</u> | <u>\$5,786,925</u> | | <u>45.72%</u> |

Total Net Assessed Valuation:
Fiscal Year 2021-2022 \$16,396,928
Fiscal Year 2012-2013 \$12,656,534

Source: Contra Costa County Assessor Fiscal Year Combined Tax Rolls and the SBE Non Unitary Tax Roll

**CITY OF RICHMOND
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)**

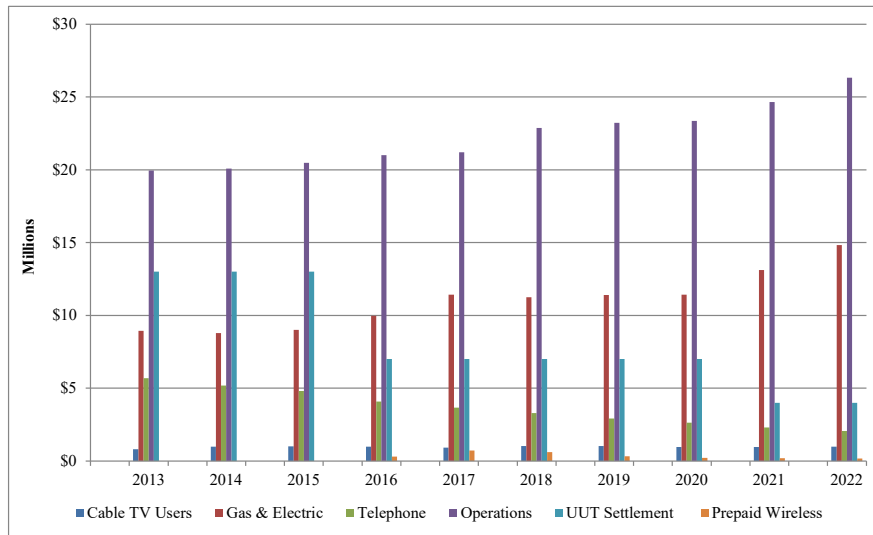


| Fiscal Year | 1% Tax Roll (1) | Voter Approve Debt Tax Rolls (2) | Total Tax Collections (3) | Percent of Total Tax Collections to Tax Levy |
|--------------------|------------------------|---|----------------------------------|---|
| 2013 | 31,638 | 14,718 | 46,356 | 100% |
| 2014 | 27,289 | 13,267 | 40,556 | 100% |
| 2015 | 29,392 | 14,225 | 43,617 | 100% |
| 2016 | 31,490 | 18,071 | 49,561 | 100% |
| 2017 | 33,152 | 19,618 | 52,770 | 100% |
| 2018 | 33,780 | 20,481 | 54,261 | 100% |
| 2019 | 36,116 | 22,078 | 58,194 | 100% |
| 2020 | 36,435 | 22,513 | 58,948 | 100% |
| 2021 | 37,506 | 23,477 | 60,983 | 100% |
| 2022 | 36,930 | 23,269 | 60,199 | 100% |

Source: City of Richmond Records

- NOTES: (1) The maximum tax rate is 1% of the assessed value or \$1/\$100 of the assessed value, excluding the tax rate for debt.
- (2) Voter approved tax roll for debt is in addition to the 1% rate shown in note (1).
- (3) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

**CITY OF RICHMOND
UTILITY USERS TAX COLLECTIONS
LAST TEN FISCAL YEARS**



| | Fiscal Year Ended June 30 | | | | | | | | | |
|------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Cable TV Users | \$809,972 | \$983,465 | \$1,016,552 | \$988,547 | \$924,912 | \$1,036,854 | \$1,025,549 | \$951,147 | \$961,286 | \$975,219 |
| Gas & Electric | 8,943,183 | 8,787,715 | 9,003,928 | 9,966,642 | 11,433,006 | 11,250,415 | 11,404,175 | 11,416,601 | 13,118,252 | 14,833,325 |
| Telephone | 5,688,505 | 5,183,418 | 4,807,499 | 4,093,128 | 3,668,092 | 3,300,001 | 2,910,450 | 2,621,565 | 2,302,969 | 2,065,243 |
| Operations | 19,956,689 | 20,079,108 | 20,471,979 | 21,004,080 | 21,209,540 | 22,884,443 | 23,230,610 | 23,351,283 | 24,657,999 | 26,330,964 |
| UUT Settlement | 13,000,000 | 13,000,000 | 13,000,000 | 7,000,000 | 7,000,000 | 7,000,000 | 7,000,000 | 7,000,000 | 4,000,000 | 4,000,000 |
| Prepaid Wireless | | | | 312,852 | 730,939 | 608,042 | 335,153 | 211,927 | 200,199 | 168,836 |
| Combined (A) | | | | | | | | | | |
| | <u>\$48,398,349</u> | <u>\$48,033,706</u> | <u>\$48,299,958</u> | <u>\$43,365,249</u> | <u>\$44,966,489</u> | <u>\$46,079,755</u> | <u>\$45,905,937</u> | <u>\$45,552,523</u> | <u>\$45,240,705</u> | <u>\$48,373,587</u> |

NOTES:

(A) Components of collections by type are not available, therefore amount represents total UUT collections for the fiscal year, and these amounts have been excluded from the graph

SOURCE: City of Richmond, Finance Department (Revenue)

**CITY OF RICHMOND
UTILITY USERS TAX DIRECT RATES
ON CHARGES FOR SERVICES
LAST TEN FISCAL YEARS (A)**

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cable TV Users | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| Gas & Electric | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| Telephone | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% |
| Operations | (A) | (A) | (A) | (A) | (A) | (A) | (A) | (A) | (A) | (A) |
| UUT Settlement | (B) | (B) | (B) | (B) | (B) | (B) | (B) | (B) | (B) | (B) |

NOTES:

- (A) Based on the Cap Provision in the City of Richmond Municipal Code
Section 13.52.100 - Maximum Tax Payable of the Richmond Municipal Code.
- (B) Annual amount is per agreement signed by a Major Taxpayer and the City in 2010.

SOURCE: City of Richmond, Finance Department (Revenue)

**CITY OF RICHMOND
TOP TEN UTILITY USERS TAXPAYERS
(ALPHABETICAL ORDER)
Current Year**

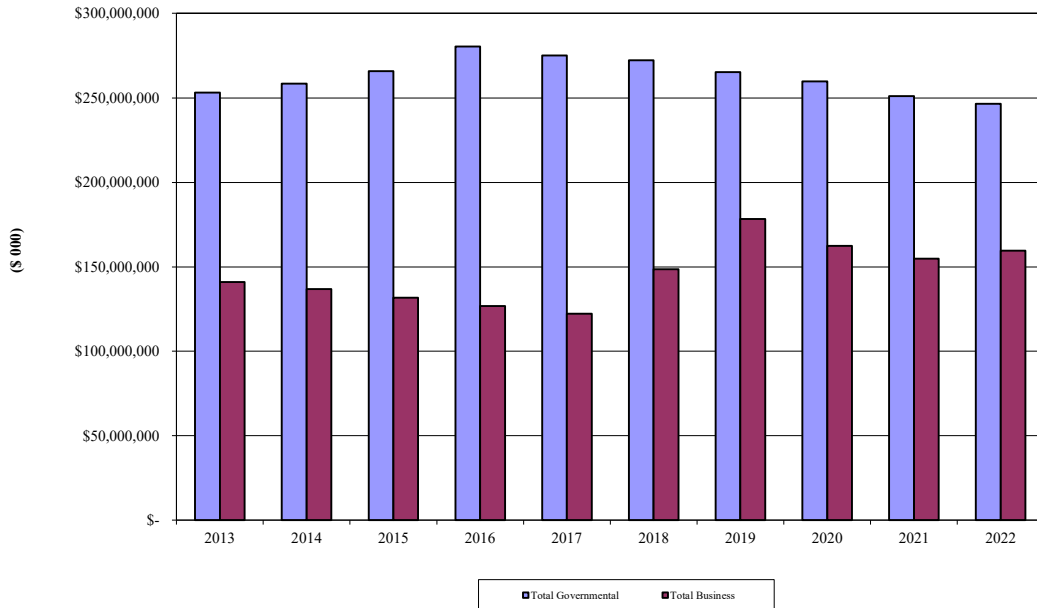
| Taxpayer | Type of Business (A) |
|--------------------------------|-----------------------------|
| CHEVRON | Industrial |
| COMCAST | Cable |
| CONSTELLATION NEW ENERGY | Utility |
| DIRECT ENERGY | Utility |
| GTE MOBILNET OF CALIFORNIA LTD | Telecommunications |
| MARIN CLEAN ENERGY | Utility |
| NEW CINGULAR WIRELESS | Telecommunications |
| PACIFIC BELL | Telecommunications |
| PG&E | Utility |
| SHELL ENERGY | Utility |

NOTES:

(A) Revenue base information by taxpayer is confidential.

SOURCE: City of Richmond, Finance Department (Revenue)

CITY OF RICHMOND
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



Governmental Activities

| Fiscal Year | Tax Allocation Bonds | Pension Obligation Bonds | Loans and Notes Revenue Bonds | Loans and Notes Payable | Financed Purchases | Lease Liability | Total |
|-------------|----------------------|--------------------------|-------------------------------|-------------------------|--------------------|-----------------|----------------|
| 2013 | (B) | \$ 156,483,676 | \$ 87,121,545 | \$ 1,231,880 | \$ 8,269,494 | \$ - | \$ 253,106,595 |
| 2014 | (B) | 157,555,624 | 87,121,545 | 2,631,887 | 11,186,685 | - | 258,495,741 |
| 2015 | (B) | 156,491,679 | 87,121,545 | 12,970,813 | 9,295,123 | - | 265,879,160 |
| 2016 | (B) | 155,070,539 | 115,218,619 | 2,143,560 | 7,944,891 | - | 280,377,609 |
| 2017 | (B) | 153,058,033 | 113,275,266 | 1,993,820 | 6,872,843 | - | 275,199,962 |
| 2018 | (B) | 150,485,289 | 111,241,920 | 1,844,775 | 8,650,840 | - | 272,222,824 |
| 2019 | (B) | 147,275,826 | 109,098,574 | 1,287,277 | 7,640,339 | - | 265,302,016 |
| 2020 | (B) | 144,339,640 | 107,666,888 | 1,156,441 | 6,661,805 | - | 259,824,774 |
| 2021 | (B) | 140,816,305 | 103,543,451 | 1,023,223 | 5,642,605 | - | 251,025,584 |
| 2022 | (B) | 136,976,078 | 99,240,012 | 887,622 | 4,581,187 | 4,852,956 | 246,537,855 |

Business-Type Activities

| Fiscal Year | Wastewater Revenue Bonds | Port Lease Revenue Bonds | Loans and Notes Payable | Lease Liability | Total | Total Primary Government | Percentage of Personal Income (A) | Per Capita (A) |
|-------------|--------------------------|--------------------------|-------------------------|-----------------|-------------|--------------------------|-----------------------------------|----------------|
| 2013 | \$ 90,096,593 (C) | \$ 47,834,187 | \$ 3,007,372 | \$ - | 140,938,152 | \$ 394,044,747 | 15.51% | \$ 3,757 |
| 2014 | 89,012,056 | 44,944,399 | 2,935,889 | - | 136,892,344 | 395,388,085 | 15.11% | 3,746 |
| 2015 | 86,867,520 | 41,984,610 | 2,861,189 | - | 131,713,319 | 397,592,479 | 14.62% | 3,746 |
| 2016 | 84,637,983 | 39,354,875 | 2,783,127 | - | 126,775,985 | 407,153,594 | 15.04% | 3,827 |
| 2017 | 82,313,447 | 36,588,791 | 3,401,553 | - | 122,303,791 | 397,503,753 | 14.49% | 3,601 |
| 2018 | 111,698,772 | 33,587,707 | 3,316,308 | - | 148,602,787 | 420,825,611 | 15.04% | 3,765 |
| 2019 | 144,811,738 | 30,331,623 | 3,227,227 | - | 178,370,588 | 443,672,604 | 15.19% | 3,969 |
| 2020 | 141,391,552 | 17,940,892 | 3,134,137 | - | 162,466,581 | 422,291,355 | 13.95% | 3,834 |
| 2021 | 137,886,366 | 13,604,419 | 3,338,388 | - | 154,829,173 | 405,854,757 | 13.41% | 3,685 |
| 2022 | 134,416,180 | 9,112,946 | 15,229,299 | 814,745 | 159,573,170 | 406,111,025 | 12.53% | 3,652 |

Notes: Debt amounts exclude any premiums, discounts, or other amortization amounts.

- (A) See Demographic Statistics for personal income and population data.
- (B) Due to the dissolution of the Redevelopment Agency, the Tax Allocation Bonds and the Loans and Notes Payable that were related to the Redevelopment Agency were transferred to the Successor Agency as of February 1, 2012 and are no longer governmental commitments.
- (C) With the implementation of GASB Statement No. 65, the deferred amount on refunding previously reported as a component of the long-term debt balance is not reported as a deferred inflows of resources.

Sources: City of Richmond
 State of California, Department of Finance (population)
 U.S. Department of commerce, Bureau of the Census (income)

**CITY OF RICHMOND
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022**

2021-2022 Assessed Valuation: \$16,488,274,761

| | Total Debt June 30, 2022 | % Applicable (1) | City's Share of Debt June 30, 2022 |
|---|-----------------------------|------------------|---------------------------------------|
| OVERLAPPING TAX AND ASSESSMENT DEBT: | | | |
| Bay Area Rapid Transit District | \$2,521,570,000 | 1.853% | \$46,724,692 |
| Contra Costa Community College District | 598,780,000 | 7.068% | \$42,321,770 |
| West Contra Costa Unified School District | 1,244,985,065 | 45.625% | \$568,024,436 |
| West Contra Costa Healthcare District Parcel Tax Obligations | 44,580,000 | 43.032% | \$19,183,666 |
| East Bay Regional Park District | 184,590,000 | 2.959% | \$5,462,018 |
| City of Richmond Community Facilities District No. 1998-1 | 1,775,000 | 100% | \$1,775,000 |
| City of Richmond 1915 Act Bonds | 4,530,000 | 100% | \$4,530,000 |
| California Statewide Community Development Authority 1915 Act Bonds | 1,402,835 | 100% | \$1,402,835 |
| TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT | | | 689,424,417 |
| DIRECT AND OVERLAPPING GENERAL FUND DEBT: | | | |
| Contra Costa County General Fund Obligations | \$224,500,000 | 7.045% | 15,816,025 |
| Alameda-Contra Costa Transit District Certificates of Participation | 11,655,000 | 5.558% | 647,785 |
| West Contra Costa Unified School District Certificates of Participation | 6,005,000 | 45.625% | 2,739,781 |
| City of Richmond General Fund Obligations | 93,755,000 | 100% | 93,755,000 |
| City of Richmond Pension Obligations Bonds | 55,326,745 | 100% | 55,326,745 |
| TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT | | | 168,285,336 |
| Less: Contra Costa County general fund obligations supported by revenue funds | | | 4,417,748 |
| City of Richmond obligations supported by port revenues | | | 8,330,000 |
| TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT | | | 155,537,588 |
| OVERLAPPING TAX INCREMENT DEBT (Successor Agency) | \$43,387,925 | 100% | 43,387,925 |
| TOTAL GROSS DIRECT DEBT | | | \$149,081,745 |
| TOTAL NET DIRECT DEBT | | | \$140,751,745 |
| TOTAL GROSS OVERLAPPING DEBT | | | \$752,015,933 |
| TOTAL NET OVERLAPPING DEBT | | | \$747,598,185 |
| GROSS COMBINED TOTAL DEBT | | | \$901,097,678 (2) |
| NET COMBINED TOTAL DEBT | | | \$888,349,930 |

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:
Total Overlapping Tax and Assessment Debt 4.18%

Ratios to Adjusted Assessed Valuation:
Gross Total Direct Debt (\$163,777,525) 0.90%
Net Total Direct Debt (\$151,347,525) 0.85%
 Gross Combined Total Debt 5.47%
 Net Combined Total Debt 5.39%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$3,692,257,204):
Total Overlapping Tax Increment Debt 1.18%

Source: California Municipal Statistics, Inc.

**CITY OF RICHMOND
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2022**

ASSESSED VALUATION:

| | |
|---|--------------------------|
| Secured property assessed value, net of exempt real property | <u>\$ 16,396,928,000</u> |
|---|--------------------------|

| | |
|---|-----------------------|
| BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a) | <u>\$ 614,884,800</u> |
|---|-----------------------|

AMOUNT OF DEBT SUBJECT TO LIMIT:

| | |
|---|----------|
| Total Bonded Debt | \$ - |
| Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit | <u>-</u> |
| Amount of debt subject to limit | <u>-</u> |

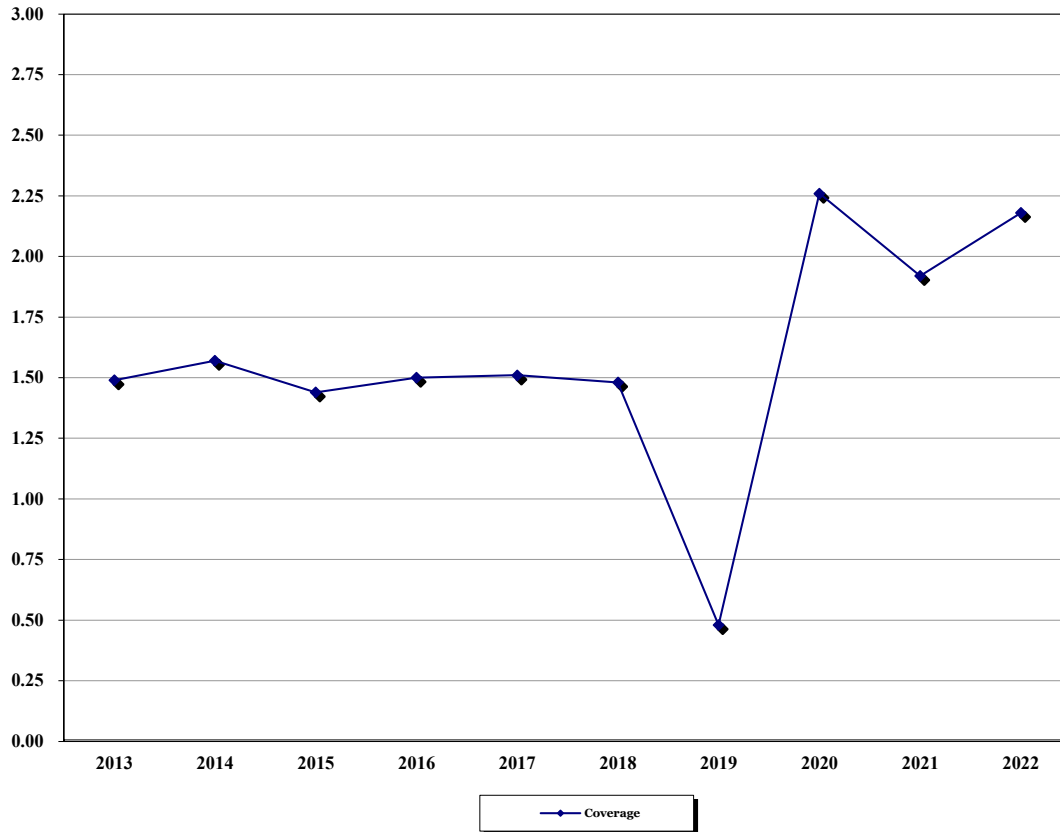
| | |
|--------------------------|-----------------------|
| LEGAL BONDED DEBT MARGIN | <u>\$ 614,884,800</u> |
|--------------------------|-----------------------|

| Fiscal Year | Debt Limit | Total Net Debt Applicable to Limit | Legal Debt Margin | Total net debt applicable to the limit as a percentage of debt limit |
|----------------|----------------|--|-------------------------|---|
| 2012 | \$ 405,777,338 | \$ - | \$ 405,777,338 | 0.00% |
| 2013 | 474,620,025 | - | 474,620,025 | 0.00% |
| 2014 | 368,446,575 | - | 368,446,575 | 0.00% |
| 2015 | 440,390,400 | - | 440,390,400 | 0.00% |
| 2016 | 480,061,088 | - | 480,061,088 | 0.00% |
| 2017 | 507,715,613 | - | 507,715,613 | 0.00% |
| 2018 | 528,071,513 | - | 528,071,513 | 0.00% |
| 2019 | 571,313,100 | - | 571,313,100 | 0.00% |
| 2020 | 588,625,125 | - | 588,625,125 | 0.00% |
| 2021 | 613,927,575 | - | 613,927,575 | 0.00% |
| 2022 | 614,884,800 | - | 614,884,800 | 0.00% |

NOTE:

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

**CITY OF RICHMOND
REVENUE BOND COVERAGE
1999, 2006, 2008, 2010A, 2010B, 2017A, 2019A and 2019B WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS**

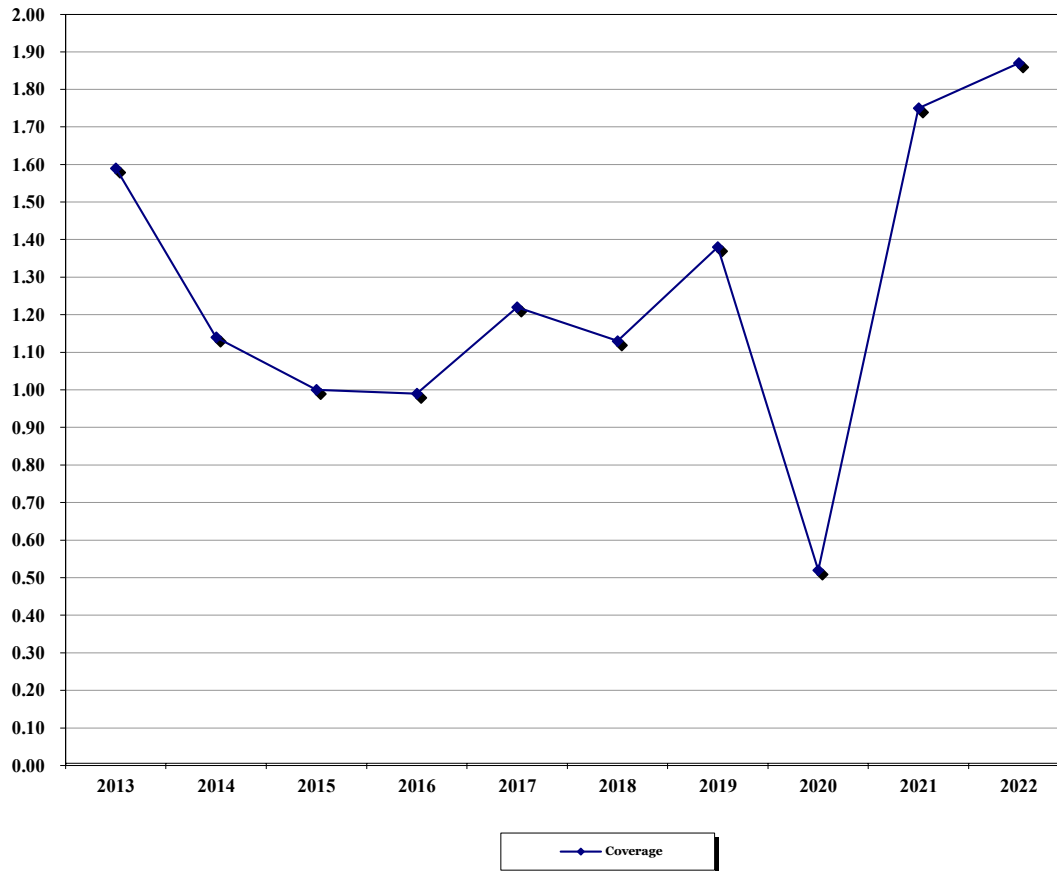


| Fiscal Year | Gross Revenue (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|-------------|-------------------|------------------------|--|---------------------------|--------------|--------------|----------|
| | | | | Principal | Interest | Total | |
| 2013 | \$ 17,840,042 | \$ 9,447,236 | \$ 8,392,806 | \$ 1,005,000 | \$ 4,613,635 | \$ 5,618,635 | 1.49 |
| 2014 | 18,569,191 | 9,734,277 | 8,834,914 | 1,055,000 | 4,560,528 | 5,615,528 | 1.57 |
| 2015 | 19,098,835 | 9,524,878 | 9,573,957 | 2,115,000 | 4,536,302 | 6,651,302 | 1.44 |
| 2016 | 19,843,677 | 9,954,037 | 9,889,640 | 2,200,000 | 4,393,375 | 6,593,375 | 1.50 |
| 2017 | 20,880,739 | 10,831,250 | 10,049,489 | 2,295,000 | 4,344,233 | 6,639,233 | 1.51 |
| 2018 | 23,752,946 | 11,885,819 | 11,867,127 | 2,400,000 | 5,599,008 | 7,999,008 | 1.48 |
| 2019 | 29,993,700 | 10,647,739 | 19,345,961 | 35,240,000 | 5,286,578 | 40,526,578 | 0.48 |
| 2020 | 28,589,996 | 13,183,065 | 15,406,931 | 3,420,186 | 3,386,178 | 6,806,364 | 2.26 (3) |
| 2021 | 27,876,716 | 12,214,607 | 15,662,109 | 2,515,000 | 5,633,851 | 8,148,851 | 1.92 |
| 2022 | 28,277,557 | 10,874,658 | 17,402,899 | 2,480,000 | 5,516,663 | 7,996,663 | 2.18 |

- Notes:
- (1) Includes all Municipal Sewer Operating Revenues and Non-operating Interest Revenue excluding Derivative Investment Interest.
 - (2) Includes all Municipal Sewer Operating Expenses less Depreciation and Pension and OPEB Expense related to GASB Statements 68 and 75.
 - (3) Includes the current refunding of the 2008A Wastewater Revenue Refunding Bonds

Source: City of Richmond Annual Financial Statements

CITY OF RICHMOND
REVENUE BOND COVERAGE
1996, 1999, 2004, 2007 AND 2009 PORT TERMINAL LEASE REVENUE BONDS, NOTE
AND POINT POTRERO LEASE REVENUE BONDS
LAST TEN FISCAL YEARS

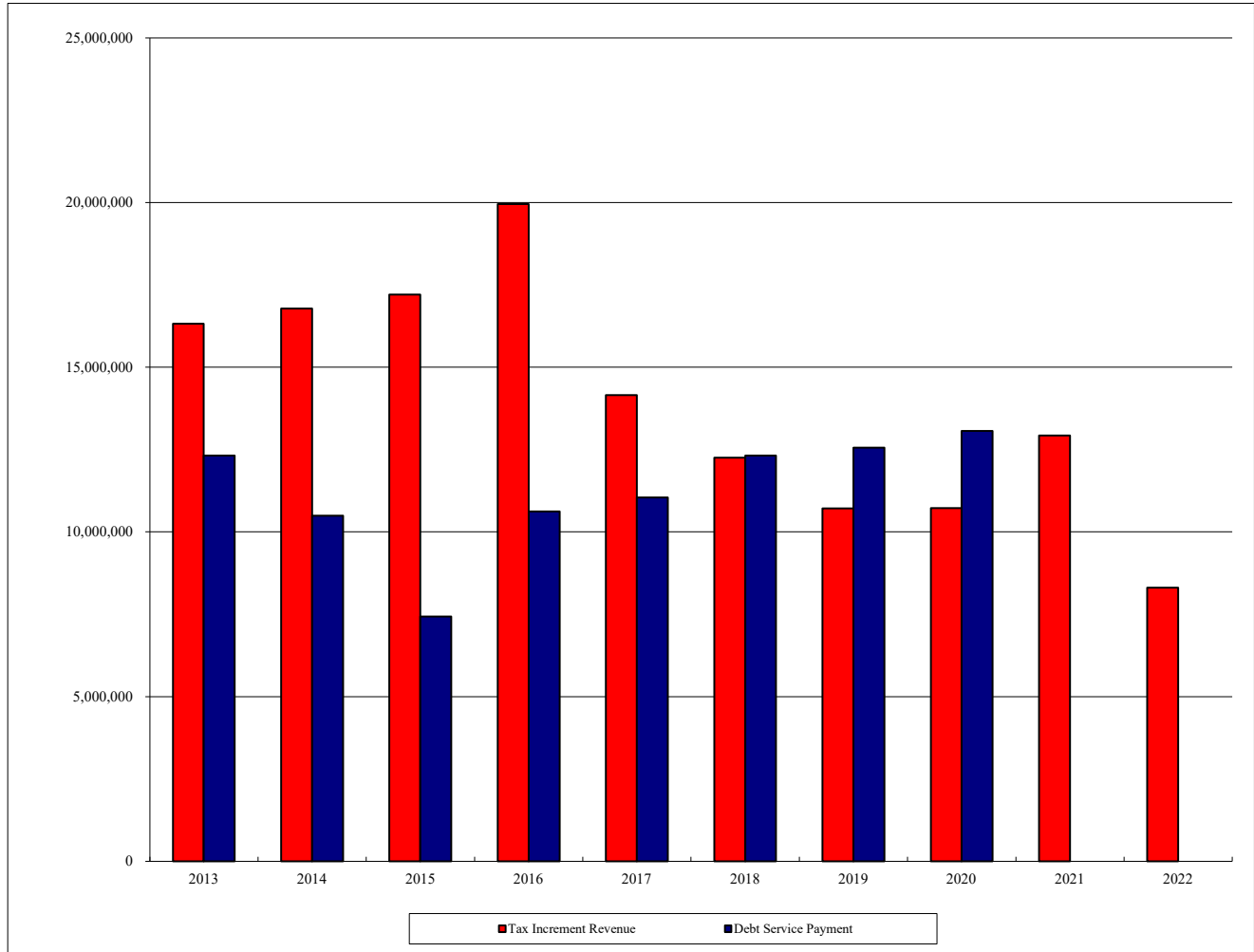


| Fiscal Year | Gross Revenue (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|-------------|-------------------|------------------------|--|---------------------------|--------------|--------------|----------|
| | | | | Principal | Interest | Total | |
| 2013 | \$ 9,138,193 | \$ 2,964,060 | \$ 6,174,133 | \$ 525,000 | \$ 3,348,154 | \$ 3,873,154 | 1.59 |
| 2014 | 10,280,894 | 3,189,866 | 7,091,028 | 2,955,000 | 3,255,221 | 6,210,221 | 1.14 |
| 2015 | 9,481,315 | 3,380,916 | 6,100,399 | 3,025,000 | 3,077,165 | 6,102,165 | 1.00 |
| 2016 | 10,081,074 | 4,533,796 | 5,547,278 | 2,723,455 | 2,869,343 | 5,592,798 | 0.99 |
| 2017 | 10,194,121 | 3,522,216 | 6,671,905 | 2,830,000 | 2,641,797 | 5,471,797 | 1.22 |
| 2018 | 10,633,233 | 4,450,592 | 6,182,641 | 3,065,000 | 2,393,977 | 5,458,977 | 1.13 |
| 2019 | 10,783,561 | 3,289,965 | 7,493,596 | 3,320,000 | 2,126,229 | 5,446,229 | 1.38 |
| 2020 | 10,511,283 | 2,972,218 | 7,539,065 | 12,390,731 | 2,141,506 | 14,532,237 | 0.52 |
| 2021 | 10,707,743 | 2,495,128 | 8,212,615 | 3,945,000 | 748,210 | 4,693,210 | 1.75 |
| 2022 | 11,193,765 | 2,442,047 | 8,751,718 | 4,100,000 | 587,679 | 4,687,679 | 1.87 |

Notes: (1) Includes all Port of Richmond Operating Revenues and Non-operating Interest Revenue excluding Derivative Investment Interest.
(2) Includes all Port of Richmond Operating Expenses, less Depreciation and Pension and OPEB Expense related to GASB Statements 68 and 75.

Source: City of Richmond Annual Financial Statements

**CITY OF RICHMOND
 BONDED DEBT PLEDGED REVENUE COVERAGE
 TAX ALLOCATION BONDS AND REFUNDING BONDS (1)
 LAST TEN FISCAL YEARS**

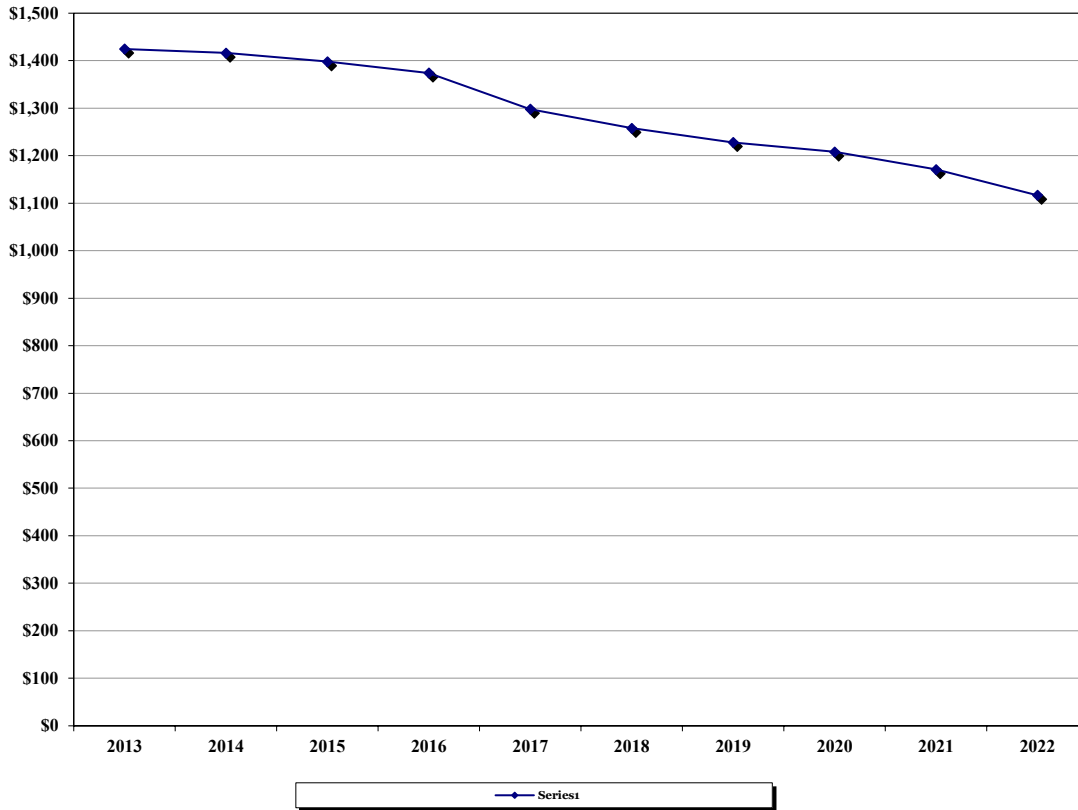


| Fiscal Year | Tax Revenue | | Debt Service Requirements | | | Coverage |
|-------------|-------------|-----|---------------------------|-----------|------------|----------|
| | | | Principal | Interest | Total | |
| 2013 | 16,320,481 | (2) | 6,565,000 | 5,754,825 | 12,319,825 | 1.32 |
| 2014 | 16,776,169 | (2) | 5,030,000 | 5,461,989 | 10,491,989 | 1.60 |
| 2015 | 17,206,306 | (2) | 2,930,000 | 4,500,409 | 7,430,409 | 2.32 |
| 2016 | 19,953,198 | (2) | 6,180,000 | 4,445,674 | 10,625,674 | 1.88 |
| 2017 | 14,156,746 | (2) | 6,395,000 | 4,653,678 | 11,048,678 | 1.28 |
| 2018 | 12,255,069 | (2) | 7,575,000 | 4,746,564 | 12,321,564 | 0.99 |
| 2019 | 10,714,239 | (2) | 7,895,000 | 4,662,021 | 12,557,021 | 0.85 |
| 2020 | 10,720,489 | (2) | 8,820,000 | 4,244,580 | 13,064,580 | 0.82 |
| 2021 | 12,927,768 | (2) | 12,949,294 | 4,128,651 | 17,077,945 | 0.76 |
| 2022 | 8,306,100 | (2) | 6,645,000 | 2,052,525 | 8,697,525 | 0.95 |

Note: (1) Includes the 1991, 1998, 2000, 2003, 2004, 2007, 2010 and 2014 Bonds.
 (2) Beginning in fiscal year 2012, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations

Source: City of Richmond Annual Financial Statements

**CITY OF RICHMOND
GENERAL BONDED DEBT
PENSION OBLIGATION BONDS (1)
LAST TEN FISCAL YEARS**

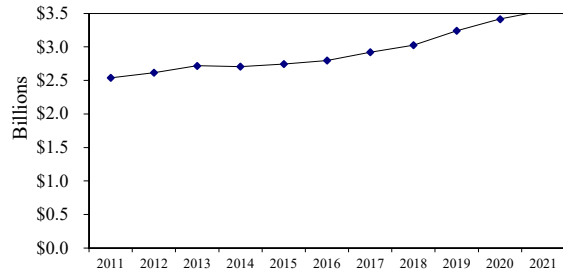
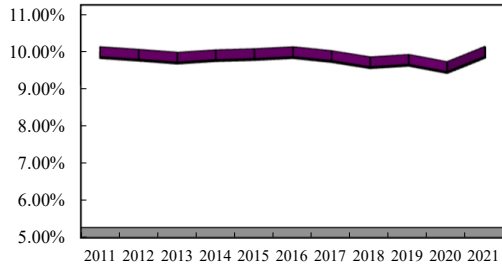


| Fiscal Year | Bonds Outstanding | Restricted Cash and Investments (2) | Net Bonds Outstanding | Net Assessed Value of Property | Ratio of General Bonded Debt to Net Assessed Value of Property | Net General Bonded Debt per Capita |
|--------------------|--------------------------|--|------------------------------|---------------------------------------|---|---|
| 2013 | 156,483,676 | 7,054,942 | 149,428,734 | 11,098,301,000 | 1.35% | 1,425 |
| 2014 | 157,555,624 | 8,089,647 | 149,465,977 | 8,230,209,000 | 1.82% | 1,416 |
| 2015 | 156,491,679 | 8,148,121 | 148,343,558 | 9,943,913,000 | 1.49% | 1,398 |
| 2016 | 155,070,539 | 8,936,523 | 146,134,016 | 10,745,818,000 | 1.36% | 1,374 |
| 2017 | 153,058,033 | 9,777,863 | 143,280,170 | 11,290,341,000 | 1.27% | 1,298 |
| 2018 | 150,485,289 | 9,844,431 | 140,640,858 | 11,514,846,000 | 1.22% | 1,258 |
| 2019 | 147,275,826 | 10,041,550 | 137,234,276 | 12,342,193,000 | 1.11% | 1,228 |
| 2020 | 144,339,640 | 11,315,256 | 133,024,384 | 12,521,376,000 | 1.06% | 1,208 |
| 2021 | 140,816,305 | 11,845,153 | 128,971,152 | 13,196,108,000 | 0.98% | 1,171 |
| 2022 | 136,976,078 | 12,779,202 | 124,196,876 | 13,221,634,000 | 0.94% | 1,117 |

Note: (1) Includes the 1999 Bonds issued in fiscal year 2000, and the 2005 Bonds issued in fiscal year 2006.
(2) Restricted cash is being held with the City's fiscal agent, Union Bank, and is restricted for the payment of the bonds.

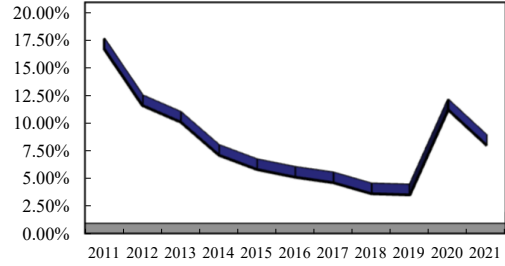
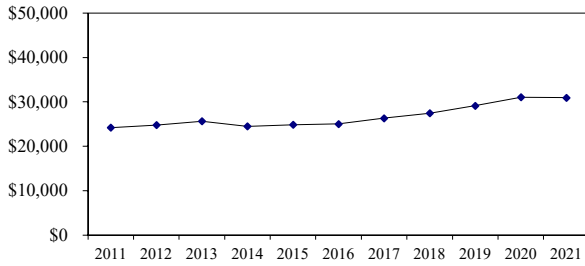
Source: City of Richmond Annual Financial Statements

CITY OF RICHMOND
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS



Series1

Series1



Per Capita Personal Income

Series1

| Calendar Year | City Population | Total Personal Income | Per Capita Personal Income | Unemployment Rate (%) | Contra Costa County Population | City Population % of County |
|---------------|-----------------|-----------------------|----------------------------|-----------------------|--------------------------------|-----------------------------|
| 2011 | 104,887 | 2,540,888,000 | 24,225 | 16.7% | 1,065,117 | 9.85% |
| 2012 | 105,562 | 2,615,932,000 | 24,781 | 11.6% | 1,079,597 | 9.78% |
| 2013 | 106,138 | 2,718,619,000 | 25,614 | 10.1% | 1,094,205 | 9.70% |
| 2014 | 106,388 | 2,707,894,000 | 24,453 | 7.1% | 1,089,291 | 9.77% |
| 2015 | 110,378 | 2,743,560,000 | 24,856 | 5.8% | 1,126,745 | 9.80% |
| 2016 | 111,785 | 2,797,360,000 | 25,024 | 5.1% | 1,135,127 | 9.85% |
| 2017 | 111,785 | 2,920,370,000 | 26,317 | 4.6% | 1,147,439 | 9.74% |
| 2018 | 110,146 | 3,027,471,000 | 27,413 | 3.6% | 1,150,215 | 9.58% |
| 2019 | 111,217 | 3,240,034,000 | 29,132 | 3.5% | 1,153,526 | 9.64% |
| 2020 | 110,130 | 3,416,146,000 | 31,019 | 11.2% | 1,165,927 | 9.45% |
| 2021 | 114,489 | 3,541,074,000 | 30,929 | 8.0% | 1,161,413 | 9.86% |

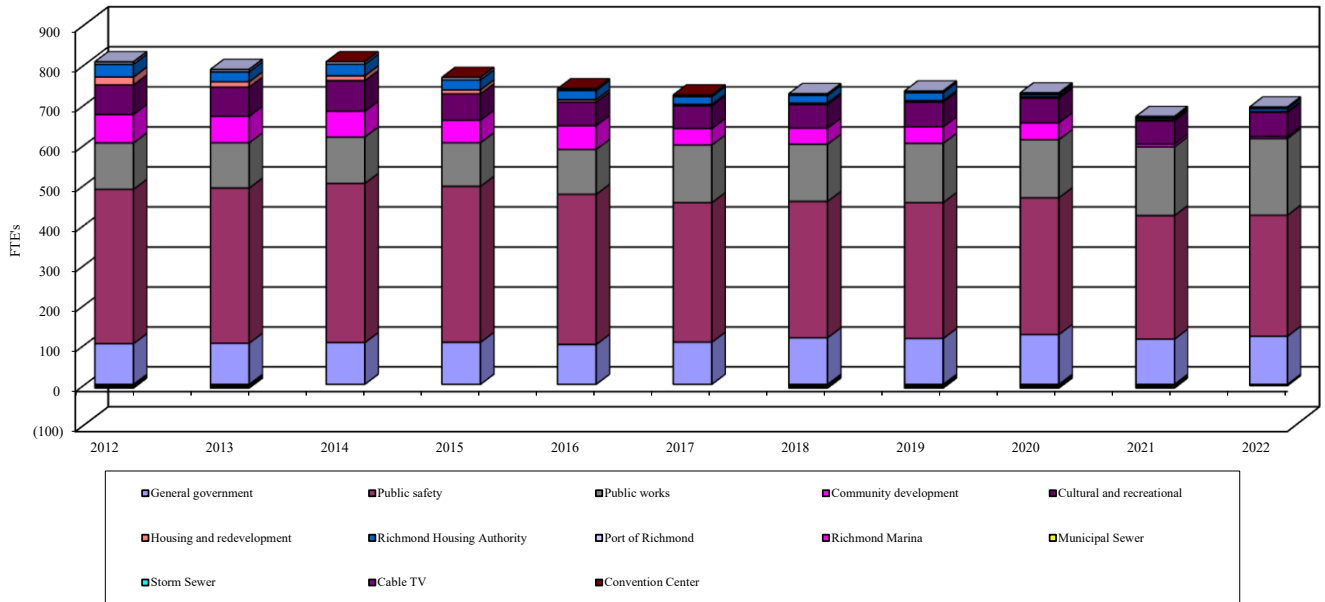
Source: HdL, Coren & Cone

CITY OF RICHMOND
Principal Employers
Current Year and Nine Years Ago

| <u>Employer</u> | <u>2021-2022</u> | | | <u>2012-2013</u> | | |
|---|----------------------------|-------------|--|----------------------------|-------------|--|
| | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Chevron Refinery | 3,195 | 1 | 3.0% | 2,191 | 1 | 2.1% |
| West Contra Costa Unified School District | 1,640 | 2 | 1.5% | 1,580 | 2 | 1.5% |
| Kaiser Foundation Hospitals | 1,442 | 3 | 1.3% | 426 | 8 | 0.4% |
| United Parcel Service | 1,332 | 4 | 1.2% | | | |
| Social Security Administration | 1,259 | 5 | 1.2% | 1,259 | 3 | 1.2% |
| Amazon.com Services | 1,121 | 6 | 1.0% | | | |
| The Permanente Medical Group | 1,051 | 7 | 1.0% | 694 | 7 | 0.7% |
| U.S. Postal Service | 1,047 | 8 | 1.0% | 1,047 | 4 | 1.0% |
| City of Richmond | 876 | 9 | 0.8% | 844 | 5 | 0.8% |
| Contra Costa County | 844 | 10 | 0.8% | 776 | 6 | 0.7% |
| Bio-RAD Laboratories | | | | 473 | 9 | 0.5% |
| Michael Stead Auto Depot & Sales | | | | 472 | 10 | 0.5% |
| Subtotal | <u>13,807</u> | | <u>12.9%</u> | <u>9,762</u> | | <u>9.3%</u> |
| Total City Day Population | <u>107,404</u> | | | <u>104,887</u> | | |

Source: City of Richmond Community Development Department

CITY OF RICHMOND
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



| | Adopted for Fiscal Year Ended June 30 | | | | | | | | | | |
|--|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Function | | | | | | | | | (re-stated) | | |
| General government | 101.7 | 102.9 | 104.4 | 105.2 | 99.8 | 105.4 | 116.5 | 114.7 | 124.7 | 113.1 | 120.1 |
| Public safety | 386.0 | 388.0 | 398.0 | 390.0 | 375.5 | 349.0 | 341.0 | 340.0 | 342.0 | 309.0 | 303.0 |
| Public works | 116.0 | 113.0 | 116.0 | 109.0 | 112.0 | 144.0 | 143.0 | 148.0 | 145.0 | 171.5 | 191.4 |
| Community development | 71.0 | 66.0 | 64.0 | 56.0 | 59.5 | 41.0 | 40.0 | 41.0 | 42.0 | 7.0 | 5.0 |
| Cultural and recreational | 73.8 | 73.2 | 76.8 | 66.0 | 59.0 | 57.0 | 59.1 | 61.7 | 61.7 | 58.1 | 60.7 |
| Housing and redevelopment | 19.6 | 13.0 | 12.0 | 10.0 | 5.9 | 3.8 | 3.8 | 3.8 | 3.8 | 2.8 | 2.0 |
| Richmond Housing Authority and RHA Properties | 32.0 | 25.0 | 29.0 | 25.0 | 23.0 | 19.0 | 19.0 | 20.0 | 5.3 | 4.0 | 7.0 |
| Port of Richmond | 6.0 | 6.0 | 6.0 | 6.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Richmond Marina | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| Municipal Sewer | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| Storm Sewer | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| Cable TV | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) |
| Convention Center | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) |
| Total | 806.1 | 787.1 | 806.2 | 767.2 | 738.7 | 723.2 | 726.4 | 733.2 | 728.5 | 669.5 | 693.2 |

Source: City of Richmond Budget

Notes:

- (1) These services are provided by outside contractors.
- (2) Convention Center closed during renovation and staff moved under cultural and recreational.
- (3) Staff that perform these functions are included under General Government and Cultural and Recreational.

CITY OF RICHMOND
Operating Indicators by Function/Program
Last Ten Fiscal Years

| Function/Program | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public safety: | | | | | | | | | | |
| Fire: | | | | | | | | | | |
| Fire calls for service | 12,868 | 12,988 | 13,670 | 14,497 | 14,372 | 14,375 | 13,900 | 14,318 | 18,150 | 18,210 |
| Primary fire inspections conducted | 2,716 | 3,000 | 1,569 | 1,134 | 1,160 | 5,378 | 3,929 | 2,919 | 3,320 | 1,510 |
| Number of firefighters | 93 | 85 | 94 | 91 | 90 | 91 | 90 | 89 | 89 | 89 |
| Number of firefighters and civilians per thousand population | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Police: | | | | | | | | | | |
| Number of police officers per thousand population | 1.8 | 1.7 | 1.8 | 1.7 | 1.6 | 1.6 | 1.6 | 1.6 | 1.3 | 1.3 |
| Number of sworn officers | 195 | 186 | 196 | 185 | 182 | 178 | 178 | 178 | 157 | 145 |
| Water | | | | | | | | | | |
| Daily average consumption in gallons per family | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 160 | 194 | 145 |

Source: City of Richmond

CITY OF RICHMOND
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Function/Program | | | | | | | | | | |
| Public safety: | | | | | | | | | | |
| Fire stations | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Police stations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Library (#) of Locations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public works | | | | | | | | | | |
| Miles of streets | 280 | 280 | 280 | 280 | 280 | 280 | 280 | 290 | 280 | 289 |
| Street lights | 7,000 | 6,543 | 8,343 | 8,543 | 9,000 | 9,000 | 9,000 | 7,801 | 9,000 | 9,000 |
| Urban Forest (trees) (a) | 26,000 | 21,609 | 22,009 | 35,620 | 35,782 | 36,231 | 36,499 | 36,766 | 36,700 | 38,000 |
| Culture and recreation: | | | | | | | | | | |
| Community services: | | | | | | | | | | |
| City parks | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 56 |
| City parks acreage | 336.6 | 336.6 | 336.6 | 336.6 | 336.6 | 336.6 | 336.6 | 336.6 | 336.6 | 340.0 |
| Open Space & Public Landscapes acreage | 510.0 | 510.0 | 510.0 | 510.0 | 510.0 | 510.0 | 510.0 | 510.0 | 510.0 | 510.0 |
| Lawn bowling | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 |
| Recreation centers | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Auditorium/Theater | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Gymnasiums | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 |
| Senior centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Headstart centers/day cares | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Putting green | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 |
| Basketball courts | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 |
| Swimming pools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Tennis courts | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Baseball/softball diamonds | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Soccer/football fields | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Cricket fields | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 0 |
| Water | | | | | | | | | | |
| Fire hydrants | 3,153 | 3,153 | 3,153 | 3,153 | 3,153 | 3,153 | 3,153 | 3,153 | 3,153 | 2,163 |
| Wastewater | | | | | | | | | | |
| Miles of sanitary sewers | 183 | 183 | 183 | 183 | 183 | 183 | 230 | 189 | 194 | 194 |
| Miles of storm sewers | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 198 | 310 | 173 |
| Land Area (square miles) | 33.7 | 33.7 | 33.7 | 33.7 | 33.7 | 33.7 | 33.7 | 33.7 | 33.7 | 33.7 |
| Miles of waterfront | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 |

Source: City of Richmond

(a) Trees managed by the City for 2013 to present.

Data Prior to 2013 includes trees managed by other entities, such as East Bay Regional Park District, National Parks and Privately owned.