

The City of  
*Richmond California*

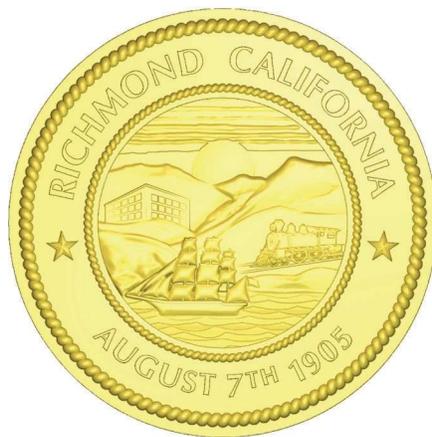
Annual Comprehensive  
Financial Report  
For The Year Ended  
June 30, 2021





City of Richmond  
California

# Annual Comprehensive Financial Report



Fiscal Year Ended June 30, 2021

Prepared by the Finance Department

Belinda Brown

Finance Director/Treasurer

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**Annual Comprehensive Financial Report**  
**For the year ended June 30, 2021**  
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# FINANCE DEPARTMENT

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RICHMOND, CA 94804  
(510) 620-6740

December 31, 2021

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, 2021, 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 of 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. This resolution constitutes the maximum authorized expenditures for the fiscal year and cannot legally be exceeded except by subsequent amendments of the budget by City Council. 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.

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, 2021, 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, 2021, 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, 2021. 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 111,785. 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 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 is to be received in July 2023.

COVID-19 pandemic is still having significant impacts 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%. Due to facility closures and changes to other activities, some departments saw significant decreases to revenue collected for either services provided or rental of facilities. For example, Community services saw a decrease of 60% for recreation program fees collected in FY2020-21, compared to FY2019-20. When compared to FY2018-19, the decrease is 70%. Revenue collection and projections for fiscal year 2022 have been budgeted conservatively and will require close monitoring and review.

## **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, 2021 include the following:

### **Library and Community Services:**

#### **Community Services Department (CSD)**

- The Recreation Department's Camp Achieve was featured on the cover of Western Cities Magazine in the August 2020 issue.
- The Recreation Department started an in-person after school program at the Richmond Recreation Complex from March 2021 - June 2021. The program offered: social interaction, games, sports (including tennis), art projects, homework assistance, snacks, and meeting new friends.

#### **Employment and Training Department**

- EDD awarded Richmond \$274,300 of the total \$1.8 million award to improve career pathways for English Language Learners. The Richmond Workforce Development Board was selected through a competitive selection process to implement programs that develop critical job skills that English Language Learners (ELL) need to enter careers in growing local industries.

#### **Library – Literacy for Every Adult Program (LEAP)**

- LEAP makes a positive difference in the lives of individual people and in the community at large. During this fiscal year, LEAP has aided 14 individuals in earning their GED or High School Diploma. This success is despite the challenges of COVID, the difficulty of remote learning, and the economic hardships placed on our students.

**Public Works:**

**Water Resource Recovery Department**

- The City of Richmond's Water Resource Recovery Department administers the Sewer Lateral Grant Program. The program reimburses eligible homeowners in the Richmond Municipal Sewer District (RMSD No. 1) for some of the cost to replace their sewer lateral.

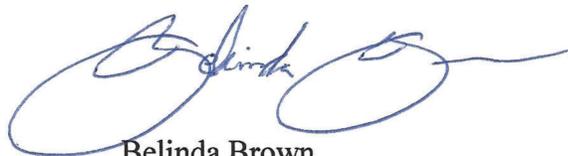
**ACKNOWLEDGEMENTS**

The preparation of this ACFR represents the culmination of a concerted team effort by the entire staff of the Finance Department. They should be commended for their professionalism, dedication, efficiency, and their personal commitment and determination demonstrated through long days of focused attention to produce this exemplary document.

In addition, staff in all City departments should be recognized for responding so positively to the requests for detailed information that accompanies each annual audit. The role of Badawi & Associates, Certified Public Accountants, should also be acknowledged as a significant contribution to a fine product.

Finally, we wish to express our sincere appreciation to the Mayor and City Council for providing policy direction and a firm foundation of support for the pursuit of excellence in all realms of professional endeavors.

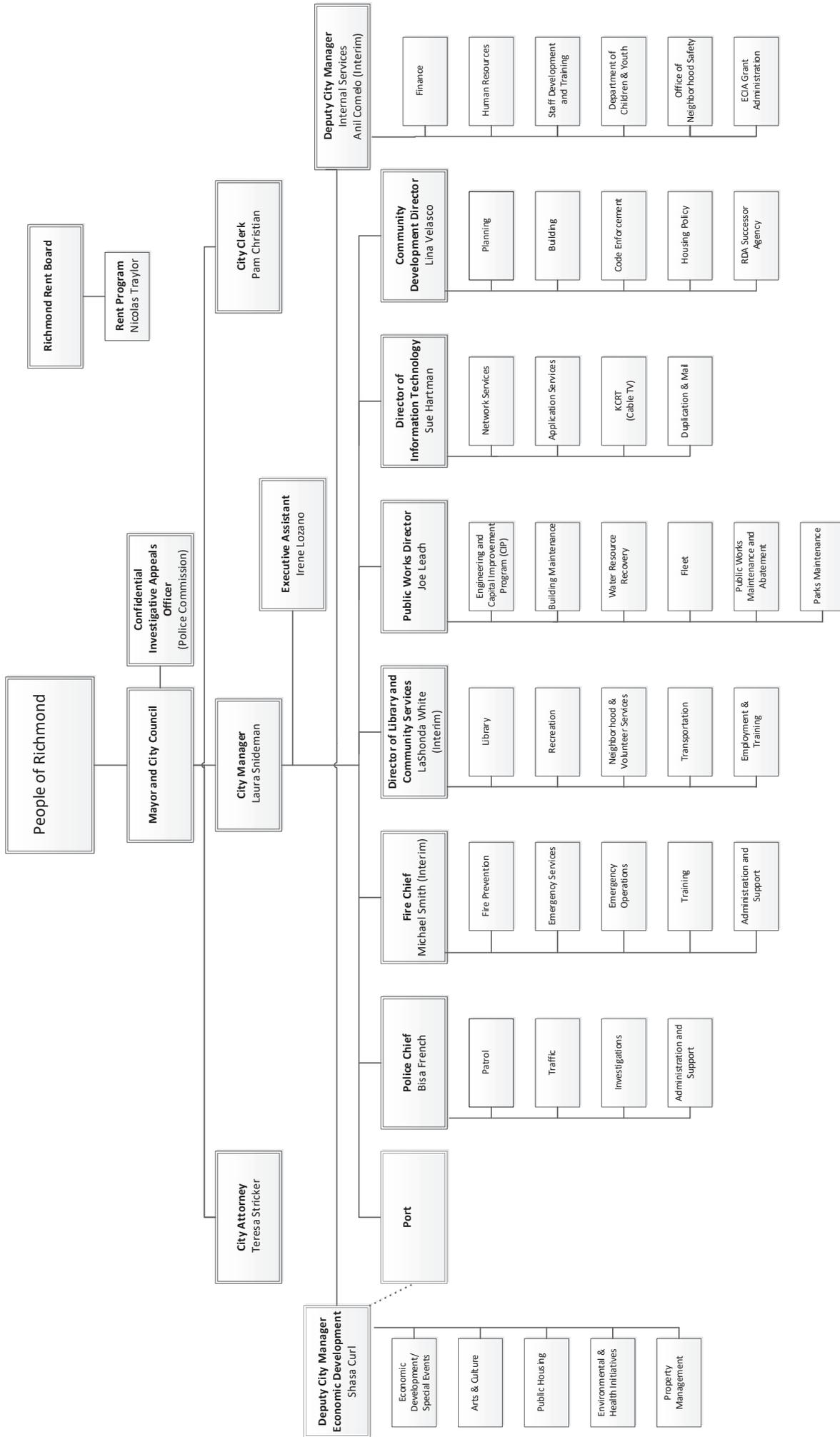
Respectfully submitted,



Belinda Brown  
Finance Director/Treasurer

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# Organizational Chart



**CITY OFFICIALS**

**JUNE 30, 2021**

**CITY COUNCIL**

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

**ADMINISTRATION AND EXECUTIVE MANAGEMENT**

City Manager .....	Laura Snideman
Deputy City Manager, Economic Development .....	Shasa Curl
Deputy City Manager, Internal Services (Interim) .....	Anil Comelo
City Attorney .....	Teresa Stricker
City Clerk .....	Pamela Christian
Community Development Director .....	Lina Velasco
Director of Information Technology .....	Sue Hartman
Director of Library and Community Services (Interim) .....	LaShonda White
Finance Director .....	Belinda Brown
Fire Chief (Interim) .....	Michael Smith
Human Resources Director (Interim) .....	Marc Fox
Police Chief .....	Bisa French
Public Works Director .....	Joe Leach
Rent Control Executive Director .....	Nicolas Traylor



## INDEPENDENT AUDITOR'S REPORT

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

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

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, 2021, 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, 2021. These financial statements collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, we were not able to provide a basis for an audit opinion on the business-type activities, Richmond Housing Authority Enterprise Fund, and the aggregate discretely presented component units.

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

Except for the matter described in the Basis for Disclaimer of Opinion on the business-type activities, Richmond Housing Authority Enterprise Fund, and the aggregate discretely presented component units paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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

***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, 2021. The Richmond Housing Authority’s financial activities are included in the City’s basic financial statements as a major enterprise fund and represent 10.85%, 22.20%, and 6.19% 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.

***Disclaimer of Opinion***

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.

***Unmodified Opinions***

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, 2021, and the respective

changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other post-employment benefits information on pages 5-18 and 177-201 be presented to supplement the basic financial statements. Such information, 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.

*Other 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 introductory section, supplemental information and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

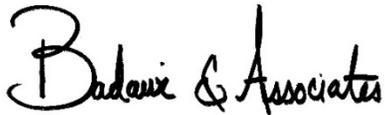
The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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 December 31, 2021 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  
December 31, 2021

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **Fiscal Year Ended June 30, 2021**

This narrative overview and analysis of the City of Richmond’s (the “City”) Basic Financial Statements for the fiscal year ended June 30, 2021. 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 \$65 million during the fiscal year attributed to a \$40 million increase in governmental and \$25 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 \$258.7 million (net deficit). Alternatively, the assets and deferred outflows of the business-type activities of the City exceeded its liabilities and deferred inflows by \$88.1 million.
- At June 30, 2021, the City’s unrestricted net deficit (governmental and business-type activities) totaled \$570 million, a \$28.3 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 \$22 million to \$117.2 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, 2021, the net position of RHA is \$19.5 million or 22% 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 \$24.8 million and the balance was \$22.4 million at June 30, 2021.
- The Net Pension Liability of \$352.3 million, representing an accounting measure of the City’s unfunded pension obligation, increased by \$11.9 million from \$340.4 million. The City reports \$103.8 million in the Other Post-Employment Benefit (OPEB) liability for this fiscal year which is a decrease of \$15.4 million from the \$119.2 million obligation reported in the prior year.
- The City’s General Fund revenue and other financing sources (uses) exceeded expenditures by \$10.4 million in fiscal year 2021. 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 themselves.

## 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 of the 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 24-27 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. 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 20 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 31-34 of the financial report. Data from the other eighteen governmental funds are combined into a single, aggregated presentation and reported separately on pages 208-215 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 36-41.

***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 43-44.

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 47-173 of this 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. Below to provide the reader with highlights of changes from the prior year.

<b>City of Richmond's Net Position</b>						
<b>June 30, 2021 and 2020</b>						
<b>(in thousands)</b>						
	Governmental Activities		Business-type Activities		Totals	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
<b>Assets:</b>						
Current assets	\$ 189,516	\$ 162,908	\$ 56,179	\$ 42,530	\$ 245,695	\$ 205,438
Other noncurrent assets	50,818	46,809	11,222	11,222	62,040	58,031
Capital assets	286,156	289,302	201,775	197,900	487,931	487,202
Total Assets	<u>526,490</u>	<u>499,019</u>	<u>269,176</u>	<u>251,652</u>	<u>795,666</u>	<u>750,671</u>
<b>Deferred Outflows of Resources:</b>						
Deferred outflows related to pensions	41,853	38,453	1,538	1,202	43,391	39,655
Deferred outflows related to OPEB	2,982	4,335	152	230	3,134	4,565
Deferred outflows related to fair value of derivatives	35,966	46,285	-	-	35,966	46,285
Deferred charge on refunding	-	-	6,248	6,595	6,248	6,595
Total Deferred Outflows of Resources	<u>80,801</u>	<u>89,073</u>	<u>7,938</u>	<u>8,027</u>	<u>88,739</u>	<u>97,100</u>
<b>Liabilities:</b>						
Current liabilities	90,106	100,103	18,536	16,687	108,642	116,790
Noncurrent liabilities	719,301	725,744	167,848	175,132	887,149	900,876
Total Liabilities	<u>809,407</u>	<u>825,847</u>	<u>186,384</u>	<u>191,819</u>	<u>995,791</u>	<u>1,017,666</u>
<b>Deferred Inflows of Resources:</b>						
Deferred inflows related to pensions	5,672	5,065	202	184	5,874	5,249
Deferred inflows related OPEB	50,956	55,373	2,347	2,933	53,303	58,306
Total Deferred Inflows of Resources	<u>56,628</u>	<u>60,438</u>	<u>2,549</u>	<u>3,117</u>	<u>59,177</u>	<u>63,555</u>
<b>Net Position:</b>						
Net investment in capital assets	206,420	205,374	75,738	64,271	282,158	269,645
Restricted	103,402	93,704	13,860	1,517	117,262	95,221
Unrestricted	(568,566)	(597,271)	(1,417)	(1,045)	(569,983)	(598,316)
Total Net Position (Deficit)	<u>\$ (258,744)</u>	<u>\$ (298,193)</u>	<u>\$ 88,181</u>	<u>\$ 64,743</u>	<u>\$ (170,563)</u>	<u>\$ (233,450)</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, 2021 and 2020**  
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	FY2021	FY2020	FY2021	FY2020 *	FY2021	FY2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 26,130	\$ 29,574	\$ 43,150	\$ 43,086	\$ 69,280	\$ 72,660
Operating grants/contributions	29,316	25,354	3,772	4,028	33,088	29,382
Capital grants/contributions	4,387	4,987	13	322	4,400	5,309
General revenues:						
Property taxes-current collections	65,075	63,005	-	-	65,075	63,005
Sales taxes	48,998	44,537	-	-	48,998	44,537
Utility user taxes	45,241	45,553	-	-	45,241	45,553
Documentary transfer taxes	19,858	8,708	-	-	19,858	8,708
Other taxes	7,424	7,127	-	-	7,424	7,127
Unrestricted Intergovernmental	6,594	5,368	-	-	6,594	5,368
Use of money and property	1,461	2,947	146	770	1,607	3,717
Gain on sale of capital assets	71	82	-	-	71	82
Other	1,357	1,992	-	-	1,357	1,992
Total revenues	<u>255,912</u>	<u>239,234</u>	<u>47,081</u>	<u>48,206</u>	<u>302,993</u>	<u>287,440</u>
<b>Expenses:</b>						
General government	47,854	43,496	-	-	47,854	43,496
Public safety	93,442	108,948	-	-	93,442	108,948
Public works	33,980	45,051	-	-	33,980	45,051
Community development	4,433	4,115	-	-	4,433	4,115
Cultural & recreation	9,006	10,410	-	-	9,006	10,410
Housing & redevelopment	3,108	2,808	-	-	3,108	2,808
Interest and fiscal charges	12,825	14,897	-	-	12,825	14,897
Richmond Housing Authority	-	-	3,608	5,834	3,608	5,834
Port of Richmond	-	-	6,263	7,745	6,263	7,745
Municipal Sewer	-	-	20,467	21,768	20,467	21,768
Richmond Marina	-	-	228	241	228	241
Storm Sewer	-	-	1,796	1,965	1,796	1,965
Cable TV	-	-	789	672	789	672
Total expenses	<u>204,648</u>	<u>229,725</u>	<u>33,151</u>	<u>38,225</u>	<u>237,799</u>	<u>267,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	51,264	9,509	13,930	9,981	65,194	19,490
Transfers	(11,280)	87	11,280	(87)	-	-
Changes in Net Position	<u>39,984</u>	<u>9,596</u>	<u>25,210</u>	<u>9,894</u>	<u>65,194</u>	<u>19,490</u>
Net position (deficit) at beginning of year (July 1, 2020 restated)	<u>(298,728)</u>	<u>(307,789)</u>	<u>62,971</u>	<u>54,849</u>	<u>(235,757)</u>	<u>(252,940)</u>
Net position (deficit) at end of year	<u>\$ (258,744)</u>	<u>\$ (298,193)</u>	<u>\$ 88,181</u>	<u>\$ 64,743</u>	<u>\$ (170,563)</u>	<u>\$ (233,450)</u>

\* Governmental Activities beginning balance was restated and increased by \$0.54 million.

Business-type Activities beginning balance was restated and decreased by \$1.77 million in the Richmond Housing Authority, Port of Richmond, Municipal Sewer, Cable TV, and Storm Sewer.

## Governmental Activities

Governmental activities increased the City’s net position by \$39.9 million, accounting for 61% of the City’s total increase in net position of \$65.1 million. Total revenues of \$255.9 million exceeded expenses of \$204.6 million by \$51 million. Revenues increased \$16.6 million or 6.9% primarily due to an increase in Document Transfer Tax. That category went from \$8.7 million in fiscal year 2020 to \$19.8 million in fiscal year. Expenses decreased \$25 million or 10% from prior year primarily due to decreases in public safety, and public works.

## Business Type Activities

Business-type activities increased the City’s net position by \$25.2 million. Key factors contributing to the increase in business-type activities are as follows:

- The Richmond Housing Authority’s (“RHA”) net position increase by \$10.6 million, resulting from an operating loss of \$2.7 million, offset by grant income of \$2 million and net transfers of \$11.3 million.
- The Port of Richmond (“Port”) reported operating income of \$4.7 million. During the year, the Port incurred \$0.3 million of interest expense which resulted in a \$4.4 million increase in net position.
- The Municipal Sewer fund reported operating income of approximately \$12.2 million. There were \$4.9 million of non-operating expenses the majority of which represented interest and swap expenses incurred on various Wastewater Debt issues, resulting in a \$7.4 million increase in net position.
- Other Enterprise funds had a combined \$2.6 million increase in net position, with operating income of approximately \$1.2 million.

## Net Program (Expenses) Revenues

Comparisons of the cost of services by function 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 activities functions:

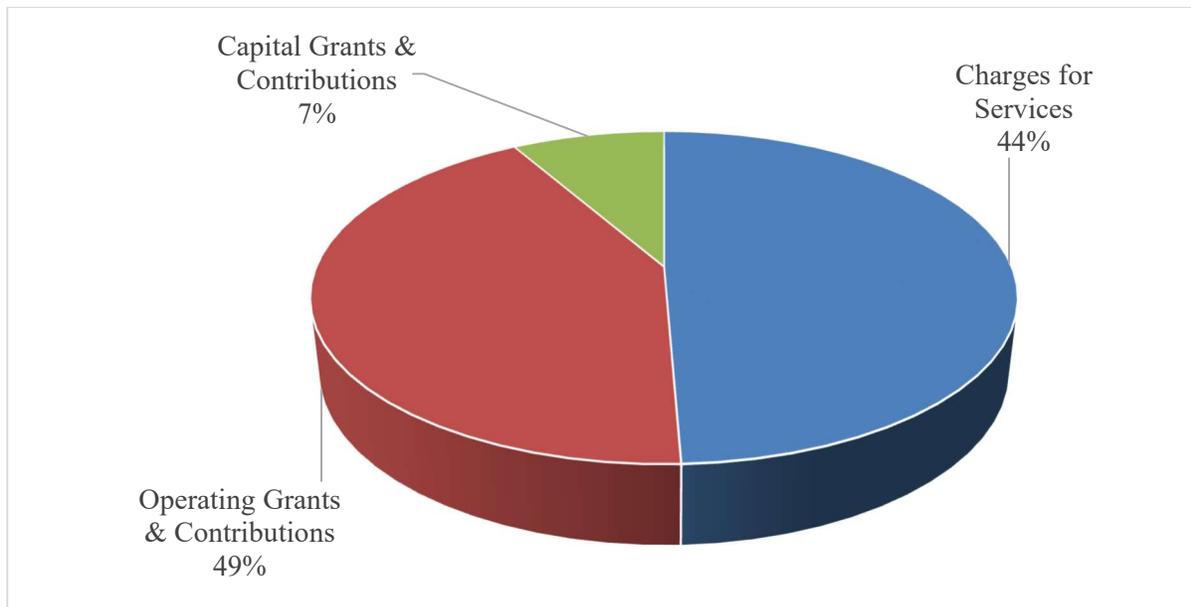
Functions	Expenses and Program Revenues		Net (Expenses)
	Expenses	Revenues	Revenues
General government	\$ 47,854,126	\$ 15,654,728	\$ (32,199,398)
Public safety	93,441,711	6,419,995	(87,021,716)
Public works	33,979,639	17,706,850	(16,272,789)
Community development	4,433,192	20,591,632	16,158,440
Cultural and recreational	9,006,470	1,085,617	(7,920,853)
Housing and redevelopme	3,108,240	(1,626,016)	(4,734,256)
Interest on long-term debt	12,825,356	-	(12,825,356)
<b>Total</b>	<b>\$ 204,648,734</b>	<b>\$ 59,832,806</b>	<b>\$(144,815,928)</b>

Total governmental activities expenses of \$204.6 million were offset by \$59.8 million in program revenues in fiscal year 2021. Program revenues are derived directly from the program itself or from parties outside

Total governmental activities expenses of \$204.6 million were offset by \$59.8 million in program revenues in fiscal year 2021. 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 \$144.8 million.

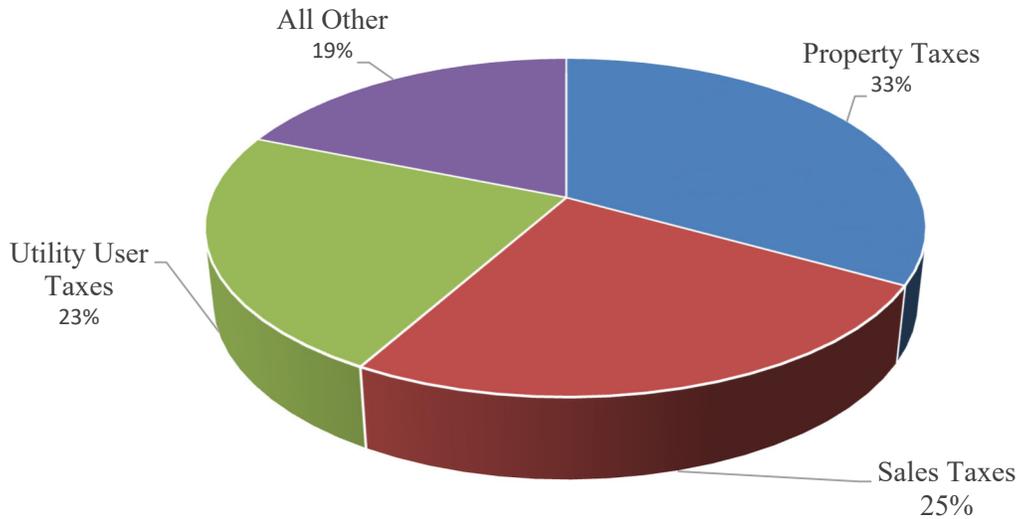
As reflected in the pie chart below, 44% of the governmental program revenues came from Charges for Services, which includes licenses and permits and fees, fines, forfeitures and penalties, and several other revenues. The remaining 56% percent of governmental program revenues come from Operating Grants and Capital Grants Contributions which include restricted revenues such as Gas Tax, Transportation and Sales Tax, and Federal/State Grants.

**Program Revenues by Source  
Governmental Activities**



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 \$196 million in fiscal year 2021. The three largest components of general revenues received were Property Taxes-current collections of \$65 million, Sales Taxes of \$49 million and Utility User Taxes of \$45 million. The following graph shows the City’s general revenues by source.

**General Revenues by Source  
Governmental Activities**



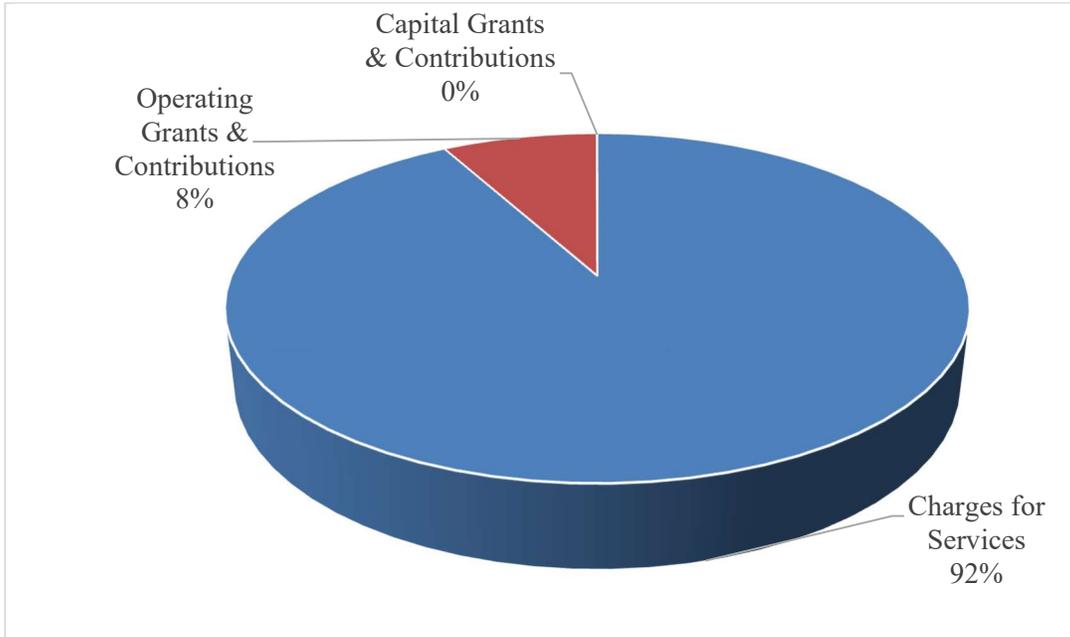
The following table details net program costs for business-type activities:

<b>Expenses and Program Revenues</b>			
<b>Business-type Activities</b>			
	<b>Expenses</b>	<b>Program Revenues</b>	<b>Net (Expenses) Revenues</b>
<b>Business-type Activities</b>			
Richmond Housing Authority	\$ 3,607,603	\$ 2,910,687	\$ (696,916)
Port of Richmond	6,263,232	10,704,024	4,440,792
Municipal Sewer	20,466,640	27,772,641	7,306,001
Richmond Marina	227,391	574,453	347,062
Storm Sewer	1,796,422	3,826,858	2,030,436
Cable TV	788,957	1,145,936	356,979
<b>Total</b>	<b>\$ 33,150,245</b>	<b>\$ 46,934,599</b>	<b>\$ 13,784,354</b>

Business-type activities revenue exceeded expenses by \$13.8 million, as Municipal Sewer, the Port of Richmond and other Enterprise Funds contributed net revenues of \$7.3 million, \$4.4 million, and \$2.1 million respectively.

As reflected in the pie chart below, 92% of the business-type program revenues came from Charges for Services and the remaining 8% were derived from Operating and Capital Grants.

**Program Revenues by Source  
Business-Type Activities**



**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, the City’s governmental funds reported total fund balances of \$130.1 million, an increase of \$17.5 million, or 15.6% 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 \$15.3 million or 9.0% while and expenditures decreased by \$828 thousand or 0.5%. The increase in revenues is primarily due to the increased collection of both Sales Tax and Documentary Transfer Tax. Sales Tax increased by \$4.4 million or 10% while Documentary Transfer Tax increased by \$11.4 million, an increase of over 73.3%. 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 Documentary Transfer Tax increase stems from the combination of some very high dollar property sales coupled with the voter approved tiered rate structure where sales over \$10 million are taxed at the rate of 3% of the sale amount.

General Fund expenditures stayed relatively flat with a modest decrease of 0.5%. In Other Financing Sources, there was a significant increase to Operating Transfers-Out. The net increase of \$7.8 million or 90.9% is due to a combination of changes. The three main items accounting for this decrease were (1) the CAD/RMS services related to the consortium disbandment in 2020 where the General Fund transferred

\$3.0 million to the CAD Dispatch Fund, (2) a decrease in various General Fund subsidies to other funds including decrease was \$1.6 million transferred to the Kids First program in 2020 but zero funds transferred in 2021, and (3) and increase of \$10.3 million stemming from the Richmond Housing Authority Write-off of disallowed and uncollectible costs.

At the end of the current fiscal year, the total fund balance increased by \$10.4 million from the prior year to \$49.1 million. The General Fund reported an unassigned fund balance of \$22.4 million, and committed of \$9.8 million which represents the following:

<b><u>Committed Fund Balance (Resolution No. 25-20, 78-21 &amp; 126-21)</u></b>		
COVID-19	\$	(1,500,000)
Reimagining Public Safety		(1,300,000)
Community Facilities Improvements		(1,700,000)
Staff Compensation - OTP		(2,300,000)
FY 2021-22 Set Aside		<u>(3,000,000)</u>
<b>Committed Fund Balance</b>	<b>\$</b>	<b><u>(9,800,000)</u></b>

***Community Development and Loan Programs*** This fund was established to account for the receipt of Community Development Block Grant, HOME Investment Partnership Program and 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, 2021, fund balance is \$31.2 million which represents a \$1.9 million increase 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 increases \$10.6 million to \$19.5 million at June 30, 2021.

***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 \$4.4 million to \$15.8 million. The increase is partially due to lower debt service interest expenses and lower contractual service expenses-

***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 \$7.4 million to \$49.8 million at June 30, 2021.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The adopted budget, excluding transfers, bond premium and proceeds from sale of property, reflected \$155.8 million in estimated revenues and \$163.5 million in appropriations.

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

The final amended budget included a \$10.4 million increase in estimated revenue and a \$5.2 million increase in appropriations. Actual revenues of \$178.8 million were \$12.6 million more than adjusted operating revenue budget, a variance of 8%. Key elements of the variances in revenues are discussed as follows:

Property Taxes totaled \$ 45.1 million which is \$1 million more than the Revised Budget and \$ 1.2million more 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.

Utility Users Tax (UUT) totaled \$45.2 million which was \$677 thousand 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.

Sales Taxes totaled \$48.9 million which was \$4.6 million above the Revised Budget and \$8 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.

Licenses, Permits and Fees totaled \$5.9 million which was \$164 thousand more than the Revised Budget amount. The bulk of this stemmed from the collection of Medical Marijuana Permits. The previous years' saw significant increases due to the collective efforts from the Business License Division, Code Enforcement, Rent Control and Muni Services. It led to payments from new customers that included, in many cases, past due amounts up to three years back. The majority of the new businesses were residential rental properties. The subsequent years, these businesses just paid the yearly flat rate. The budget did not reflect this expected increase.

The final adjusted appropriations were \$168.7 million, an increase of \$5.2 million from the original adopted budget appropriation of \$163.5 million. The adopted budget appropriation was increased primarily due to increase adjustments in General Government, Public Safety and Capital Outlay. The final budget appropriation for transfers out was \$5.4 million, an increase of \$427 thousand from the original adopted budget appropriation of \$4.9 million. The increase was primarily due to adjustments to RHA, and Economic Development transfer for capital project.

## **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, 2021 amounted to \$487.9 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress is illustrated below:

**Capital Assets by Type**  
**June 30, 2021 and 2020**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 24,361,564	\$ 29,468,867	\$ 7,195,986	\$ 7,195,986	\$ 31,557,550	\$ 36,664,853
Construction in Progress	34,235,379	29,311,328	32,958,119	21,825,629	67,193,498	51,136,957
Building and improvements	105,655,032	107,117,826	23,674,759	24,429,428	129,329,791	131,547,254
Machinery and equipment	7,367,001	8,195,781	2,186,083	2,777,744	9,553,084	10,973,525
Infrastructure	114,536,661	115,208,331	135,760,413	141,671,045	250,297,074	256,879,376
<b>Total Capital assets</b>	<b>\$ 286,155,637</b>	<b>\$ 289,302,133</b>	<b>\$ 201,775,360</b>	<b>\$ 197,899,832</b>	<b>\$ 487,930,997</b>	<b>\$ 487,201,965</b>

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

Additional information about the City's capital assets can be found in Note 5 on pages 77-79 in the financial statements.

## Debt Administration:

*Long Term Debt* – The City’s total debt outstanding at June 30, 2021 decreased \$16.7 million from \$422.5 million to \$405.8 million.

Revenue Bonds had a decrease due to the termination of the 2008A Wastewater SWAP agreement, and the defeasance & refunding of a portion of the 2010B Wastewater Bond.

Lease Revenue Bonds had a decrease due to large 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, 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Revenue bonds	\$ -	\$ -	\$ 137,886,366	\$ 141,391,552	\$ 137,886,366	\$ 141,391,552
Lease revenue bonds	103,543,451	107,666,888	13,604,419	17,940,892	117,147,870	125,607,780
Pension obligation bonds	140,816,305	144,339,640	-	-	140,816,305	144,339,640
Total bonds payable	<u>244,359,756</u>	<u>252,006,528</u>	<u>151,490,785</u>	<u>159,332,444</u>	<u>395,850,541</u>	<u>411,338,972</u>
Loans payable	1,023,223	1,156,440	3,338,388	3,435,667	4,361,611	4,592,107
Capital leases	<u>5,642,605</u>	<u>6,661,806</u>	-	-	<u>5,642,605</u>	<u>6,661,806</u>
Total outstanding debt	<u>\$ 251,025,584</u>	<u>\$ 259,824,774</u>	<u>\$ 154,829,173</u>	<u>\$ 162,768,111</u>	<u>\$ 405,854,757</u>	<u>\$ 422,592,885</u>

The City does not have any general obligation bonds as of June 30, 2021.

## 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. Property values assessed by the County as of January 1, 2021 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 was significant property sales during the year, the refinery assessment by the County went from approximately \$3 billion in FY2019-20, 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 2015-16 to \$2.5 million in fiscal year 2016-17, to \$4.0 million in fiscal year 2017-18, to \$5.7 million in fiscal year 2018-19, and to \$6.5 million in both FY2019-20 and FY2020-21. Sales Tax has rebounded to above pre-pandemic levels. Sales Tax in FY2018-19 was \$47.7 million, in FY2019-20, dipped down to \$44.5 million, and finally rebounded to \$49.0 million in FY2020-21.

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 accordingly:

## Measure H

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 FY2017-18, before the new tiered rate structure was approved and put in place, the transfer tax collected totaled \$6.5 million. In FY2018-19, with half a year a year of the rate structure, the tax collected went up to \$8.0 million. In FY2019-20 it went up modestly to \$8.7 million. Finally, in FY2020-21, due to a few very large sales it increased significantly to \$19.9 million.

In November 2020, Richmond voters approved Measure U which significantly changed the calculation for the Business License Tax. Currently, most business pay a tax based on number of employees or location. Measure U imposes a calculation based on 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 was expected to bring in an additional \$6.4 million for the City once implemented in FY2021-22. Due to changes in both implementation date (moved from July 1, 2021 to January 1, 2022) and Rent Control credits (fees paid by landlords of small rental units serves as credits to the Business Tax) the amount collected in FY2021-22 will be lower than originally forecasted.

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, 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. 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](mailto:Finance@ci.richmond.ca.us).

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# **BASIC FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**City of Richmond**  
**Statement of Net Position**  
**June 30, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 137,599,623	\$ 50,863,729	\$ 188,463,352
Restricted cash and investments	15,301,838	13,957,785	29,259,623
Receivables:			
Accounts, net	14,209,371	6,780,481	20,989,852
Interest	41,633	13,402	55,035
Grants	6,083,133	206,508	6,289,641
Loans	-	-	-
Internal balances	15,642,760	(15,642,760)	-
Prepays and supplies	637,513	-	637,513
Total current assets	<u>189,515,871</u>	<u>56,179,145</u>	<u>245,695,016</u>
Noncurrent assets:			
Due from developer	-	11,221,743	11,221,743
Loans	46,299,190	-	46,299,190
Property held for resale	78,016	-	78,016
Net pension asset	4,441,073	-	4,441,073
Capital assets:			
Nondepreciable	58,596,943	40,154,105	98,751,048
Depreciable	744,532,487	356,786,684	1,101,319,171
Less accumulated depreciation	(516,973,793)	(195,165,429)	(712,139,222)
Total capital assets	<u>286,155,637</u>	<u>201,775,360</u>	<u>487,930,997</u>
Total noncurrent assets	<u>336,973,916</u>	<u>212,997,103</u>	<u>549,971,019</u>
<b>Total assets</b>	<u>526,489,787</u>	<u>269,176,248</u>	<u>795,666,035</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - pension	41,852,998	1,537,803	43,390,801
Deferred outflows of resources - OPEB	2,981,744	152,293	3,134,037
Deferred outflows - change in fair value of derivative instruments	35,965,971	-	35,965,971
Deferred charge on refunding	-	6,247,725	6,247,725
<b>Total deferred outflows of resources</b>	<u>80,800,713</u>	<u>7,937,821</u>	<u>88,738,534</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	16,828,865	8,721,491	25,550,356
Interest payable	1,194,997	2,508,603	3,703,600
Refundable deposits	881,371	471,362	1,352,733
Unearned revenue	6,516,377	-	6,516,377
Derivative instrument at fair value	35,965,971	-	35,965,971
Compensated absences - due within one year	35,782	153,064	188,846
Claims liabilities - due within one year	13,033,895	-	13,033,895
Long-term debt - due within one year	15,649,018	6,681,656	22,330,674
Total current liabilities	<u>90,106,276</u>	<u>18,536,176</u>	<u>108,642,452</u>
Noncurrent liabilities:			
Unearned revenue	-	2,962,194	2,962,194
Compensated absences	13,081,217	46,981	13,128,198
Claims liabilities	31,358,444	-	31,358,444
Long-term debt	235,376,566	148,147,517	383,524,083
Net pension liability	340,627,781	11,745,894	352,373,675
Net OPEB liability	98,856,405	4,944,993	103,801,398
Total noncurrent liabilities	<u>719,300,413</u>	<u>167,847,579</u>	<u>887,147,992</u>
<b>Total liabilities</b>	<u>809,406,689</u>	<u>186,383,755</u>	<u>995,790,444</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	5,671,678	202,155	5,873,833
Deferred inflows of resources - OPEB	50,956,440	2,347,335	53,303,775
<b>Total deferred inflows of resources</b>	<u>56,628,118</u>	<u>2,549,490</u>	<u>59,177,608</u>
<b>NET POSITION</b>			
Net investment in capital assets	206,419,763	75,738,268	282,158,031
Restricted for:			
Capital projects	8,173,583	-	8,173,583
Debt service	11,850,076	13,859,999	25,710,075
Housing and redevelopment	18,849,330	-	18,849,330
Community development projects	64,528,624	-	64,528,624
Total restricted	<u>103,401,613</u>	<u>13,859,999</u>	<u>117,261,612</u>
Unrestricted	(568,565,683)	(1,417,443)	(569,983,126)
<b>Total net position</b>	<u>\$ (258,744,307)</u>	<u>\$ 88,180,824</u>	<u>\$ (170,563,483)</u>

See accompanying Notes to Basic Financial Statements



**City of Richmond**  
**Statement of Activities**  
**For the year ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 46,917,122	\$ 13,777,010	\$ 978,177	\$ 899,541	\$ 15,654,728
Public safety	94,378,715	3,674,412	2,495,729	249,854	6,419,995
Public works	33,979,639	7,198,221	8,850,916	1,657,713	17,706,850
Community development	4,534,280	665,999	18,345,791	1,579,842	20,591,632
Cultural and recreational	9,006,470	814,073	271,544	-	1,085,617
Housing and redevelopment	3,007,152	-	(1,626,016)	-	(1,626,016)
Interest on long-term debt	12,825,356	-	-	-	-
Total governmental activities	204,648,734	26,129,715	29,316,141	4,386,950	59,832,806
<b>Business-type activities</b>					
Richmond Housing Authority	3,607,603	861,943	2,048,744	-	2,910,687
Port of Richmond	6,263,232	10,704,024	-	-	10,704,024
Municipal Sewer	20,466,640	27,759,474	-	13,167	27,772,641
Richmond Marina	227,391	574,453	-	-	574,453
Storm Sewer	1,796,422	2,103,928	1,722,930	-	3,826,858
Cable TV	788,957	1,145,936	-	-	1,145,936
Total business-type activities	33,150,245	43,149,758	3,771,674	13,167	46,934,599
<b>Total primary government</b>	<b>\$ 237,798,979</b>	<b>\$ 69,279,473</b>	<b>\$ 33,087,815</b>	<b>\$ 4,400,117</b>	<b>\$ 106,767,405</b>
<b>Component units:</b>					
RHA Properties	-	-	-	-	-
RHA Housing Corporation	50	-	-	-	-
RHA RAD LLC	-	-	-	-	-
<b>Total component units</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes - current collections					
Sales taxes					
Utility user taxes					
Documentary transfer taxes					
Other taxes					
<b>Total taxes</b>					
Unrestricted intergovernmental					
Use of money and property					
Gain (loss) from sale of capital assets					
Other					
Transfers					
<b>Total general revenues and transfers</b>					
<b>Change in net position</b>					
<b>Net position - beginning of year, as restated</b>					
<b>Net position - end of year</b>					

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
\$ (31,262,394)	\$ -	\$ (31,262,394)			
(87,958,720)	-	(87,958,720)			
(16,272,789)	-	(16,272,789)			
16,057,352	-	16,057,352			
(7,920,853)	-	(7,920,853)			
(4,633,168)	-	(4,633,168)			
(12,825,356)	-	(12,825,356)			
<u>(144,815,928)</u>	<u>-</u>	<u>(144,815,928)</u>			
	(696,916)	(696,916)			
	4,440,792	4,440,792			
	7,306,001	7,306,001			
	347,062	347,062			
	2,030,436	2,030,436			
	356,979	356,979			
<u>-</u>	<u>13,784,354</u>	<u>13,784,354</u>			
<u>(144,815,928)</u>	<u>13,784,354</u>	<u>(131,031,574)</u>			
			-	-	-
			-	(50)	-
			-	-	-
			-	(50)	-
65,075,408	-	65,075,408	-	-	-
48,998,406	-	48,998,406	-	-	-
45,240,705	-	45,240,705	-	-	-
19,857,680	-	19,857,680	-	-	-
7,424,135	-	7,424,135	-	-	-
<u>186,596,334</u>	<u>-</u>	<u>186,596,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,593,602	-	6,593,602	-	-	-
1,461,004	145,810	1,606,814	-	-	-
71,458	-	71,458	-	-	-
1,357,022	-	1,357,022	-	-	-
(11,279,988)	11,279,988	-	-	-	-
<u>184,799,432</u>	<u>11,425,798</u>	<u>196,225,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
39,983,504	25,210,152	65,193,656	-	(50)	-
(298,727,811)	62,970,672	(235,757,139)	-	4,809	14,510,000
<u>\$ (258,744,307)</u>	<u>\$ 88,180,824</u>	<u>\$ (170,563,483)</u>	<u>\$ -</u>	<u>\$ 4,759</u>	<u>\$ 14,510,000</u>

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# FUND FINANCIAL STATEMENTS

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*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, 2021**

	General Fund	Community Development and Loan Programs	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 33,213,554	\$ 5,399,224	\$ 46,949,540	\$ 85,562,318
Restricted cash and investments	-	2,007,696	12,060,716	14,068,412
Receivables:				
Accounts, net	11,562,758	2,292	2,635,321	14,200,371
Interest	10,836	1,915	12,690	25,441
Grants	29,677	172,449	5,881,007	6,083,133
Loans	3,041,758	42,478,419	779,013	46,299,190
Due from other funds	5,732	-	-	5,732
Advances to other funds	13,062,225	-	-	13,062,225
Property held for resale	-	78,016	-	78,016
Prepays and supplies	637,513	-	-	637,513
<b>Total assets</b>	<b>61,564,053</b>	<b>50,140,011</b>	<b>68,318,287</b>	<b>180,022,351</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	6,242,621	75,645	8,900,866	15,219,132
Refundable deposits	215,438	-	665,933	881,371
Due to other funds	-	-	5,732	5,732
Unearned revenue	3,615,918	-	2,900,459	6,516,377
<b>Total liabilities</b>	<b>10,073,977</b>	<b>75,645</b>	<b>12,472,990</b>	<b>22,622,612</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	2,376,034	18,849,330	6,055,015	27,280,379
<b>Total deferred inflows of resources</b>	<b>2,376,034</b>	<b>18,849,330</b>	<b>6,055,015</b>	<b>27,280,379</b>
<b>Fund Balances:</b>				
Nonspendable	14,399,738	-	-	14,399,738
Restricted	-	31,215,036	48,946,958	80,161,994
Committed	9,800,000	-	-	9,800,000
Assigned	2,436,475	-	2,521,099	4,957,574
Unassigned	22,477,829	-	(1,677,775)	20,800,054
<b>Total fund balances</b>	<b>49,114,042</b>	<b>31,215,036</b>	<b>49,790,282</b>	<b>130,119,360</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 61,564,053</b>	<b>\$ 50,140,011</b>	<b>\$ 68,318,287</b>	<b>\$ 180,022,351</b>

**City of Richmond**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2021**

**Total Fund Balances - Total Governmental Funds** \$ 130,119,360

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	\$ 58,596,943	\$ (2,826,937)	55,770,006
Depreciable, net	227,558,694	(5,102,152)	222,456,542
Total capital assets	<u>\$ 286,155,637</u>	<u>\$ (7,929,089)</u>	<u>278,226,548</u>

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. 10,351,005

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. 27,280,379

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	41,371,442
Deferred outflows of resources related to OPEB	2,937,303
Deferred inflows of resources related to pension	(5,608,373)
Deferred inflows of resources related to OPEB	(50,271,453)

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	\$ (35,782)	\$ 35,782	\$ -
Interest payable	(1,194,997)	9,717	(1,185,280)
Long-term debt - due within one year	(15,649,018)	251,951	(15,397,067)
Compensated absences - due in more than one year	(13,081,217)	75,445	(13,005,772)
Long-term debt - due in more than one year	(235,376,566)	1,736,079	(233,640,487)
Net pension liability/asset	(336,186,708)	3,678,178	(332,508,530)
Net OPEB liability	(98,856,405)	1,443,023	(97,413,382)
Total long-term liabilities	<u>\$ (700,380,693)</u>	<u>\$ 7,230,175</u>	<u>(693,150,518)</u>
<b>Net Position of Governmental Activities</b>			<u>\$ (258,744,307)</u>

**City of Richmond**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2021**

	General Fund	Community Development and Loan Programs	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Property taxes	\$ 45,140,902	\$ -	\$ 25,153,585	\$ 70,294,487
Sales taxes	48,998,406	-	-	48,998,406
Utility user taxes	45,240,705	-	-	45,240,705
Other taxes	27,066,292	-	-	27,066,292
Licenses, permits and fees	3,235,491	665,999	14,415,062	18,316,552
Fines, forfeitures and penalties	454,778	-	692	455,470
Use of money and property	107,022	202,108	163,086	472,216
Intergovernmental	803,692	1,579,842	21,528,800	23,912,334
Charges for services	6,730,499	-	8,641,090	15,371,589
Rent	699,301	-	-	699,301
Other	403,034	898,903	189,377	1,491,314
<b>Total revenues</b>	<b>178,880,122</b>	<b>3,346,852</b>	<b>70,091,692</b>	<b>252,318,666</b>
<b>EXPENDITURES:</b>				
Current:				
General government	30,245,217	-	16,247,767	46,492,984
Public safety	96,372,052	-	2,247,410	98,619,462
Public works	24,754,571	-	7,278,273	32,032,844
Community development	-	505,501	5,201,909	5,707,410
Cultural and recreational	9,087,406	-	718,644	9,806,050
Housing and redevelopment	-	945,529	2,179,259	3,124,788
Capital outlay	113,178	-	5,968,835	6,082,013
Debt service:				
Principal	910,082	-	13,513,000	14,423,082
Interest and fiscal charges	137,257	-	6,907,538	7,044,795
<b>Total expenditures</b>	<b>161,619,763</b>	<b>1,451,030</b>	<b>60,262,635</b>	<b>223,333,428</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>17,260,359</b>	<b>1,895,822</b>	<b>9,829,057</b>	<b>28,985,238</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	71,458	-	-	71,458
Transfers in	9,454,780	-	6,069,525	15,524,305
Transfers out	(16,318,786)	-	(10,714,975)	(27,033,761)
<b>Total other financing sources (uses)</b>	<b>(6,792,548)</b>	<b>-</b>	<b>(4,645,450)</b>	<b>(11,437,998)</b>
<b>Net change in fund balances</b>	<b>10,467,811</b>	<b>1,895,822</b>	<b>5,183,607</b>	<b>17,547,240</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	38,646,231	29,319,214	44,606,675	112,572,120
End of year	\$ 49,114,042	\$ 31,215,036	\$ 49,790,282	\$ 130,119,360

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, 2021**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	17,547,240
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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.		6,309,279
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.		(10,428,862)
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.		(125,790)
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		14,423,082
Capital appreciation bond accretion		(6,729,666)
Amortization of bonds premium		863,438
Interest payable		168,165
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.		39,468,325
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.		(39,668,043)
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.		13,584,158
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.		1,939,642
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.		2,632,536
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>39,983,504</b>

## 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, 2021**

	Business-type Activities			
	Richmond Housing Authority	Port of Richmond	Municipal Sewer	Other Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 2,754,022	\$ 3,257,402	\$ 39,028,273	\$ 5,824,032
Restricted cash and investments	97,786	150,627	13,619,646	89,726
Receivables:				
Accounts, net	238,431	6,028,758	78,503	434,789
Interest	-	672	11,243	1,487
Grants	206,508	-	-	-
<b>Total current assets</b>	<b>3,296,747</b>	<b>9,437,459</b>	<b>52,737,665</b>	<b>6,350,034</b>
Noncurrent assets:				
Receivables:				
Due from developer	11,221,743	-	-	-
Advances to other funds	-	-	-	-
Capital assets:				
Nondepreciable	1,708,686	4,937,160	29,653,565	3,854,694
Depreciable	44,836,474	87,500,286	189,100,926	35,348,998
Less accumulated depreciation	(30,158,605)	(55,946,334)	(75,942,119)	(33,118,371)
Net capital assets	16,386,555	36,491,112	142,812,372	6,085,321
<b>Total noncurrent assets</b>	<b>27,608,298</b>	<b>36,491,112</b>	<b>142,812,372</b>	<b>6,085,321</b>
<b>Total assets</b>	<b>30,905,045</b>	<b>45,928,571</b>	<b>195,550,037</b>	<b>12,435,355</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	584,453	217,455	425,931	309,964
Deferred outflows of resources - OPEB	59,616	16,259	46,880	29,538
Deferred charge on refunding	-	-	6,247,725	-
<b>Total deferred outflows of resources</b>	<b>644,069</b>	<b>233,714</b>	<b>6,720,536</b>	<b>339,502</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	1,602,423	293,306	6,491,825	333,937
Interest payable	-	96,750	2,315,458	96,395
Due to other funds	-	-	-	-
Refundable deposits	143,766	238,423	-	89,173
Compensated absences - current	3,073	5,811	102,443	41,737
Claims payable - current	-	-	-	-
Long-term debt - current	-	4,100,000	2,480,000	101,656
<b>Total current liabilities</b>	<b>1,749,262</b>	<b>4,734,290</b>	<b>11,389,726</b>	<b>662,898</b>
Noncurrent liabilities:				
Advances from other funds	-	13,062,225	-	2,580,535
Unearned revenue	1,814,047	520,000	36,280	591,867
Compensated absences	13,146	22,797	5,200	5,838
Claims payable	-	-	-	-
Long-term debt	1,001,530	9,504,419	135,406,366	2,235,202
Net pension liability	4,464,114	1,660,942	3,253,302	2,367,536
Net OPEB liability	1,935,762	527,935	1,522,213	959,083
<b>Total noncurrent liabilities</b>	<b>9,228,599</b>	<b>25,298,318</b>	<b>140,223,361</b>	<b>8,740,061</b>
<b>Total liabilities</b>	<b>10,977,861</b>	<b>30,032,608</b>	<b>151,613,087</b>	<b>9,402,959</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	76,829	28,586	55,993	40,747
Deferred inflows of resources - OPEB	918,886	250,605	722,578	455,266
<b>Total deferred inflows of resources</b>	<b>995,715</b>	<b>279,191</b>	<b>778,571</b>	<b>496,013</b>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	15,385,025	22,886,693	33,718,087	3,748,463
Restricted for debt service	-	150,627	13,619,646	89,726
Unrestricted	4,190,513	(7,186,834)	2,541,182	(962,304)
<b>Total net position</b>	<b>\$ 19,575,538</b>	<b>\$ 15,850,486</b>	<b>\$ 49,878,915</b>	<b>\$ 2,875,885</b>

See accompanying Notes to Basic Financial Statements.

		Governmental Activities	
Total Enterprise Funds		Internal Service Funds	
\$	50,863,729	\$	52,037,305
	13,957,785		1,233,426
	6,780,481		9,000
	13,402		16,192
	206,508		-
	<u>71,821,905</u>		<u>53,295,923</u>
	11,221,743		-
	-		2,580,535
	40,154,105		2,826,937
	356,786,684		24,784,013
	(195,165,429)		(19,681,861)
	<u>201,775,360</u>		<u>7,929,089</u>
	<u>212,997,103</u>		<u>10,509,624</u>
	<u>284,819,008</u>		<u>63,805,547</u>
	1,537,803		481,556
	152,293		44,441
	6,247,725		-
	<u>7,937,821</u>		<u>525,997</u>
	8,721,491		1,609,733
	2,508,603		9,717
	-		-
	471,362		-
	153,064		35,782
	-		13,033,895
	6,681,656		251,951
	<u>18,536,176</u>		<u>14,941,078</u>
	15,642,760		-
	2,962,194		-
	46,981		75,445
	-		31,358,444
	148,147,517		1,736,079
	11,745,894		3,678,178
	4,944,993		1,443,023
	<u>183,490,339</u>		<u>38,291,169</u>
	<u>202,026,515</u>		<u>53,232,247</u>
	202,155		63,305
	2,347,335		684,987
	<u>2,549,490</u>		<u>748,292</u>
	75,738,268		7,174,485
	13,859,999		-
	(1,417,443)		3,176,520
\$	<u>88,180,824</u>	\$	<u>10,351,005</u>

**City of Richmond**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2021**

	Business-type Activities			
	Richmond Housing Authority	Port of Richmond	Municipal Sewer	Other Enterprise Funds
<b>OPERATING REVENUES:</b>				
Rental	\$ 427,343	\$ -	\$ -	\$ -
Service charges	-	2,800,099	27,759,474	3,244,571
Lease income	-	7,809,710	-	579,696
Other	434,600	94,215	-	50
<b>Total operating revenues</b>	<b>861,943</b>	<b>10,704,024</b>	<b>27,759,474</b>	<b>3,824,317</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	62,911	449,534	1,251,923	670,751
General and administrative	2,597,050	1,636,961	9,863,869	1,832,695
Maintenance	941,732	294,062	573,845	-
Depreciation	-	3,544,329	3,581,983	130,651
Claims losses	-	-	-	-
Other	5,910	7,909	249,171	-
<b>Total operating expenses</b>	<b>3,607,603</b>	<b>5,932,795</b>	<b>15,520,791</b>	<b>2,634,097</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,745,660)</b>	<b>4,771,229</b>	<b>12,238,683</b>	<b>1,190,220</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	575	3,719	120,417	21,099
Grants	2,048,744	-	-	1,722,930
Interest expense	-	(330,437)	(4,945,849)	(178,673)
<b>Total nonoperating revenues (expenses)</b>	<b>2,049,319</b>	<b>(326,718)</b>	<b>(4,825,432)</b>	<b>1,565,356</b>
<b>Income (loss) before contributions and transfers</b>	<b>(696,341)</b>	<b>4,444,511</b>	<b>7,413,251</b>	<b>2,755,576</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>				
Capital contributions	-	-	13,167	-
Transfers in	11,435,028	-	-	-
Transfers out	(68,262)	-	-	(86,778)
<b>Total contributions and transfers</b>	<b>11,366,766</b>	<b>-</b>	<b>13,167</b>	<b>(86,778)</b>
<b>Change in net position</b>	<b>10,670,425</b>	<b>4,444,511</b>	<b>7,426,418</b>	<b>2,668,798</b>
<b>NET POSITION:</b>				
Beginning of year, as restated	8,905,113	11,405,975	42,452,497	207,087
End of year	<b>\$ 19,575,538</b>	<b>\$ 15,850,486</b>	<b>\$ 49,878,915</b>	<b>\$ 2,875,885</b>

Total Enterprise Funds	Governmental Activities
	Internal Service Funds
\$ 427,343	\$ -
33,804,144	21,737,290
8,389,406	-
528,865	-
<u>43,149,758</u>	<u>21,737,290</u>
2,435,119	3,492,528
15,930,575	1,097,351
1,809,639	1,780,971
7,256,963	985,343
-	13,476,986
262,990	1,005
<u>27,695,286</u>	<u>20,834,184</u>
15,454,472	903,106
145,810	289,507
3,771,674	1,292,953
(5,454,959)	(82,498)
<u>(1,537,475)</u>	<u>1,499,962</u>
13,916,997	2,403,068
13,167	-
11,435,028	426,018
(155,040)	(196,550)
<u>11,293,155</u>	<u>229,468</u>
25,210,152	2,632,536
62,970,672	7,718,469
<u>\$ 88,180,824</u>	<u>\$ 10,351,005</u>

**City of Richmond**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2021**

	Business-type Activities			
	Richmond Housing Authority	Port of Richmond	Municipal Sewer	Other Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers/interfund services	\$ 4,695,718	\$ 10,242,797	\$ 27,775,903	\$ 4,433,434
Payments to suppliers	(3,774,281)	(1,877,077)	(8,856,762)	(1,741,693)
Payments to employees	(452,790)	(656,163)	(1,581,608)	(879,209)
Insurance premiums and claims paid	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>468,647</b>	<b>7,709,557</b>	<b>17,337,533</b>	<b>1,812,532</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund receipts (payments)	(15,255,272)	(286,375)	901,396	(46,719)
Receipts from other governments	3,091,786	-	-	-
Transfers in	11,435,028	-	-	-
Transfers out	(68,262)	-	-	(86,778)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(796,720)</b>	<b>(286,375)</b>	<b>901,396</b>	<b>(133,497)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Grant receipts	-	-	13,167	1,722,930
Acquisition of capital assets	-	-	(9,430,481)	(1,702,010)
Principal payments on capital debt	-	(3,945,000)	(2,515,000)	(97,279)
Interest paid	-	(748,210)	(5,633,851)	(182,686)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>-</b>	<b>(4,693,210)</b>	<b>(17,566,165)</b>	<b>(259,045)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest	575	3,613	145,832	25,423
<b>Net cash provided by (used in) investing activities</b>	<b>575</b>	<b>3,613</b>	<b>145,832</b>	<b>25,423</b>
<b>Net cash flows</b>	<b>(327,498)</b>	<b>2,733,585</b>	<b>818,596</b>	<b>1,445,413</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>3,179,306</b>	<b>674,444</b>	<b>51,829,323</b>	<b>4,468,345</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 2,851,808</b>	<b>\$ 3,408,029</b>	<b>\$ 52,647,919</b>	<b>\$ 5,913,758</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (2,745,660)	\$ 4,771,229	\$ 12,238,683	\$ 1,190,220
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	3,544,329	3,581,983	130,651
Changes in assets and liabilities:				
Receivables, net	2,755,944	(461,227)	16,429	17,250
Accounts payable and accrued liabilities	(226,505)	19,355	1,830,123	90,348
Refundable deposits	(3,084)	42,500	-	654
Unearned revenue	1,077,831	-	-	591,867
Compensated absences payable	4,078	(99,967)	(19,439)	(13,542)
Claims payable	-	-	-	-
Net pension liability and deferred outflows/inflows	7,854	2,923	5,725	4,165
Net OPEB liability and deferred outflows/inflows	(401,811)	(109,585)	(315,971)	(199,081)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 468,647</b>	<b>\$ 7,709,557</b>	<b>\$ 17,337,533</b>	<b>\$ 1,812,532</b>

Total Enterprise Funds	Governmental Activities	
	Internal Service Funds	
\$ 47,147,852	\$ 22,103,102	
(16,249,813)	(1,609,394)	
(3,569,770)	(3,965,175)	
-	(12,325,014)	
<u>27,328,269</u>	<u>4,203,519</u>	
(14,686,970)	9,703,154	
3,091,786	-	
11,435,028	426,018	
(155,040)	(151,591)	
<u>(315,196)</u>	<u>9,977,581</u>	
1,736,097	1,292,953	
(11,132,491)	(2,003,389)	
(6,557,279)	(242,336)	
(6,564,747)	(83,682)	
<u>(22,518,420)</u>	<u>(1,036,454)</u>	
175,443	338,761	
<u>175,443</u>	<u>338,761</u>	
4,670,096	13,483,407	
60,151,418	39,787,324	
<u>\$ 64,821,514</u>	<u>\$ 53,270,731</u>	
\$ 15,454,472	\$ 903,106	
7,256,963	985,343	
2,328,396	365,812	
1,713,321	1,269,933	
40,070	-	
1,669,698	-	
(128,870)	(179,588)	
-	1,151,972	
20,667	6,474	
(1,026,448)	(299,533)	
<u>\$ 27,328,269</u>	<u>\$ 4,203,519</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, 2021**

	Pension Trust Funds	Private-Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 7,075,368	\$ 6,572,233
Restricted cash and investments	1,226,909	17,705,972	923,497
Pension and OPEB plan cash and investments:			
Local Agency Investment Fund	186,062	-	-
Mutual fund investments	13,042,440	-	-
Accounts receivable	-	33,665	-
Interest receivable	467	22,272	2,005
Grants receivable	-	451,406	-
Loans receivable	-	1,021,000	-
Prepays and other assets	-	5,716,860	-
<b>Total assets</b>	<b>14,455,878</b>	<b>32,026,543</b>	<b>7,497,735</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - deferred loss on refunding	-	436,160	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>436,160</b>	<b>-</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	-	266,262	5,656
Interest payable	-	697,901	-
Long-term debt:			
Due within one year	-	6,645,000	-
Due in more than one year	-	53,465,925	-
<b>Total liabilities</b>	<b>-</b>	<b>61,075,088</b>	<b>5,656</b>
<b>NET POSITION:</b>			
Restricted for employees' pension and OPEB benefits	14,455,878	-	-
Held in trust for other governments	-	(28,612,385)	-
Restricted for individuals, organizations, and other governments	-	-	7,492,079
<b>Total net position</b>	<b>\$ 14,455,878</b>	<b>\$ (28,612,385)</b>	<b>\$ 7,492,079</b>

**City of Richmond**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2021**

	Pension Trust Funds	Private-Purpose Trust Funds	Custodial Funds
<b>ADDITIONS:</b>			
Property taxes	\$ -	\$ 12,927,768	\$ 1,204,334
Contributions to trust - employers	1,256,029	451,406	1,501,073
Net investment income:			
Net increase (decrease) in fair value of investments	2,392,584	-	-
Interest income	214,608	1,046,644	27,306
Less investment management fees	(72,568)	-	-
Gain from sale of property	-	925,585	-
<b>Total additions</b>	<b>3,790,653</b>	<b>15,351,403</b>	<b>2,732,713</b>
<b>DEDUCTIONS:</b>			
Community development	-	1,970,023	-
Pension and OPEB benefits	1,864,713	-	-
Payments in accordance with trust agreements	-	211,835	-
Interest and fiscal charges	-	4,128,651	975,778
Other	-	-	500,856
<b>Total deductions</b>	<b>1,864,713</b>	<b>6,310,509</b>	<b>1,476,634</b>
<b>Change in net position</b>	<b>1,925,940</b>	<b>9,040,894</b>	<b>1,256,079</b>
<b>NET POSITION:</b>			
Beginning of year, as restated	12,529,938	(37,653,279)	6,236,000
End of year	<b>\$ 14,455,878</b>	<b>\$ (28,612,385)</b>	<b>\$ 7,492,079</b>

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# NOTES TO BASIC FINANCIAL STATEMENTS

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**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**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 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**A. Financial Reporting Entity, Continued**

**Blended Component Units, Continued**

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.

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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**A. Financial Reporting Entity, Continued**

**Blended Component Units, Continued**

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.

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.

**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.

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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**A. Financial Reporting Entity, Continued**

**Discretely Presented Component Units, Continued**

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 16, 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.

**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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

**Government-Wide Financial Statements, Continued**

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.

**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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

**Governmental Fund Financial Statements, Continued**

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, 2021**

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**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, equipment services and replacement and police telecommunications, 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, 2021**

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**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 16. 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 17. 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Cash and Investments, Continued**

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.

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, 2021.

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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*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.

*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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**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, 2021.

**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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*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 position 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 7, 11, and 12.

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 position 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 8 for further discussion. The City also has deferred inflows of resources related to pensions and OPEB as discussed in Notes 11 and 12. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**I. Net Position and Fund Balances, Continued**

**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.

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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***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.

***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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**2. CASH AND INVESTMENTS, Continued**

The following is a summary of cash and investments at June 30, 2021:

	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	\$ 137,599,623	\$ 50,863,729	\$ 188,463,352	\$ 4,759	\$ 13,647,601	\$ 202,115,712
Restricted cash and investments	15,301,838	13,957,785	29,259,623	-	19,856,378	49,116,001
Total cash and investments	<u>\$ 152,901,461</u>	<u>\$ 64,821,514</u>	<u>\$ 217,722,975</u>	<u>\$ 4,759</u>	<u>\$ 33,503,979</u>	<u>\$ 251,231,713</u>

**A. Classification**

Cash and investments at June 30, 2021 consist of the following:

<i>Primary Government:</i>	
Local Agency Investment Funds (LAIF)	\$ 74,999,067
CalTrust Short-Term Fund	102,265,767
CalTrust Medium-Term Fund	87,973
Money Market Mutual Funds (U.S. Securities)	4,485,111
Held by Trustee:	
Money Market Mutual Funds (U.S. Securities)	36,600,190
Investment Agreement	1,039,778
Guaranteed Investment Contracts	625,001
Total investments	<u>220,102,887</u>
Cash in banks and on hand - Primary Government	31,124,067
Cash in banks - RHA Housing Corporation	4,759
Total cash on hand and deposits	<u>31,128,826</u>
Total cash and investments	<u>\$ 251,231,713</u>

**B. Deposits**

The carrying amount of the City's cash deposit was \$31,128,826 at June 30, 2021. Bank balances before reconciling items were a positive amount of \$36,499,665 at June 30, 2021. 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**2. CASH AND INVESTMENTS, Continued**

**B. Deposits, Continued**

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	90%	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	10% <sup>(A)</sup>	30%
Negotiable Certificates of Deposit	5 years	A	20%	10%
Medium-Term Corporate Notes	5 years	A	30%	100%
Money Market Mutual Funds	N/A	Top rating category	15%	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

<sup>(A)</sup> 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, 2021:

Interest income	\$ 1,812,395
Realized gain (loss) on investments	90,444
Total investment income	<u>\$ 1,902,839</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**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, 2021 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, 2021, the City had \$74,999,067 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.37% in the previous year. The LAIF fair value factor of 1.000083 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, 2021 the Short-Term Fund investments matured in an average of 332 days and the Medium-Term Fund investments matured in an average of 722 days.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**2. CASH AND INVESTMENTS, Continued**

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

Money market funds and mutual funds are available for withdrawal on demand and as of June 30, 2021 have an average maturity from 40 to 49 days.

**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, 2021**

**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, 2021, 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)	\$ 74,999,067	\$ -	\$ -	\$ -	\$ 74,999,067
CalTrust Short-Term Fund	102,265,767	-	-	-	102,265,767
CalTrust Medium-Term Fund	87,973	-	-	-	87,973
Money Market Mutual Funds (U.S. Securities)	4,485,111	-	-	-	4,485,111
Held by Trustee:					
Money Market Mutual Funds (U.S. Securities)	36,600,190	-	-	-	36,600,190
Investment Agreement	-	1,039,778	-	-	1,039,778
Guaranteed Investment Contracts	-	-	625,001	-	625,001
<b>Total Investments</b>	<b>\$ 218,438,108</b>	<b>\$ 1,039,778</b>	<b>\$ 625,001</b>	<b>\$ -</b>	<b>220,102,887</b>
Cash in banks and on hand - Primary Government					31,124,067
Cash in banks - RHA Housing Corporation					4,759
<b>Total Cash and Investments</b>					<b>\$ 251,231,713</b>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**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, 2021 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)	\$ 36,600,190	\$ -	\$ -	\$ 36,600,190
CalTrust Short-Term Fund	-	102,265,767	-	102,265,767
CalTrust Medium-Term Fund	-	-	87,973	87,973
<b>Totals</b>	<b>\$ 36,600,190</b>	<b>\$ 102,265,767</b>	<b>\$ 87,973</b>	<b>138,953,930</b>
<i>Not Rated:</i>				
Local Agency Investment Funds (LAIF)				74,999,067
Investment Agreement				1,039,778
Guaranteed Investment Contracts				625,001
Money Market Mutual Funds (U.S. Securities)				4,485,111
<b>Total Investments</b>				<b>220,102,887</b>
Cash in Banks and On Hand - Primary Government				31,124,067
Cash in Banks - RHA Housing Corporation				4,759
<b>Total Cash and Investments</b>				<b>\$ 251,231,713</b>

**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, 2021**

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**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, 2021:

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				36,600,190
<i>Investments not subject to levelling:</i>				
Local Agency Investment Funds (LAIF)				74,999,067
CalTrust Short-Term Fund				102,265,767
CalTrust Medium-Term Fund				87,973
Treasury Curve				
Money Market Mutual Funds (U.S. Securities)				4,485,111
Total Investments				<u>\$ 220,102,887</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, 2021.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**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. Current amounts due from one fund to another at June 30, 2021 were as follows:

Due to Other Funds	Due from Other Funds	
	General Fund	Total
Nonmajor Governmental Funds	5,732	5,732
<b>Total</b>	<b>\$ 5,732</b>	<b>\$ 5,732</b>

**B. Advances To/From Other Funds**

At June 30, 2021 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	Internal Services Funds	Total
Port of Richmond	\$ 13,062,225	\$ -	\$ 13,062,225
Nonmajor Enterprise Funds	-	2,580,535	2,580,535
<b>Total</b>	<b>\$ 13,062,225</b>	<b>\$ 2,580,535</b>	<b>\$ 15,642,760</b>

Under the terms of a May 2013 Memorandum of Understanding (MOU) between the Housing Authority and RHA Properties, RHA Properties had paid a financial sanction imposed by the Office of the Inspector General (OIG) of \$2,257,799 to the Housing Authority from the sale proceeds of the Westridge at Hilltop Apartments. The Housing Authority used those proceeds to retire outstanding debt owed to the General Fund in fiscal year 2017. The Department of Housing and Urban Development (HUD) disputed the use of the sale proceeds for the repayment of the General Fund loan, as discussed in Note 16. Although management disputed HUD's claim, in April 2018 the City and RHA entered into a settlement agreement with HUD under which the City agreed to return \$2,096,527 to the Housing Authority, which reestablished the General Fund's loan to the Housing Authority.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**3. INTERFUND TRANSACTIONS, Continued**

***B. Advances To/From Other Funds, Continued***

During fiscal year 2018, the prior short-term amount due to the General Fund of \$119,443 to the Housing Authority for Hope VI was added to the advance. The balance of the advance was \$2,215,970 as of June 30, 2021. This advance was written off during the fiscal year due to the inability of the Housing Authority to repay it.

In fiscal 2007, the former Redevelopment Agency advanced \$174,067 to the Richmond Housing Authority Enterprise Fund, collateralized by a deed of trust on the Westridge at Hilltop Apartments, to assist the Authority with its lease payments for the 2003 A-S Multifamily Housing Revenue Bonds. The loan bears interest of 3%. In fiscal 2012, the advance receivable was transferred to the City as Housing Successor to the former Redevelopment Agency and is recorded in the Community Development and Loan Programs Special Revenue Fund. This advance was written off during the fiscal year due to the inability of the Housing Authority to repay it.

In fiscal years 2007 through 2014, the General Fund and the Municipal Sewer and Storm Sewer Enterprise Funds made advances to the Richmond Housing Authority Enterprise Fund for police, sewer, and other services as well as the Housing Authority's employee payroll. The advance repayment terms were amended in April 2010 and the advance bears no interest and was payable in 135 monthly installments of \$30,000 and one final installment of \$22,446 on or before August 1, 2021. On June 28, 2011 the agreement was amended to make the monthly payments \$50,000 for the remaining 71 payments, starting July 1, 2011, and one final installment of \$36,634. However, in lieu of monthly payments, repayment may be in a lump sum on August 1, 2021. During fiscal year 2013, \$6,600,000 of the advance was assumed by RHA Properties and was classified as a loan receivable, as discussed in Note 4. No repayments were made during fiscal year 2021 and the remaining balance of the interfund advance as of June 30, 2021 is \$1,068,847. This advance was written off during the fiscal year due to the inability of the Housing Authority to repay it.

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, 2021 is \$13,062,225.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**3. INTERFUND TRANSACTIONS, Continued**

***B. Advances To/From Other Funds, Continued***

In fiscal 2008 the General Fund advanced \$1,758,342 to the Storm Sewer Enterprise Fund for the purpose of providing a clean storm sewer system and street sweeping activities. In fiscal year 2009 the advance was moved to the Insurance Reserves Internal Service Fund. The advance bears interest of 4.34% and is payable as follows: Semi-annual principal and interest payments in the amount of \$52,460 are to be made April 30 and December 31 of each year commencing in December 2009 until December 2038. The final interest payment of \$52,298 and the outstanding principal balance is due April 30, 2039. The Storm Sewer Enterprise Fund did not make the required payments during fiscal years 2015, 2016, 2017, 2018, 2019, 2020, and 2021; therefore unpaid interest of \$73,150 was added to the balance of the loan. The balance of the advance and accrued interest as of June 30, 2021 is \$2,580,535.

***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, 2021 were as follows:

Transfers Out	Transfers In				Total
	General Fund	Nonmajor Governmental Funds	Richmond Housing Authority	Internal Service Funds	
General Fund	\$ -	\$ 4,457,740	\$ 11,435,028	\$ 426,018	\$ 16,318,786
Nonmajor Governmental Funds	9,171,452	1,543,523	-	-	10,714,975
Richmond Housing Authority	-	68,262	-	-	68,262
Internal Service Funds	196,550	-	-	-	196,550
Nonmajor Enterprise Funds	86,778	-	-	-	86,778
<b>Total</b>	<b>\$ 9,454,780</b>	<b>\$ 6,069,525</b>	<b>\$ 11,435,028</b>	<b>\$ 426,018</b>	<b>\$ 27,385,351</b>

None of these transfers were unusual or non-recurring in nature, except for the transfer from General Fund to the Richmond Housing Authority Fund to write off interfund borrowings in the Authority Fund due to inability to repay, the Secured Pension Override Special Revenue Fund to the General Fund in the amount of \$9,171,451 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 Community Development and Loan Programs Special Revenue Fund related to the purchase of loans discussed in Note 4.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**4. NOTES AND LOANS RECEIVABLE**

At June 30, 2021, notes and loans receivable consisted of the following:

	Balance at June 30, 2021
General Fund:	
RHA RAD Project Loan	\$ 745,510
Deferred Loans	353,334
Infill Phase II Loan	1,464,886
Nevin Court Homeowner Development Project	478,028
	<hr/>
Subtotal - General Fund Loans	3,041,758
	<hr/>
Richmond Neighborhood Stabilization Loans	779,013
	<hr/>
Community Development Block Grant, Home Investment Partnership Program, EDA, CALHome Loans and City Loans	
Deferred Loans	3,333,871
Home Improvement Program Loans	794,315
Rental Rehabilitation Loans	378,310
The Carquinez Project	148,490
Creely Avenue Housing Rehabilitation Loan (Arbors)	2,436,714
Lillie Mae Jones Project Loan	988,460
Greater Richmond Interface Program	892,638
CALHome Program	2,446,323
RHA RAD Project Loan	3,732,603
	<hr/>
Subtotal - CDBG, HOME, EDA, CALHome Loans, City Loans	15,151,724
	<hr/>
Housing Successor Loans:	
Rental Rehabilitation Loans	20,000
The Carquinez Project	1,152,508
Creely Avenue Housing Rehabilitation Loan (Arbors)	2,283,645
Lillie Mae Jones Project Loan	1,999,301
Miraflores Loan	3,201,291
MacDonald Place Senior Housing	3,722,901
Greater Richmond Interface Program	296,066
Silent Second Mortgage Loans	1,788,014
Deferred Loans	758,127
Chesley Avenue Mutual Housing Development	6,188,187
Easter Hill Project	4,756,268
RHA RAD Project Loan	1,160,387
	<hr/>
Subtotal - Housing Successor Loans	27,326,695
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Total Notes and Loans Receivable	<u>\$ 46,299,190</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**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 16. 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 16 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, 2021, including accrued interest, was \$745,510. As of June 30, 2021, \$4,892,990 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.

**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. 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**4. NOTES AND LOANS RECEIVABLE, Continued**

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

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, 2021, \$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, 2021, \$478,028, which includes accrued interest of \$43,947, 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, 2021, 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, 2021**

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**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, 2021**

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**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, 2021, Lillie Mae Jones has drawn down \$2,987,761.

**EDA Loans**

The Agency's Revolving Loan Fund (RLF) is a community based program with the goal of fostering local economic growth through the creation and retention of employment opportunities for Richmond residents and complementing community and individual development initiatives. With the dissolution of the Redevelopment Agency as discussed in Note 18, the EDA loan program that was funded with grant funds from the Economic Development Administration is now administered by the City effective February 1, 2012. As of June 30, 2021, the loan was transferred to CHDC and the amount is \$0.

**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, 2021**

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**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, 2021, \$3,201,291 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.

**Heritage Park Development**

In 1999, the former Redevelopment Agency loaned Hilltop Group, LP a total of \$500,000, collateralized by deeds of trust and bearing interest at an effective rate of 1½% starting September 2004. The loans were used to finance the development of the Heritage Park Development in the City. Monthly installments of interest and principal in the total amount of \$3,115 are payable through September 1, 2019.

**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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**4. NOTES AND LOANS RECEIVABLE, Continued**

**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, 2021, \$6,188,187, which includes accrued interest of \$1,446,695, had been drawn down on the loan.

**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. CAPITAL ASSETS**

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

	Balance at July 1, 2020	Additions	Retirements	Transfers	Adjustment	Balance at June 30, 2021
<i>Governmental Activities</i>						
Capital assets not being depreciated:						
Land	\$ 29,468,867	\$ 292,421	\$ -	\$ -	\$ (5,399,724)	\$ 24,361,564
Construction in progress	29,311,328	7,231,841	-	(2,262,959)	(44,831)	34,235,379
Total capital assets not being depreciated	58,780,195	7,524,262	-	(2,262,959)	(5,444,555)	58,596,943
Capital assets being depreciated:						
Buildings and improvements	155,736,112	46,206	-	1,100,084	-	156,882,402
Machinery and equipment	47,122,474	742,072	-	-	-	47,864,546
Land improvements and infrastructure	533,222,939	-	-	1,162,875	5,399,725	539,785,539
Total capital assets being depreciated	736,081,525	788,278	-	2,262,959	5,399,725	744,532,487
Less accumulated depreciation for:						
Buildings and improvements	(48,618,286)	(3,500,479)	-	1,071,271	(179,876)	(51,227,370)
Machinery and equipment	(38,926,693)	(1,750,728)	-	-	179,876	(40,497,545)
Land improvements and infrastructure	(418,014,608)	(6,162,999)	-	(1,071,271)	-	(425,248,878)
Total accumulated depreciation	(505,559,587)	(11,414,206)	-	-	-	(516,973,793)
Capital asset being depreciated, net	230,521,938	(10,625,928)	-	2,262,959	5,399,725	227,558,694
Governmental activity capital assets, net	\$ 289,302,133	\$ (3,101,666)	\$ -	\$ -	\$ (44,830)	\$ 286,155,637

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**5. CAPITAL ASSETS, Continued**

Governmental activities depreciation expenses for capital assets is 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, 2021 were as follows:

Governmental Activities	
General Government	\$ 3,548,837
Public Safety	917,118
Public Services	5,819,847
Cultural and Recreational	143,061
Internal Service Funds	985,343
	<u>11,414,206</u>
Total Governmental Activities	<u>\$ 11,414,206</u>

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

	Balance at July 1, 2020	Additions	Retirements	Transfers	Adjustments	Balance at June 30, 2021
<i>Business-type Activities</i>						
Capital assets not being depreciated:						
Land	\$ 7,195,986	\$ -	\$ -	\$ -	\$ -	\$ 7,195,986
Construction in progress	21,825,629	7,656,932	-	-	3,475,558	32,958,119
Total capital assets not being depreciated	<u>29,021,615</u>	<u>7,656,932</u>	<u>-</u>	<u>-</u>	<u>3,475,558</u>	<u>40,154,105</u>
Capital assets being depreciated:						
Buildings and improvements	79,908,481	-	-	-	-	79,908,481
Machinery and equipment	17,840,183	-	-	-	-	17,840,183
Infrastructure	259,038,020	-	-	-	-	259,038,020
Total capital assets being depreciated	<u>356,786,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,786,684</u>
Less accumulated depreciation for:						
Buildings and improvements	(55,479,053)	(754,669)	-	-	-	(56,233,722)
Machinery and equipment	(15,062,439)	(591,661)	-	-	-	(15,654,100)
Infrastructure	(117,366,975)	(5,910,632)	-	-	-	(123,277,607)
Total accumulated depreciation	<u>(187,908,467)</u>	<u>(7,256,962)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(195,165,429)</u>
Capital asset being depreciated, net	<u>168,878,217</u>	<u>(7,256,962)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,621,255</u>
Business-type activity capital assets, net	<u>\$ 197,899,832</u>	<u>\$ 399,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,475,558</u>	<u>\$ 201,775,360</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**5. CAPITAL ASSETS, Continued**

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, 2021 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.

Business-type activities depreciation expenses for capital assets allocated to each program for the year ended June 30, 2021 were as follows:

Business-Type Activities		
Port of Richmond	\$	3,544,329
Municipal Sewer		3,581,983
Richmond Marina		85,562
Storm Sewer		45,088
		<u>45,088</u>
Total Business-Type Activities	\$	<u>7,256,962</u>

**6. COMPENSATED ABSENCES PAYABLE**

Changes in compensated absence liabilities for the year ended June 30, 2021 were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences payable	\$ 13,170,797	\$ 7,585,001	\$ (7,638,799)	\$ 13,116,999	\$ 35,782
<b>Business-Type Activities:</b>					
Compensated absences payable	328,915	288,492	(417,362)	200,045	153,064
	<u>\$ 13,499,712</u>	<u>\$ 7,873,493</u>	<u>\$ (8,056,161)</u>	<u>\$ 13,317,044</u>	<u>\$ 188,846</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, 2021**

**7. LONG-TERM DEBT**

**A. Governmental Activities**

Following is a summary of governmental activities long-term debt transactions during the fiscal year ended June 30, 2021:

	Balance July 1, 2020	Additions (A)	Retirements	Balance June 30, 2021	Due Within One Year	Due in More than One Year
Bonds payable:						
Bonds	\$ 111,896,888	\$ -	\$ (4,918,438) (B)	\$ 106,978,450	\$ 4,150,000	\$ 102,828,450
Bonds from direct placements	140,109,640	6,729,666	(9,458,000) (B)	137,381,306	10,301,999	127,079,307
Loans payable from direct borrowings	1,156,440	-	(133,217)	1,023,223	135,601	887,622
Capital leases from direct borrowings	6,661,806	-	(1,019,201)	5,642,605	1,061,418	4,581,187
<b>Total</b>	<b>\$ 259,824,774</b>	<b>\$ 6,729,666</b>	<b>\$ (15,528,856)</b>	<b>\$ 251,025,584</b>	<b>\$ 15,649,018</b>	<b>\$ 235,376,566</b>

(A) Additions include bonds payable bond accretion for capital appreciation bonds totaling \$6,729,666

(B) Retirements of bonds payable include principal retirements in the amount of \$4,055,000 and amortization of bond premiums in the amount of \$863,438

**Bonds Payable**

Bonds payable at June 30, 2021 consisted of the following:

	Net
Pension Obligation Bonds - 1999 Series A	\$ 3,435,000
Pension Funding Bond Series 2005 (Direct Placement)	137,381,305
JPFA Lease Revenue Bonds - 2016	28,216,882
JPFA Lease Revenue Bonds - 2019A	75,326,569
<b>Total</b>	<b>\$ 244,359,756</b>

**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 \$1,086,838 and \$11,352,354, respectively.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**7. 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
2022	\$ 710,000	\$ 234,696	\$ 944,696
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
2027-2030	735,000	84,013	819,013
Total	<u>\$ 3,435,000</u>	<u>\$ 814,772</u>	<u>\$ 4,249,772</u>

**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 Interest Rate	Less: Credit Adjustment	Adjusted Interest Rate	Maturity Date	Original Principal Amount	Index Rate Conversion Data		
						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%	110,144,000
					<u>\$114,995,133</u>			<u>\$156,169,000</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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

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

*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.

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 7.0745% at June 30, 2021.

At June 30, 2021, the Bonds consisted of the following:

	Maturity Value	Accretion/ Amortization	Unamortized Premium (Discount)	Net
Capital appreciation bonds	\$ 156,169,000	\$ 6,729,666	\$ (25,517,361)	\$ 137,381,305

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

*A. Governmental Activities, Continued*

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

The annual debt service requirements are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 10,302,000	\$ 2,078,155	\$ 12,380,155
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
2027-2031	47,351,000	32,484,010	79,835,010
2032-2035	67,464,000	8,866,583	76,330,583
Total	<u>\$ 156,169,000</u>	<u>\$ 68,717,033</u>	<u>\$ 224,886,033</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. 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, 2021, the 2016 Bonds consisted of the following:

Bonds outstanding	\$ 27,140,000
Unamortized premium	1,076,882
Total	<u>\$ 28,216,882</u>

The annual debt service requirements are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 1,080,000	\$ 1,248,050	\$ 2,328,050
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
2027-2031	8,270,000	3,565,675	11,835,675
2032-2036	9,035,000	1,608,900	10,643,900
2037-2038	3,525,000	140,500	3,665,500
Total	<u>\$ 27,140,000</u>	<u>\$ 10,887,352</u>	<u>\$ 38,027,352</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. 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, 2021, the 2019A Bonds consisted of the following:

Bonds outstanding	\$ 61,725,000
Unamortized premium	13,601,569
Total	<u>\$ 75,326,569</u>

The annual debt service requirements are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 2,360,000	\$ 3,027,250	\$ 5,387,250
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
2027-2031	16,805,000	10,143,125	26,948,125
2032-2036	21,575,000	5,369,375	26,944,375
2037-2038	10,260,000	519,500	10,779,500
Total	<u>\$ 61,725,000</u>	<u>\$ 29,893,125</u>	<u>\$ 91,618,125</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. 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, 2021**

**7. 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 6/30/2021	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	\$ (1,680,361)	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	\$ (34,285,609)	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, 2021**

**7. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

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

As of June 30, 2021, 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, 2021	
	Classification	Amount	Classification	Amount
Governmental Activities				
Pay-Fixed, Receive-Variable				
2005B-1 Taxable Pension Funding Bonds	Deferred Outflow	\$ 1,668,419	Investment	\$ (1,680,361)
2005B-2 Taxable Pension Funding Bonds	Deferred Outflow	8,650,363	Investment	(34,285,609)
Totals		<u>\$ 10,318,782</u>		<u>\$ (35,965,970)</u>

*Credit risk.* The fair values of the swaps represent the City's credit exposure to the counterparties. As of June 30, 2021, 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**7. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

**Pay-Fixed, Receive-Variable Swap Agreements, Continued**

*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.

*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		
2022	\$ 10,302,000	\$ 1,456,146	\$ 622,009	\$ 12,380,155
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
2027-2031	47,351,000	32,484,010	-	79,835,010
2032-2035	67,464,000	8,866,583	-	76,330,583
Total	\$ 156,169,000	\$ 67,835,990	\$ 881,043	\$ 224,886,033

(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, 2021 consisted of the following:

<i>City Loans Payable</i>	
California Energy Commission Loan #1	\$ 253,581
California Energy Commission Loan #2	769,642
	<u>\$ 1,023,223</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

*A. Governmental Activities, Continued*

**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.

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

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 53,455	\$ 7,211	\$ 60,666
2023	55,071	5,595	60,666
2024	56,725	3,940	60,665
2025	58,449	2,216	60,665
2026	29,881	449	30,330
Total	<u>\$ 253,581</u>	<u>\$ 19,411</u>	<u>\$ 272,992</u>

**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
2022	\$ 82,146	\$ 7,492	\$ 89,639
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
2027-2030	350,610	7,943	358,553
Total	<u>\$ 769,642</u>	<u>\$ 37,101</u>	<u>\$ 806,744</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

**Capital Leases**

Capital leases payable from direct borrowing at June 30, 2021 consisted of the following:

Qualified Energy Conservation Lease	\$	404,501
JPFA Recovery Zone Economic Development Lease		470,145
Holman Capital Corporation Lease #4		425,890
Street Light Capital Lease		2,354,039
Holman Capital Corporation Lease #5		1,988,030
		<hr/>
Total	\$	<u>5,642,605</u>

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

On December 22, 2010 the City entered into a direct borrowing capital lease 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 lease. The subsidy received in fiscal year 2019 was \$23,026. The lease 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 capital lease are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 76,573	\$ 26,175	\$ 102,748
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
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Total	\$ 404,501	\$ 77,067	\$ 481,568

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

*A. Governmental Activities, Continued*

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

On December 22, 2010 the Authority entered into a direct borrowing capital lease 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 lease the three fire stations to the Authority in exchange for lease payments in the amount of the debt. The Authority received the lease 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 lease 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 capital lease are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 98,096	\$ 28,979	\$ 127,075
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	\$ 470,145	\$ 78,202	\$ 548,347

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

On November 1, 2012 the City entered into a direct borrowing lease 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 lease bears an interest rate of 3.17%. Principal and interest payments on the lease are due semi-annually on each July 14 and January 14 commencing on July 14, 2013 through January 14, 2023.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

*A. Governmental Activities, Continued*

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

The annual debt service requirements on the capital lease are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 224,424	\$ 11,736	\$ 236,160
2023	201,466	4,564	206,030
Total	<u>\$ 425,890</u>	<u>\$ 16,300</u>	<u>\$ 442,190</u>

**Street Light Capital Lease - Original Amount \$4,641,936**

On July 31, 2013 the City entered into a direct borrowing lease agreement with Bank of America in the amount of \$4,641,936 to finance the purchase of streetlights and the associated upgrade costs. The lease bears an interest rate of 2.55%. Principal and interest payments on the lease 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 capital lease are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 410,373	\$ 57,461	\$ 467,834
2023	431,386	46,865	478,251
2024	453,254	35,725	488,979
2025	476,005	24,025	500,030
2026	499,675	11,738	511,413
2027	83,346	1,063	84,409
Total	<u>\$ 2,354,039</u>	<u>\$ 176,877</u>	<u>\$ 2,530,916</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**7. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

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

On May 17, 2018 the City entered into a direct borrowing lease 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 lease. The lease bears an interest rate of 3.91%. Principal and interest payments on the lease 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 capital lease are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 251,951	\$ 74,068	\$ 326,019
2023	261,946	64,070	326,016
2024	272,341	53,678	326,019
2025	283,146	42,872	326,018
2026	294,381	31,638	326,019
2027-2028	624,265	27,772	652,037
Total	<u>\$ 1,988,030</u>	<u>\$ 294,098</u>	<u>\$ 2,282,128</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, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year	Due in More than One Year
Bonds payable	\$159,332,444	\$ -	\$ (7,841,659) (A)	\$151,490,785	\$ 6,580,000	\$ 144,910,785
Notes and loans payable from direct borrowing	3,435,667	-	(97,279)	3,338,388	101,656	3,236,732
Total	<u>\$162,768,111</u>	<u>\$ -</u>	<u>\$ (7,938,938)</u>	<u>\$154,829,173</u>	<u>\$ 6,681,656</u>	<u>\$ 148,147,517</u>

(A) Retirements of bonds payable include principal retirements in the amount of \$6,460,000 and amortization of bond premiums and discounts in the amount of \$1,381,659.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

***B. Business-Type Activities, Continued***

Bonds payable at June 30, 2021 consisted of the following:

2019B Point Potrero Lease Revenue Bonds	\$ 13,604,419
Wastewater Revenue Bonds Series 2017A	34,884,610
Wastewater Revenue Bonds Series 2019A	25,108,745
Wastewater Revenue Bonds Series 2019B	<u>77,893,011</u>
Total	<u>\$ 151,490,785</u>

**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, 2021 the 2019B Bonds consisted of the following:

Bonds outstanding	\$ 12,430,000
Unamortized premium	<u>1,174,419</u>
Net	<u>\$ 13,604,419</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. 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), Continued**

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

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 4,100,000	\$ 580,500	\$ 4,680,500
2023	4,270,000	416,500	4,686,500
2024	4,060,000	203,000	4,263,000
Total	<u>\$ 12,430,000</u>	<u>\$ 1,200,000</u>	<u>\$ 13,630,000</u>

**Richmond Wastewater Revenue Bonds Taxable Build America Bonds, Series 2010B - Original Issue \$41,125,000**

On October 7, 2010 the City issued Series 2010B Wastewater Revenue Bonds Taxable Build America Bonds in the amount of \$41,125,000. The proceeds of these Bonds were used to finance improvements to the City’s wastewater collection, treatment and disposal system. The taxable 2010B Bonds were sold as “Build America Bonds” pursuant to the American Recovery and Reinvestment Act of 2009. The interest on Build America Bonds was not tax-exempt and therefore the bonds carried a higher interest rate. However, this higher interest rate was offset by a subsidy payable by the United States Treasury equal to 35% of the interest payable on the Bonds. The subsidy was payable on or about the date that the City makes its debt service payments. During the fiscal year ended June 30, 2019, the City issued Series 2019B Wastewater Revenue Bonds to partially refund and defease \$36,480,000 of the 2010B Bonds (described below). The bonds were paid in full as of June 30, 2021.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

**B. Business-Type Activities, Continued**

**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, 2021 the Series 2017A Bonds consisted of:

Bonds outstanding	\$ 29,750,000
Unamortized premium	5,134,610
Net	<u>\$ 34,884,610</u>

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

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 1,365,000	\$ 1,502,225	\$ 2,867,225
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
2027-2031	-	6,983,000	6,983,000
2032-2036	-	6,983,000	6,983,000
2037-2041	910,000	6,924,000	7,834,000
2042-2046	17,610,000	4,604,319	22,214,319
2047-2048	8,435,000	448,744	8,883,744
Total	<u>\$ 29,750,000</u>	<u>\$ 33,067,438</u>	<u>\$ 62,817,438</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. 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)**

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, 2021 the Series 2019A Bonds consisted of:

Bonds outstanding	\$ 22,510,000
Unamortized premium	2,598,745
Net	<u>\$ 25,108,745</u>

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

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 973,900	\$ 973,900
2023	-	973,900	973,900
2024	-	973,900	973,900
2025	-	973,900	973,900
2026	-	973,900	973,900
2027-2031	-	4,869,500	4,869,500
2032-2036	-	4,869,500	4,869,500
2037-2041	3,480,000	4,607,000	8,087,000
2042-2046	4,960,000	3,408,950	8,368,950
2047-2050	14,070,000	1,508,800	15,578,800
Total	<u>\$ 22,510,000</u>	<u>\$ 24,133,250</u>	<u>\$ 46,643,250</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. 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**

At June 30, 2021 the Series 2019B Bonds consisted of:

Bonds outstanding	\$ 66,075,000
Unamortized premium	11,818,011
Net	<u>\$ 77,893,011</u>

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

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 1,115,000	\$ 3,018,975	\$ 4,133,975
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
2027-2031	17,300,000	10,373,750	27,673,750
2032-2036	21,225,000	4,064,325	25,289,325
2037-2041	16,470,000	1,166,475	17,636,475
Total	<u>\$ 66,075,000</u>	<u>\$ 29,735,300</u>	<u>\$ 95,810,300</u>

**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 \$206,801,213. The Municipal Sewer Enterprise Fund’s principal and interest paid for the current year, and total customer net revenues were \$8,148,851 and \$15,510,420, respectively.

**Notes and Loans Payable – Direct Borrowing**

Notes and loans payable at June 30, 2021, consisted of the following:

California Department of Boating and Waterways	\$ 2,336,857
RHA RAD Housing Partners L.P. Promissory Note	700,000
Countra Costa County loan payable	301,531
Total	<u>\$ 3,338,388</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

**B. Business-Type Activities, Continued**

**Notes and Loans Payable – Direct Borrowing, Continued**

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, 2021 was \$2,336,857.

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

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 101,656	\$ 105,159	\$ 206,815
2023	106,231	100,584	206,815
2024	111,011	95,804	206,815
2025	116,008	90,808	209,432
2026	121,227	88,205	209,432
2027-2031	693,042	341,033	1,034,075
2032-2036	640,871	182,113	822,984
2037-2041	438,942	52,647	491,589
2042-2043	7,869	534	8,403
Total	<u>\$ 2,336,857</u>	<u>\$ 1,056,887</u>	<u>\$ 3,396,360</u>

**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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

**B. Business-Type Activities, Continued**

**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.

**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
<b>Governmental Activities</b>			
<b>Bonds Payable</b>			
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
<b>Loans Payable</b>			
California Energy Commission Loan #1	(C)	(C)	(C)
California Energy Commission Loan #2	(C)	(C)	(C)
<b>Capital Leases</b>			
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
<b>Business-Type Activities</b>			
<b>Bonds Payable</b>			
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)
<b>Notes and Loans Payable</b>			
California Department of Boating and Waterways	(J)	(J)	(J)
RHA RAD Housing Partners L.P. Promissory Note	(K)	(K)	(K)

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

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

(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.

(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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

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

(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.

(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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**7. LONG-TERM DEBT, Continued**

***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, 2021, the balances of these Districts' outstanding debt were as follows:

Richmond JPFA Reassessment Revenue Refunding Bonds, Series 2016 (Country Club Vista)	\$5,940,000
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***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, 2021, 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
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**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**8. UNAVAILABLE AND UNEARNED REVENUE**

At June 30, 2021, 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	\$ 2,371,435	\$ 4,599	\$ 2,376,034
Community Development and Loan Programs Special Revenue Fund	18,682,899	166,431	18,849,330
Non-Major Governmental Funds	779,013	5,276,002	6,055,015
Total	<u>\$ 21,833,347</u>	<u>\$ 5,447,032</u>	<u>\$ 27,280,379</u>

At June 30, 2021, 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	\$ 3,165,015	\$ 450,903	\$ 3,615,918
Non-Major Governmental Funds	2,551,845	348,614	2,900,459
Richmond Housing Authority Enterprise Fund	-	1,814,047	1,814,047
Port of Richmond Enterprise Fund	-	520,000	520,000
Municipal Sewer Enterprise Fund	-	36,280	36,280
Storm Sewer Fund	-	591,867	591,867
Total	<u>\$ 5,716,860</u>	<u>\$ 3,761,711</u>	<u>\$ 9,478,571</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**9. FUND BALANCE AND NET POSITION**

**A. Fund Balance Classification**

Detailed classifications of the City's fund balances, as of June 30, 2021, are below:

Fund Balance Classifications	General Fund	Community Development and Loan Program Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>				
Items not in spendable form:				
Prepays, supplies and other assets	\$ 637,513	\$ -	\$ -	\$ 637,513
Loans receivable	700,000	-	-	700,000
Advances to other funds	13,062,225	-	-	13,062,225
<b>Total Nonspendable Fund Balances</b>	<b>14,399,738</b>	<b>-</b>	<b>-</b>	<b>14,399,738</b>
<b>Restricted for:</b>				
Street Improvement Projects	-	-	4,899,300	4,899,300
Public Safety Grant Programs (Police and Fire)	-	-	307,118	307,118
Lighting and Landscaping	-	-	1,357,608	1,357,608
Housing and Community Development	-	31,215,036	1,272,496	32,487,532
Debt Service	-	-	11,850,076	11,850,076
Community Development Projects	-	-	25,986,077	25,986,077
Other Capital Projects	-	-	3,274,283	3,274,283
<b>Total Restricted Fund Balances</b>	<b>-</b>	<b>31,215,036</b>	<b>48,946,958</b>	<b>80,161,994</b>
<b>Committed to:</b>				
COVID-19	1,500,000	-	-	1,500,000
Appropriation Authority	8,300,000	-	-	8,300,000
<b>Total Committed Fund Balances</b>	<b>9,800,000</b>	<b>-</b>	<b>-</b>	<b>9,800,000</b>
<b>Assigned to:</b>				
Other Capital Projects	-	-	45,459	45,459
Other Contracts	2,436,475	-	-	2,436,475
Employment and Training	-	-	2,475,640	2,475,640
<b>Total Assigned Fund Balances</b>	<b>2,436,475</b>	<b>-</b>	<b>2,521,099</b>	<b>4,957,574</b>
<b>Unassigned:</b>				
General Fund	22,477,829	-	-	22,477,829
Other Governmental Fund Deficit Residuals	-	-	(1,677,775)	(1,677,775)
<b>Total Unassigned Fund Balances</b>	<b>22,477,829</b>	<b>-</b>	<b>(1,677,775)</b>	<b>20,800,054</b>
<b>Total Fund Balances (Deficits)</b>	<b>\$ 49,114,042</b>	<b>\$ 31,215,036</b>	<b>\$ 49,790,282</b>	<b>\$ 130,119,360</b>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**9. 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, 2021, which is a component of unassigned fund balance of the General Fund, is \$22,477,829 which is approximately 12.5% of fiscal year 2021-22 budgeted General Fund expenditures. 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, 2021, the following funds had deficit fund balance or deficit net position, which will be eliminated by future revenues:

	<u>Amount</u>
<b>Nonmajor Governmental Funds:</b>	
Civic Center Debt Service Fund	(1,596,286)
<b>Nonmajor Enterprise Funds:</b>	
Cable TV Fund	(2,049,183)

**D. Restatement of Net Position**

During fiscal year 2021, the City continued to reconcile the activities of the Richmond Housing Authority for fiscal years 2017, 2018, 2019, 2020, and 2021. As a result, beginning net position in the Richmond Housing Authority Enterprise Fund has been restated and decreased in the amount of \$2,307,404. The City also restated its beginning net position the of the Governmental Activities, Business Type Activities, Richmond Housing Authority fund, the Port of Richmond fund, Municipal Sewer fund, nonmajor enterprise funds and the Insurance Reserve fund to correct the allocation of OPEB erroneously recorded in prior years.

In addition, the City has restated the beginning fund balance of Business-type Activities Fund and increased in the amount of \$535,094. For Non-Major Enterprise Fund, the beginning fund balance was restated and increased in the amount of \$42,247 and for Insurance Reserves Fund, the beginning fund balance was restated and decreased in the amount of \$480,172.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**9. FUND BALANCE AND NET POSITION, Continued**

*D. Restatement of Net Position, Continued*

	Government-wide Financial Statements		Fund Statements						
	Governmental Activities	Business-type Activities	Richmond	Port of	Municipal Sewer Fund	Non-Major	Insurance Reserve Fund		Custodial Funds
			Housing Authority Fund	Richmond Fund		Enterprise Fund			
<b>Net Position as previously reported at June 30, 2020</b>	\$ (298,192,717)	\$ 64,742,982	\$ 10,049,921	\$ 11,291,778	\$ 43,236,443	\$ 164,840	\$ 526,175	\$ -	
Prior Period Adjustments:									
Correct interfund activities	-	(2,307,404)	(2,307,404)	-	-	-	-	-	
OPEB Allocation	(535,094)	535,094	1,162,596	114,197	(783,946)	42,247	(480,172)	-	
GASB 84 Implementation	-	-	-	-	-	-	-	6,236,000	
<b>Net Position as restated at June 30, 2020</b>	\$ (298,727,811)	\$ 62,970,672	\$ 8,905,113	\$ 11,405,975	\$ 42,452,497	\$ 207,087	\$ 46,003	\$ 6,236,000	

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**10. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The following funds incurred departmental expenditures in excess of appropriations.

Fund/Department	Excess of Expenditures over Appropriations
General Purpose Fund	
General Government	\$ 1,179,000
Community Development	8,989
Housing and redevelopment	437
Lighting and Landscaping Districts Fund	
Public works	74,679
Developer Impact Fees Fund	
Public Safety	79,430
Public works	414,829
Cultural and recreational	28,345
Capital outlay	654,260
Richmond Neighborhood Stabilization Corporation Fund	
Housing and development	30,826
General Debt Service Fund	
Interest and fiscal charges	849
Civic Center Debt Service Fund	
Principal	77,315,000
Interest and fiscal charges	11,213
General Capital Improvement Fund	
Capital outlay	839,634
Measure C/J Fund	
Public works	716,192
Capital outlay	985,430
Secured Pension Override Fund	
General Government	6,563

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**11. DEFINED BENEFIT PENSION PLANS**

The following is a summary of the City's pension plan amounts for the year ended June 30, 2021:

	Deferred Outflow of Resources	Net Pension Liability	Deferred Inflow of Resources	Pension Expense
California Public Employees' Retirement System:				
Miscellaneous	\$ 17,627,079	\$ 134,637,439	\$ 2,317,244	\$ 14,671,110
Safety	25,723,534	216,949,281	1,928,165	30,528,532
Police and Firemen's Pension Plan	-	(4,441,073)	1,628,424	(4,123,903)
General Pension Plan	34,759	715,046	-	209,220
Garfield Pension Plan	5,429	71,909	-	66,180
Totals	<u>\$ 43,390,801</u>	<u>\$ 347,932,602</u>	<u>\$ 5,873,833</u>	<u>\$ 41,351,139</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.

*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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**11. DEFINED BENEFIT PENSION PLANS, Continued**

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

**I. General Information about the CalPERS Pension Plan, Continued**

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, 2021, are summarized as follows:

	Miscellaneous		
	Prior to January 1, 2013	On or after January 1, 2013	
Hire date			
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 compensatio	2.0% to 2.7%	1.0% to 2.5%	
Required employee contribution rates	8.00%	7.25%	
Required employer contribution rates	13.42%	13.42%	
Required UAL Contribution	\$ 10,090,307		
	Safety - Police	Safety - Fire	Safety - Police and Fire
	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 01, 2013
Hire date			
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 compensatio	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	22.447%	22.447%	22.447%
Required UAL Contribution	\$ 14,418,684		

\* 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 19.447% and required employee contribution rate is 12%.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. 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. The City's required contributions for the unfunded liability in the Miscellaneous and Safety Plans were \$10,090,307 and \$14,418,684, respectively, as noted in the tables above.

*Employees Covered* – As of the June 30, 2019 actuarial valuation date and the June 30, 2020 measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous		Safety	
	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020
Inactive employees or beneficiaries currently receiving benefits	958	976	517	532
Inactive employees entitled to but not yet receiving benefits	523	553	81	86
Active employees	459	428	243	232
<b>Total</b>	<b>1,940</b>	<b>1,957</b>	<b>841</b>	<b>850</b>

As of June 30, 2021, 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 \$13,783,427 for the Miscellaneous Plan and \$19,355,578 for the Safety Plan.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**11. DEFINED BENEFIT PENSION PLANS, Continued**

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

**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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liabilities were determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous (1)		Safety (1)	
Valuation Date	June 30, 2019		June 30, 2019	
Measurement Date	June 30, 2020		June 30, 2020	
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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. DEFINED BENEFIT PENSION PLANS, Continued**

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

**II. Net Pension Liability, Continued**

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 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.

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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. DEFINED BENEFIT PENSION PLANS, Continued**

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

**II. Net Pension Liability, Continued**

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, 2021**

**11. DEFINED BENEFIT PENSION PLANS, Continued**

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

**III. Changes in the Net Pension Liability**

The changes in the Net Pension Liability as of the June 30, 2020 Measurement Date for each Plan follows:

<b>Miscellaneous Plan:</b>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 Measurement Date	\$ 504,296,912	\$ 373,530,332	\$ 130,766,580
Changes in the year:			
Service cost	7,529,439	-	7,529,439
Interest on the total pension liability	34,974,846	-	34,974,846
Differences between actual and expected experience	(4,393,691)	-	(4,393,691)
Contribution - employer	-	13,778,755	(13,778,755)
Contribution - employees	-	2,749,990	(2,749,990)
Net investment income	-	18,237,576	(18,237,576)
Administrative expenses	-	(526,586)	526,586
Benefit payments, including refunds of employee contributions	(29,018,486)	(29,018,486)	-
Net changes	9,092,108	5,221,249	3,870,859
Balance at June 30, 2020 Measurement Date	\$ 513,389,020	\$ 378,751,581	\$ 134,637,439
<b>Safety Plan:</b>			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 Measurement Date	\$ 676,597,009	\$ 469,826,178	\$ 206,770,831
Changes in the year:			
Service cost	10,958,278	-	10,958,278
Interest on the total pension liability	47,218,257	-	47,218,257
Differences between actual and expected experience	(2,189,929)	-	(2,189,929)
Contribution - employer	-	19,362,087	(19,362,087)
Contribution - employees	-	4,232,707	(4,232,707)
Net investment income	-	22,875,702	(22,875,702)
Administrative expenses	-	(662,340)	662,340
Benefit payments, including refunds of employee contributions	(38,982,005)	(38,982,005)	-
Net changes	17,004,601	6,826,151	10,178,450
Balance at June 30, 2020 Measurement Date	\$ 693,601,610	\$ 476,652,329	\$ 216,949,281
Totals - Miscellaneous and Safety Plans	\$ 1,206,990,630	\$ 855,403,910	\$ 351,586,720

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**11. DEFINED BENEFIT PENSION PLANS, Continued**

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

**III. Changes in the 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:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 196,335,201	\$ 305,868,453
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 134,637,439	\$ 216,949,281
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 83,177,322	\$ 143,617,664

*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, 2021, the City recognized pension expense of \$45,199,642. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Miscellaneous Plan</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 14,438,844	\$ -
Differences between Expected and Actual Experience	-	(2,317,244)
Changes of Assumptions	-	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	3,188,235	-
Total	<u>\$ 17,627,079</u>	<u>\$ (2,317,244)</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**11. 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	\$ 21,315,231	\$ -
Differences between Expected and Actual Experience	251,819	(1,545,832)
Changes of Assumptions	-	(382,333)
Net Differences between Projected and Actual Earnings on Pension Plan Investments	4,156,484	-
Total	<u>\$ 25,723,534</u>	<u>\$ (1,928,165)</u>
Total Both Plans	<u>\$ 43,350,613</u>	<u>\$ (4,245,409)</u>

\$35,754,074 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, 2022. 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
2021	\$ (3,619,485)	\$ (2,703,910)	\$ (6,323,395)
2022	889,915	855,905	1,745,820
2023	2,009,360	2,306,467	4,315,827
2024	1,591,201	2,021,676	3,612,877
Thereafter	-	-	-
Total	<u>\$ 870,991</u>	<u>\$ 2,480,138</u>	<u>\$ 3,351,129</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. DEFINED BENEFIT PENSION PLANS, Continued**

*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.

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, 2021 was \$11,352,354, and the City used the funds to pay General Pension Plan and the Police and Firemen's Pension Plan contributions of \$319,025 and \$937,004, respectively.

**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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. DEFINED BENEFIT PENSION PLANS, Continued**

***B. Other City Pension Plans, Continued***

**I. Plan Descriptions and Funding Policies, Continued**

**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.

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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. DEFINED BENEFIT PENSION PLANS, Continued**

*B. Other City Pension Plans, Continued*

**III. Pension Plan Assets**

At June 30, 2021 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	\$ 1,226,909
Local Agency Investment Fund (Garfield Plan)	186,062
Wellington Trust Company Mutual Fund (Police and Firemen's Plan)	13,042,440
Interest receivable	<u>467</u>
Assets available for benefits at June 30, 2021	<u>\$ 14,455,878</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.

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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. DEFINED BENEFIT PENSION PLANS, Continued**

*B. Other City Pension Plans, Continued*

**III. Pension Plan Assets, Continued**

Investment Policies, Continued

(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.

**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, 2021, the investments in the Pension Trust Funds were not rated.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. DEFINED BENEFIT PENSION PLANS, Continued**

*B. Other City Pension Plans, Continued*

**III. Pension Plan Assets, Continued**

Rate of Return

For the year ended June 30, 2021, 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 22.61%, 0.44% and 0.72%, 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, 2021 was determined based on June 30, 2021 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, 2021 and 4.50%, 1.98%, and 1.75%, respectively, as of June 2020.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. 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, 2021) after the projected asset depletion. Based on these parameters, plan assets are projected to be sufficient to pay all future benefits until a de minimus 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, 2021) 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 minimus 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, 2021**

**11. 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%

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. DEFINED BENEFIT PENSION PLANS, Continued**

*B. Other City Pension Plans, Continued*

**IV. Net Pension Liability of the Plans, Continued**

*Changes in Assumptions.* In addition to the change in the discount rates noted above, changes in assumptions from the prior valuation for each plan was as follows:

Police and Firemen's Plan:

- The expected investment return and discount rate decreased from 4.50% to 3.50% to reflect updated capital market assumptions.

General Pension Plan:

- The discount rate was updated from 1.98% to 1.00% to reflect updated GASB 68 trust depletion projections.
- The expected trust investment return on assets decreased from 1.75% to 1.00% to reflect updated capital market assumptions and the plan's anticipated short future duration.

Garfield Pension Plan:

- The expected investment return and discount rate decreased from 1.75% to 1.00% to reflect updated capital market assumptions.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**11. 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, 2021 as follows:

<b>Police and Firemen's Plan:</b>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	\$ 13,176,626	\$ 11,062,378	\$ 2,114,248
Changes in the year:			
Interest on the total pension liability	561,163	-	561,163
Differences between actual and expected experience	(3,680,825)	-	(3,680,825)
Changes in assumptions Changes in benefit terms	28,483	-	28,483
Contribution - City	-	937,004	(937,004)
Contribution - employer	-	-	-
Contribution - employees	-	-	-
Net investment income	-	2,527,138	(2,527,138)
Benefit payments, including member contribution refunds	(1,412,673)	(1,412,673)	-
Net changes	(4,503,852)	2,051,469	(6,555,321)
Balance at June 30, 2021	<u>\$ 8,672,774</u>	<u>\$ 13,113,847</u>	<u>\$ (4,441,073)</u>
Plan fiduciary net position as a percentage of the total pension liability			151.21%
 <b>General Pension Plan:</b>			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	\$ 1,995,238	\$ 1,170,491	\$ 824,747
Changes in the year:			
Interest on the total pension liability	35,526	-	35,526
Differences between actual and expected experience	106,639	-	106,639
Changes in assumptions Changes in benefit terms	72,660	-	72,660
Contribution - City	-	319,025	(319,025)
Contribution - employer	-	-	-
Contribution - employees	-	-	-
Net investment income	-	5,501	(5,501)
Benefit payments, including refunds of employee contributions	(401,991)	(401,991)	-
Net changes	(187,166)	(77,465)	(109,701)
Balance at June 30, 2021	<u>\$ 1,808,072</u>	<u>\$ 1,093,026</u>	<u>\$ 715,046</u>
Plan fiduciary net position as a percentage of the total pension liability			60.45%

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**11. DEFINED BENEFIT PENSION PLANS, Continued**

**B. Other City Pension Plans, Continued**

**V. Changes in the Net Pension Liability of Each Plan, Continued**

**Garfield Pension Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	\$ 303,693	\$ 297,069	\$ 6,624
Changes in the year:			
Interest on the total pension liability	4,877	-	4,877
Differences between actual and expected experience	51,995	-	51,995
Changes in assumptions	10,397	-	10,397
Net investment income	-	1,984	(1,984)
Benefit payments, including refunds of employee contributions	(50,048)	(50,048)	-
Net changes	17,221	(48,064)	65,285
Balance at June 30, 2021	\$ 320,914	\$ 249,005	\$ 71,909
Plan fiduciary net position as a percentage of the total pension liability			77.59%
Total - Net Pension Liability	\$ 10,801,760	\$ 14,455,878	\$ (3,654,118)

*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)	\$ (3,942,720)	\$ 795,669	\$ 86,811
Current Discount Rate	3.50%	1.00%	1.00%
Net Pension Liability (Asset)	\$ (4,441,073)	\$ 715,046	\$ 71,909
1% Increase	4.50%	2.00%	2.00%
Net Pension Liability (Asset)	\$ (4,891,344)	\$ 640,963	\$ 58,184

**VI. Actuarially Determined Contributions**

As of the June 30, 2020, 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 11B above.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**11. 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, 2021 are presented below:

	Actuarially Determined Contribution	Amount Contributed	Percent Contributed
Police and Firemen's Pension Plan	\$ 937,004	\$ 937,004	100%
General Pension Plan	312,462	319,025	102%
Garfield Pension Plan	-	-	0%

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

For the year ended June 30, 2021, the City recognized pension expense for each of the Plans as follows:

	Pension Expense
Police and Firemen's Plan	\$ (4,123,903)
General Pension Plan	209,220
Garfield Pension Plan	66,180
Total	<u>\$ (3,848,503)</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**11. 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, 2021, 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
Differences between Expected and Actual Experience	\$ 40,188	\$ 1,628,424
Total	<u>\$ 40,188</u>	<u>\$ 1,628,424</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
2022	\$ (376,221)
2023	(399,310)
2024	(411,763)
2025	(400,942)
Thereafter	-

**VIII. Plan Financial Statements**

The Statement of Net Position for the Plans at June 30, 2021 follows:

	Police and Firemen's Pension	General Pension	Garfield Pension
<b>ASSETS</b>			
Pension plan cash and investments:			
City of Richmond Investment Pool	\$ 71,321	\$ 1,092,667	\$ 62,921
Local Agency Investment Fund	-	-	186,062
Mutual Fund Investments	13,042,440		-
Accounts receivable	86	359	22
Total Assets	<u>13,113,847</u>	<u>1,093,026</u>	<u>249,005</u>
<b>NET POSITION</b>			
Restricted for employees' pension benefits	<u>\$ 13,113,847</u>	<u>\$ 1,093,026</u>	<u>\$ 249,005</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**11. 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, 2021 follows:

	Police and Firemen's Pension	General Pension	Garfield Pension
<b>ADDITIONS</b>			
Net investment income:			
Net increase (decrease) in the fair value of investments	\$ 2,392,461	\$ -	\$ -
Interest income	207,245	5,501	1,984
Investment management fees	(72,568)	-	-
Contribution from the City	937,004	319,025	-
Total Additions	3,464,142	324,526	1,984
<b>DEDUCTIONS</b>			
Pension benefits	1,412,673	401,991	50,048
Total Deductions	1,412,673	401,991	50,048
Net Increase (Decrease)	2,051,469	(77,465)	(48,064)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
Beginning of year	11,062,378	1,170,491	297,069
End of year	\$ 13,113,847	\$ 1,093,026	\$ 249,005

**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 \$15,534 and the employees' required contributions of \$74,085 were made during the fiscal year ended June 30, 2021.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**12. OTHER POSTEMPLOYMENT BENEFITS**

The following is a summary of the City’s OPEB amounts for the year ended June 30, 2021:

	Deferred Outflow of Resources	Net OPEB Liability	Deferred Inflow of Resources	OPEB Expense
City OPEB Plan	\$ 2,796,546	\$ 90,804,849	\$ 43,104,081	\$ (9,332,976)
RRPOA OPEB Plan	337,491	12,996,549	10,199,694	855,064
	<u>\$ 3,134,037</u>	<u>\$ 103,801,398</u>	<u>\$ 53,303,775</u>	<u>\$ (8,477,912)</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, 2021**

**12. OTHER POSTEMPLOYMENT BENEFITS**

**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: \$136 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: \$136	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: \$136	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: \$136	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

(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, 2021**

**12. OTHER POSTEMPLOYMENT BENEFITS**

*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, 2021**

**12. OTHER POSTEMPLOYMENT BENEFITS**

**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 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 \$136
	Retired before 7/1/1994	Plus PEMHCA minimum: \$136 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: \$136

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**12. OTHER POSTEMPLOYMENT BENEFITS**

**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 <sup>(1)</sup> 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, 2021**

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**12. 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 \$136 in 2021.

*City OPEB Plan Membership* - As described above, Plan membership varies based on different employee bargaining groups. As of the June 30, 2019 valuation date, membership in the City OPEB Plan consisted of the following:

Active employees electing coverage	485
Active employees waiving coverage	31
Retiree and beneficiaries receiving benefits	<u>620</u>
Total	<u><u>1,136</u></u>

*RPOA Plan Membership* - As of the June 30, 2019 valuation date, membership in the RPOA OPEB Plan consisted of the following:

Active employees electing coverage	145
Active employees waiving coverage	2
Retiree and beneficiaries receiving benefits	<u>10</u>
Total	<u><u>157</u></u>

*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, 2021 was \$32,439,802.

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 2021.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**12. 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 2021.

*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 \$6,307,879 as of June 30, 2021.

*Actuarial Assumptions* – The total OPEB liability for each plan was determined by an actuarial valuation as of June 30, 2019 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, 2019
Measurement Date		June 30, 2021
Actuarial Cost Method		Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:		
Discount Rate		5.75%
Inflation		2.50%
CPI Medical Care		3.75%
Payroll Growth		2.75%
Investment Rate of Return		5.75%
Index Rate for 20 year, tax exempt municipal bonds		1.92%
Mortality	Based on assumptions for Public Agency Miscellaneous, Police and Fire members published in the December 2017 CalPERS Experience Study.	
Healthcare Cost Trend Rates:		
Health - Not Medicare Eligible	6.40% for FY2020, gradually decreasing over several decades to an ultimate rate of 4% in FY2076 and later years	
Health - Medicare Eligible	5.10% for 2020, 5.10% for 2021, 5.10% for 2022, 5.20% for 2023 and 5.20% for 2024-2051, transitioning to ultimate rate of 4.00% in 2076 and further years	
Dental		To increase 3.75% annually
Vision		To increase 2.75% annually

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**12. 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, 2019
Measurement Date		June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay	
Actuarial Assumptions:		
Discount Rate		5.50%
Inflation		2.50%
CPI Medical Care		3.75%
Payroll Growth		2.75%
Investment Rate of Return		5.50%
Index Rate for 20 year, tax exempt municipal bonds		1.92%
Mortality	Based on assumptions for Public Agency Police members published in the December 2017 CalPERS Experience Study.	
Healthcare Cost Trend Rates:		
Health - Not Medicare Eligible	6.40% for FY2020, gradually decreasing over several decades to an ultimate rate of 4% in FY2076 and later years	
Health - Medicare Eligible	5.10% for 2020, 5.10% for 2021, 5.10% for 2022, 5.20% for 2023 and 5.20% for 2024-2051, transitioning to ultimate rate of 4.00% in 2076 and further years	
Dental		To increase 3.75% annually
Vision		To increase 2.75% annually

*Discount rate* – The discount rate used to measure the total City OPEB liability was 5.75% for the City OPEB Plan and 5.50% 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**12. OTHER POSTEMPLOYMENT BENEFITS, Continued**

***B. Funding Policy and Actuarial Assumptions, Continued***

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
- 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, 2021 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 6.50% to 5.75% based on updated capital market assumptions.
- The discount rate was changed from 5.76% to 5.75% based on updated expectations of long-term returns on trust assets and 20-year municipal bond rates.
- An underlying wage growth rate of 2.75% per year was added to the salary scale table based on a revised understanding of the CalPERS assumption.

**City OPEB Plan**

*Rate of Return* – For the year ended June 30, 2021, 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 26.66%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**City of Richmond**  
**Notes to Basic Financial Statements**  
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**12. OTHER POSTEMPLOYMENT BENEFITS, Continued**

*B. Funding Policy and Actuarial Assumptions, Continued*

**City OPEB Plan, Continued**

*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, 2021 consisted of \$32,439,802 invested in mutual funds.

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%

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**12. OTHER POSTEMPLOYMENT BENEFITS, Continued**

*B. Funding Policy and Actuarial Assumptions, Continued*

**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, 2021**

**12. 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, 2020	\$ 120,302,967	\$ 22,861,318	\$ 97,441,649
Changes Recognized for the Measurement Period:			
Service Cost	2,072,961	-	2,072,961
Interest on the total OPEB liability	6,846,932	-	6,846,932
Differences between expected and actual experience (1)	(140,135)	-	(140,135)
Changes of assumptions	1,173,106	-	1,173,106
Contributions from the employer	-	9,515,699	(9,515,699)
Contributions from the employee	-	623,088	(623,088)
Net investment income	-	6,562,745	(6,562,745)
Administrative expenses	-	(111,868)	111,868
Benefit payments (2)	(7,011,178)	(7,011,178)	-
Net changes	2,941,686	9,578,486	(6,636,800)
Balance at June 30, 2021 (Measurement Date)	\$ 123,244,653	\$ 32,439,804	\$ 90,804,849

(1) Due to the difference between expected and actual benefit payments during the measurement period ending 6/30/2021.

(3) Benefit payments are comprised of \$4,503,989 explicit subsidy payments to retirees and \$2,507,189 implicit subsidy costs incurred during the measurement period ending 6/30/2021.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**12. 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:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net OPEB (b)	Net Position Liability/(Asset) (a) - (b)
Balance at June 30, 2020	\$ 25,981,762	\$ 4,170,603	\$ 21,811,159
Changes Recognized for the Measurement Period:			
Service Cost	1,871,012	-	1,871,012
Interest on the total OPEB liability	800,939	-	800,939
Differences between expected and actual experience (1)	10,367	-	10,367
Changes of assumptions	(9,082,375)	-	(9,082,375)
Contributions from the employer	-	1,028,868	(1,028,868)
Contributions from the employee	-	453,163	(453,163)
Net investment income	-	935,134	(935,134)
Benefit payments (2)	(277,277)	(277,277)	-
Administrative expense	-	(2,612)	1,648
Net changes	(6,677,334)	2,137,276	(8,815,574)
Balance at June 30, 2021 (Measurement Date)	\$ 19,304,428	\$ 6,307,879	\$ 12,996,549

(1) Due to the difference between expected and actual benefit payments during the measurement period ending 6/30/2021.

(2) Benefit payments are comprised of \$199,362 explicit subsidy payments to retirees and \$77,645 implicit subsidy costs incurred during the measurement period ending 6/30/2021.

**City of Richmond**  
**Notes to Basic Financial Statements**  
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**12. OTHER POSTEMPLOYMENT BENEFITS, Continued**

**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%
4.75%	5.75%	6.75%
\$ 105,088,635	\$ 90,804,849	\$ 78,834,871

*RPOA OPEB Plan*

Net OPEB Liability/(Asset)		
Current		
Discount Rate -1%	Discount Rate	Discount Rate +1%
4.50%	5.50%	6.50%
\$ 15,893,234	\$ 12,996,549	\$ 10,610,378

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:

*City OPEB Plan*

Net OPEB Liability/(Asset)		
Current Healthcare Cost Trend Rates Various - see assumptions above		
1% Decrease		1% Increase
\$ 79,021,375	\$ 90,804,849	\$ 104,891,041

*RPOA OPEB Plan*

Net OPEB Liability/(Asset) Healthcare Cost Trend		
Current Healthcare Cost Trend Rates Various - see assumptions above		
1% Decrease		1% Increase
\$ 11,122,153	\$ 12,996,549	\$ 15,503,624

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**12. OTHER POSTEMPLOYMENT BENEFITS, Continued**

*E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB*

For the year ended June 30, 2021, the City recognized OPEB expense on the City OPEB Plan and RPOA OPEB Plan of (\$9,332,976) and \$855,064, respectively. At June 30, 2021, 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	\$ -	\$ 16,237,179	\$ 9,420	\$ 1,458,404
Changes of assumptions	2,796,546	23,315,326	328,071	8,252,934
Net differences between projected and actual earnings on plan investments	-	3,551,576	-	488,356
Contributions between measurement date and reporting date	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$ 2,796,546</b>	<b>\$ 43,104,081</b>	<b>\$ 337,491</b>	<b>\$ 10,199,694</b>

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
2022	\$ (16,141,470)
2023	(16,911,228)
2024	(6,345,433)
2025	(909,404)
<i>RPOA OPEB Plan</i>	
Year Ended June 30,	Annual Amortization
2022	\$ (1,074,676)
2023	(1,074,676)
2024	(1,074,674)
2025	(1,083,482)
2026	(954,788)
Thereafter	(4,599,907)

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**13. 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.

**14. 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.

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
Special Events Program	N/A	\$1,000,000 per occurrence; \$2,000,000 aggregate	Evanston Insurance
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	\$75,000 per claim	\$5,000,000 limit	Illinois Union
Cyber Liability	\$100,000 per claim	\$2,000,000 limit	Lloyds of London

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**14. RISK MANAGEMENT, Continued**

**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 (\$100,000)	\$ 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 \$1,274,804 for the year ended June 30, 2021. 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, 2021. 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.

**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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**14. RISK MANAGEMENT, Continued**

**Housing Authority Insurance Group, Continued**

The Authority pays annual premiums to Housing Authority Insurance Group for its property damage insurance as follows:

Property	Annual Premium	Deductible
Nevin Plaza (#1)	\$ 26,780	\$ 25,000
Nystrom Village	16,104	25,000
Administration Office	1,655	25,000
Hacienda	61,950	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, 2021, the estimated claims payable of \$44,392,339 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 \$46,630,000 at June 30, 2021. Changes in the claims liabilities for the years ended June 30, 2021 and 2020 were as follows:

	2021	2020
Claims liabilities, beginning of year	\$ 43,240,367	\$ 44,577,999
Current year claims	12,779,000	11,420,000
Change in prior year claims	(395,339)	(2,670,407)
Claim payments	(7,102,138)	(6,813,811)
Legal, administrative and other expenses	(4,129,551)	(3,273,414)
Claims liabilities, end of year	<u>\$ 44,392,339</u>	<u>\$ 43,240,367</u>
Claims liabilities, due in one year	<u>\$ 13,033,895</u>	<u>\$ 12,438,015</u>

For the years ended June 30, 2021, 2020 and 2019 the amount of settlements did not exceed insurance coverage.

**City of Richmond**  
**Notes to Basic Financial Statements**  
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**15. 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
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**15. SEGMENT INFORMATION FOR ENTERPRISE FUNDS, Continued**

Fiscal 2021 condensed financial information for the Richmond Marina Enterprise Fund is as follows:

**Condensed Statement of Net Position**

Assets:	
Current assets	\$ 4,430,839
Capital assets	1,518,883
Total assets	<u>5,949,722</u>
Liabilities:	
Current liabilities	286,024
Long-term liabilities	2,235,202
Total liabilities	<u>2,521,226</u>
Net position:	
Net investment in capital assets	(817,975)
Restricted for debt service	89,726
Unrestricted	4,156,745
Total net position	<u>\$ 3,428,496</u>

**Condensed Statement of Revenues, Expenses and Changes in Net Position**

Operating revenues:	
Lease income	\$ 574,453
Operating expenses:	
General and administrative	(36,305)
Depreciation	(85,563)
Operating income	<u>452,585</u>
Nonoperating revenues (expenses):	
Interest income	18,789
Interest expense	(105,523)
Income (Loss) Before Contributions and Transfers	365,851
Transfers out	(86,778)
Change in net position	279,073
Beginning net position	<u>3,149,423</u>
Ending net position	<u>\$ 3,428,496</u>

**Condensed Statement of Cash Flows**

Net cash provided (used) by:	
Operating activities	\$ 552,573
Noncapital and related financing activities	(86,778)
Capital and related financing activities	(206,815)
Investing activities	22,777
Net increase	<u>281,757</u>
Beginning cash and investments	<u>4,008,897</u>
Ending cash and investments	<u>\$ 4,290,654</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
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**16. COMMITMENTS AND CONTINGENCIES**

**A. Lease and Construction Commitments**

The Police Department occupies leased premises owned by DiCon Fiberoptics, Inc. The City's original lease was a three year lease which expired on December 31, 2009, and it had an option to renew for five (5) one year periods until December 31, 2014. In October 2014, the City and DiCon Fiberoptics, Inc. entered into a new five year lease extension with the term commencing January 1, 2015 through December 31, 2019, with an option to renew for five (5) one year periods until December 31, 2024. The lease calls for minimum monthly lease payments of \$147,089.

The Richmond Municipal Sewer District occupies leased premises owned by West County Wastewater District. The City's original lease was a two year lease which expired on December 31, 2012, with an option to renew for one (1) three year period and one (1) two year period until December 31, 2017. In January 2017, the City and West County Wastewater District entered into a first amendment to the ground lease with four possible extensions for terms commencing January 1, 2016 through December 31, 2017; January 1, 2018 through December 31, 2020; and January 1, 2021 through December 31, 2025. The lease calls for minimum monthly lease payments of \$195,383.

The City's future commitments under construction and other projects totaled approximately \$125.2 million at June 30, 2021 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**16. COMMITMENTS AND CONTINGENCIES, Continued**

*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.

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 foot 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, 2021 is \$11,221,743.

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.

**City of Richmond**  
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**16. COMMITMENTS AND CONTINGENCIES, Continued**

*D. Housing Authority - Easter Hill Project, Continued*

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.

*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, 2021, 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**16. COMMITMENTS AND CONTINGENCIES, Continued**

**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 \$98 million were received under the settlement agreements in fiscal years 2011 through 2021.

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 2021, the City received \$8 million that is restricted for use on pre-approved projects, and the City has received \$56 million to date.

**H. Police Communications Systems**

The City administered program to provide records management and dispatch services to participating local agencies. The participating agencies, which including the City, are responsible for maintenance and system enhancements. The City is required to account for the enhancement in a separate account which is shown in the Police Telecommunications Internal Service Fund. The program dissolved effective June 30, 2017. The distribution of the funds the City holds for enhancement from all participating agencies began in fiscal year 2018 and will be completed by fiscal year 2020.

**I. 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**16. COMMITMENTS AND CONTINGENCIES, Continued**

***I. Housing Authority Rental Assistance Demonstration, Continued***

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, 2021**

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**16. COMMITMENTS AND CONTINGENCIES, Continued**

**J. 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 has been conducted since September 2008 by the former Redevelopment Agency and now by 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**  
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**16. COMMITMENTS AND CONTINGENCIES, Continued**

**J. Marina Bay – Pollution Remediation, Continued**

A Remedial Design Implementation Plan (RDIP) was prepared in 2008 to address Area FM, one of the Nine Deed Restricted properties at Marina Bay. According to the DTSC-approved 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. A Covenant to Restrict Use of Property for Area FM was recorded in March 2005 (Deed Restriction). According to the Deed Restriction, the remedial alternative for the property includes installing and maintaining a temporary 1-foot thick cap over the entire property as an interim measure. In August 2016 a Work Plan was submitted to DTSC to install the interim temporary cap at the unpaved portion of Area FM. DTSC approved the work plan in August 2016. The City is proceeding with working with DTSC to construct a temporary cap on the unpaved portions of Area FM. The cost to prepare a Soil Management Plan, Health and Safety Plan, Work Notice, conduct observation and documentation of the interim cap installation, waste characterization and reporting is \$73,200. The cost to construct the interim cap is \$953,600. The Deed Restriction also requires the preparation of an Operations and Maintenance (O&M) Plan. The cost to prepare the O&M Plan is \$8,000.

**K. 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 16.I.

**L. 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, 2021 were as listed below:

	Amount
General Fund	\$ 207,475
Community Development and Loan Programs	
Special Revenue Fund	335,565
Non-Major Governmental Funds	15,344,475
	<u>\$ 15,887,515</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**17. 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, 2021**

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**17. 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, 2021 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, 2021.

**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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
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**17. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES,**  
**Continued**

**B. Loans Receivable, Continued**

**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 balance of the loan was \$1,021,000 as of June 30, 2021.

**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.

During the fiscal year 2019, the Successor Agency sold the remaining land with a prior carrying value of \$4,313,167.

**D. Long-term Obligations**

The following is a summary of long-term debt transactions during the year ended June 30, 2021:

	Balance July 1, 2020	Additions (A)	Retirements (B)	Balance June 30, 2021	Due Within One Year	Due in More than One Year
Bonds Payable	\$51,801,216	\$ 20,949,709	\$ (27,330,000)	\$ 45,420,925	\$ 5,195,000	\$ 40,225,925
Loans payable from direct borrowing	16,875,000	-	(2,185,000)	14,690,000	1,450,000	13,240,000
Notes payable from direct borrowing	9,966,022	-	(9,966,022)	-	-	-
<b>Total</b>	<b>\$78,642,238</b>	<b>\$ 20,949,709</b>	<b>\$ (39,481,022)</b>	<b>\$ 60,110,925</b>	<b>\$ 6,645,000</b>	<b>\$ 53,465,925</b>

(A) Includes bond accretion for capital appreciation bonds totaling \$851,732.

(B) Retirements of bonds payable includes principle retirements in the amount of \$5,705,000.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**17. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES,**  
**Continued**

*D. Long-term Obligations, Continued*

**Bonds Payable**

Bonds payable at June 30, 2021 consisted of the following:

	<u>Net</u>
Harbour Tax Allocation Refunding Bonds - 1998 Series A	\$ 3,280,236
Subordinate Tax Allocation Bonds - 2007 Series B	10,843,225
Successor Agency of RCRA Refunding Bonds - 2014 Series A & B	10,999,705
Successor Agency of RCRA Refunding Bonds - 2021 Series A & B	17,735,000
Successor Agency 2021A Bond Premium	<u>2,562,759</u>
Total	<u>\$ 45,420,925</u>

**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.

At June 30, 2021, the Bonds consisted of the following:

	<u>Value</u>	<u>Accretion / Amortization</u>	<u>Unamortized Premium (Discount)</u>	<u>Net</u>
Capital appreciation bonds	\$ 3,450,000	\$ 164,159	\$ (333,923)	<u>\$ 3,280,236</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
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**17. 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**

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

For the Years Ending June 30,	Principal
2022	\$ 1,150,000
2023	1,150,000
2024	1,150,000
Total	<u>\$ 3,450,000</u>

**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**  
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**17. 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, 2021, the 2007B Bonds consisted of the following:

	Value	Accretion / Amortization	Unamortized Premium (Discount)	Net
Capital appreciation bonds	\$ 16,475,000	\$ 687,574	\$ (6,319,349)	\$ 10,843,225

The annual debt service requirements on the 2007B Bonds are as follows:

For the Years Ending June 30,	Principal
2022	\$ 1,030,000
2023	1,085,000
2024	1,145,000
2025	1,175,000
2026	1,230,000
2027-2031	5,800,000
2032-2036	4,175,000
2037	835,000
Total	<u>\$ 16,475,000</u>

**2010 Subordinate Tax Allocation Refunding Bonds Series A - Original Issue \$33,740,000**

The 2010A Bonds were issued on March 31, 2010 by the Agency. The proceeds of the 2010A Bonds were used to refund all of the outstanding Series 2007A Subordinate Tax Allocation Bonds. Interest rates range from 3.00% to 6.125% and are payable semiannually on March 1 and September 1. The 2010A Bonds mature annually through 2037 and are secured by a pledge of certain tax increment revenues derived from taxable property within the Merged Project Area.

**City of Richmond**  
**Notes to Basic Financial Statements**  
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**17. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES,**  
**Continued**

*D. Long-term Obligations, Continued*

**2010 Subordinate Tax Allocation Refunding Bonds Series A – Original Issue \$33,740,000, Continued**

In connection with the issuance of the Series 2007A Subordinate Tax Allocation Bonds, the Agency entered into a swap agreement for \$65,400,000, the entire amount of the 2007 A Bonds. With the issuance of the 2010A Bonds, the Agency amended and restated the swap agreement. The amended agreement requires the Agency to make and receive payments based on variable interest rates. The Agency will make payments based on a variable interest rate equal to 100% of SIFMA plus a fixed percentage of 0.83% and the Agency will receive variable rate interest payments equal to 68% of 1- month LIBOR from the swap counterparty. With the issuance of the 2014 Successor Agency to the Richmond Redevelopment Agency Refunding Bonds, the Successor Agency amended the swap agreement to subordinate the termination payment provisions of the swap agreement to the debt service on the 2014 Bonds.

The bonds were paid off during the fiscal year ended June 30, 2021 and the swap agreement was terminated

**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, 2021 were as follows:

Harbour Tax Allocation Refunding Bonds - 1998 Series A	\$ 3,280,000
JPFA Tax Allocation Revenue Bonds - 2000 Series A & B	410,000
JPFA Tax Allocation Revenue Bonds - 2003 Series A	8,345,000
	<hr/>
Total	<u>\$ 12,035,000</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

**17. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES,**  
**Continued**

*D. Long-term Obligations, Continued*

At June 30, 2021, the 2014 A & B Bonds consisted of the following:

Bonds outstanding	\$ 10,530,000
Unamortized premium	469,705
Net	<u>\$ 10,999,705</u>

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

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 1,960,000	\$ 472,500	\$ 2,432,500
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>\$ 10,530,000</u>	<u>\$ 1,336,000</u>	<u>\$ 11,866,000</u>

**Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2021 Series A & B – Original Issue Amounts \$15,070,000 and \$2,655,000, 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, 2021**

**17. 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 \$2,655,000, respectively, Continued**

At June 30, 2021, the bond premium consisted of the following:

	Value	Accretion / Amortization	Unamortized Premium (Discount)	Net
Successor Agency Bond 2021A	\$ 17,735,000	\$ -	\$ 2,562,759	\$ 20,297,759

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

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 1,055,000	\$ 336,825	\$ 1,391,825
2023	730,000	593,960	1,323,960
2024	1,800,000	564,760	2,364,760
2025	1,185,000	549,200	1,734,200
2026	2,155,000	501,800	2,656,800
2027-2031	8,980,000	990,200	9,970,200
2032-2036	1,570,000	156,400	1,726,400
2037	260,000	5,200	265,200
Total	\$ 17,735,000	\$ 3,698,345	\$ 21,433,345

**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, 2021 came from the Bond issues listed below:

JPFA Tax Allocation Revenue Bonds - 2003 Series B	\$ 5,965,000
JPFA Tax Allocation Revenue Bonds - 2004 Series A & B	8,725,000
Total	\$ 14,690,000

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**17. 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, 2021 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 835,000	\$ 349,493	\$ 1,184,493
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	<u>\$ 5,965,000</u>	<u>\$ 1,094,154</u>	<u>\$ 7,059,154</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**17. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES,**  
**Continued**

*D. Long-term Obligations, Continued*

**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.

The annual debt service requirements for these loans as of June 30, 2021 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2022	\$ 615,000	\$ 457,912	\$ 1,072,912
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>\$ 8,725,000</u>	<u>\$ 2,051,560</u>	<u>\$ 10,776,560</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 \$68,339,963 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 2021 calculated by the County Auditor-Controller were \$39,950,300. The total received by the Successor Agency for fiscal year 2021 debt service and other enforceable obligations was \$13,966,821, which the Successor Agency used along with cash on-hand to pay debt service of \$19,792,245.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**17. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES,**  
**Continued**

*D. Long-term Obligations, Continued*

Notes Payable

SERAF Loan	\$ <u>      -</u>
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**SERAF Loan**

The State of California adopted AB26 4X in July 2009 which directs that a portion of the incremental property taxes received by the redevelopment agencies, be paid instead to the County supplemental educational revenue augmentation fund (SERAF) in fiscal years 2010 and 2011. The Agency did not have the resources to make these payments and instead was able to enter into a structured payment plan agreement with the State Department of Finance that allows the payments to the County to be made over a ten year period. The loan bears interest at a rate of 2%. Payments of principal and interest are due on an annual basis, commencing May 10, 2014. The loan was paid off during the fiscal year ended June 30, 2021.

**Debt Without Agency or City Commitment**

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 \$1,980,000 at June 30, 2021.

**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, 2021, the balances of these issuers' outstanding debts were as follows:

Baycliff Apartment Project, 2004 Revenue Bonds	\$0
Crescent Park Apartment Project, 2007 Series A & Series A-T Revenue Bonds	21,704,219

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**17. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES,**  
**Continued**

*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.

**18. SUBSEQUENT EVENTS**

During December 2019, the Novel Corona Virus Disease (COVID-19) was discovered. The COVID-19 was subsequently declared a world-wide pandemic by the World Health Organization on March 11, 2020. On March 4, 2020, California State Governor Gavin Newsom proclaimed a State of Emergency as a result of the threat of the COVID-19 in the State of California, leading to the Contra Costa County Health Officer issuing a stay-at-home directive on March 16, 2020. This halted all business within Contra Costa County outside of essential activities.

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 is to be received in July 2023.

COVID-19 pandemic is still having significant impacts 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%. Due to facility closures and changes to other activities, some departments saw significant decreases to revenue collected for either services provided or rental of facilities. For example, Community services saw a decrease of 60% for recreation program fees collected in FY2020-21, compared to FY2019-20. When compared to FY2018-19, the decrease is 70%. Revenue collection and projections for fiscal year 2022 have been budgeted conservatively and will require close monitoring and review.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**19. NEW ACCOUNTING STANDARDS**

**Accounting Standards Adopted**

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. Activities meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the entity to disburse fiduciary resources. The provisions of Statement No. 84 are effective for fiscal years beginning after December 15, 2019. Management has implemented this Statement on its financial statements.

In August 2018, GASB issued Statement No 90, *Majority Equity Interests*. Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions of Statement No. 90 are effective for fiscal years beginning after December 15, 2019 with earlier implementation encouraged. This Statement is not applicable to the City.

In March 2020, GASB issued Statement GASB 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. This Statement is not applicable to the City.

In October 2021, GASB issued Statement GASB No. 98, *The Annual Comprehensive Financial Report*. Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Management has implemented this Statement on its financial statements.

**New Accounting Standards**

In June 2017, GASB issued Statement No. 87, *Leases*. Statement No. 87 increases the usefulness of entities' financial statements by requiring recognition of 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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of Statement No. 87 are effective for fiscal years beginning after December 15, 2020. Management has not yet determined the impact of this Statement on its financial statements.

In June 2018, GASB issued Statement No 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The provisions of Statement No. 89 are effective for fiscal years beginning after December 15, 2020. Management will determine the impact of this statement on its financial statements with the 2021-22 Comprehensive Annual Financial Report.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**19. NEW ACCOUNTING STANDARDS, Continued**

In May 2019, GASB issued Statement No 91, *Conduit Debt Obligations*. Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The provisions of Statement No. 91 are effective for fiscal years beginning after December 15, 2021 with earlier implementation encouraged. Management has not yet determined the impact of this Statement on its financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. Statement No. 92 is 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. The provisions of Statement No. 92 has multiple effective dates. Management has not yet determined the impact of this Statement on its financial statements.

In March 2020, GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of Statement No. 94 are effective for fiscal years beginning after June 15, 2022. Management has not yet determined the impact of this Statement on its financial statements.

In May 2020, GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The provisions of Statement No. 96 are effective for fiscal years beginning after June 15, 2022. Management has not yet determined the impact of this Statement on its financial statements.

In June 2020, GASB issued 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*. Statement No. 97 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements will also enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The provisions of Statement No. 97 has multiple effective dates. Management has not yet determined the impact of this Statement on its financial statements.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

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**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.

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**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 43,928,806	\$ 44,065,406	\$ 45,140,902	\$ 1,075,496
Sales taxes	40,995,626	44,379,717	48,998,406	4,618,689
Utility user taxes	44,506,312	44,562,759	45,240,705	677,946
Other taxes	13,704,709	21,111,956	27,066,292	5,954,336
Licenses, permits and fees	3,278,527	3,028,527	3,235,491	206,964
Fines, forfeitures and penalties	831,966	641,966	454,778	(187,188)
Use of money and property	236,079	236,079	107,022	(129,057)
Intergovernmental	633,589	705,781	803,692	97,911
Charges for services	6,582,729	6,441,690	6,730,499	288,809
Rent	952,124	855,349	699,301	(156,048)
Other	196,496	197,296	403,034	205,738
<b>Total revenues</b>	<b>155,846,963</b>	<b>166,226,526</b>	<b>178,880,122</b>	<b>12,653,596</b>
<b>EXPENDITURES:</b>				
Current:				
General government	30,621,129	33,437,084	30,245,217	3,191,867
Public safety	95,582,986	98,066,670	96,372,052	1,694,618
Public works	25,218,946	25,293,864	24,754,571	539,293
Cultural and recreational	9,673,494	9,500,997	9,087,406	413,591
Capital outlay	347,761	1,368,736	113,178	1,255,558
Debt service:				
Principal	1,910,082	910,082	910,082	-
Interest and fiscal charges	139,668	139,668	137,257	2,411
<b>Total expenditures</b>	<b>163,494,066</b>	<b>168,717,101</b>	<b>161,619,763</b>	<b>7,097,338</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,647,103)</b>	<b>(2,490,575)</b>	<b>17,260,359</b>	<b>19,750,934</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	55,000	70,215	71,458	1,243
Transfers in	9,258,229	9,267,601	9,454,780	187,179
Transfers out	(4,961,206)	(5,388,927)	(16,318,786)	(10,929,859)
<b>Total other financing sources (uses)</b>	<b>4,352,023</b>	<b>3,948,889</b>	<b>(6,792,548)</b>	<b>(10,741,437)</b>
<b>Net change in fund balances</b>	<b>\$ (3,295,080)</b>	<b>\$ 1,458,314</b>	<b>10,467,811</b>	<b>\$ 9,009,497</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			38,646,231	
End of year			<u>\$ 49,114,042</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 1,239,010	\$ 1,239,010	\$ 665,999	\$ (573,011)
Use of money and property	239,166	239,166	202,108	(37,058)
Intergovernmental	635,201	635,201	1,579,842	944,641
Other	1,187,472	1,187,472	898,903	(288,569)
<b>Total revenues</b>	<b>3,300,849</b>	<b>3,300,849</b>	<b>3,346,852</b>	<b>46,003</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	2,254,547	2,569,470	505,501	2,063,969
Housing and redevelopment	1,463,673	1,486,128	945,529	540,599
Capital outlay	300,000	300,000	-	300,000
<b>Total expenditures</b>	<b>4,018,220</b>	<b>4,355,598</b>	<b>1,451,030</b>	<b>2,904,568</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(717,371)</b>	<b>(1,054,749)</b>	<b>1,895,822</b>	<b>2,950,571</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	78,000	90,455	-	(90,455)
<b>Total other financing sources (uses)</b>	<b>78,000</b>	<b>90,455</b>	<b>-</b>	<b>(90,455)</b>
<b>Net change in fund balances</b>	<b>\$ (639,371)</b>	<b>\$ (964,294)</b>	<b>1,895,822</b>	<b>\$ 2,860,116</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			29,319,214	
End of year			<b>\$ 31,215,036</b>	

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**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years\**

<b>Fiscal Year Ended:</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Total Pension Liability</b>				
Service cost	\$ 7,529,439	\$ 7,652,864	\$ 7,637,812	\$ 8,053,459
Interest	34,974,846	34,315,542	33,323,855	32,804,753
Differences between actual and expected experience	(4,393,691)	(331,531)	(4,642,948)	(4,464,966)
Changes in assumptions	-	-	(3,224,832)	25,548,824
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(29,018,486)	(27,565,398)	(25,970,450)	(25,074,448)
<b>Net change in the total pension liability</b>	<b>9,092,108</b>	<b>14,071,477</b>	<b>7,123,437</b>	<b>36,867,622</b>
<b>Total pension liability - beginning</b>	<b>504,296,912</b>	<b>490,225,435</b>	<b>483,101,998</b>	<b>446,234,376</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 513,389,020</b>	<b>\$ 504,296,912</b>	<b>\$ 490,225,435</b>	<b>\$ 483,101,998</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 13,778,755	\$ 12,156,723	\$ 10,489,795	\$ 8,860,295
Contributions - employee	2,749,990	2,843,043	2,894,841	2,996,354
Net investment income	18,237,576	23,350,283	28,880,923	35,805,938
Plan to plan resource movement	-	-	(842)	(50,018)
Administrative expense	(526,586)	(259,047)	(542,721)	(481,651)
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(29,018,486)	(27,565,398)	(25,970,450)	(25,074,448)
Other miscellaneous income (expense)	-	842	(1,030,636)	-
<b>Net change in plan fiduciary net position</b>	<b>5,221,249</b>	<b>10,526,446</b>	<b>14,720,910</b>	<b>22,056,470</b>
<b>Plan fiduciary net position - beginning</b>	<b>373,530,332</b>	<b>363,003,886</b>	<b>348,282,976</b>	<b>326,226,506</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 378,751,581</b>	<b>\$ 373,530,332</b>	<b>\$ 363,003,886</b>	<b>\$ 348,282,976</b>
Net pension liability - ending (a) - (b)	<b>\$ 134,637,439</b>	<b>\$ 130,766,580</b>	<b>\$ 127,221,549</b>	<b>\$ 134,819,022</b>
Plan fiduciary net position as a percentage percentage of the total pension liability	73.77%	74.07%	74.05%	72.09%
Covered payroll	\$ 35,129,597	\$ 36,295,759	\$ 35,725,311	\$ 35,964,798
Net pension liability as a percentage of covered payroll	383.26%	360.28%	356.11%	374.86%

**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.

**Changes in Assumptions:** None in 2019 or 2020. 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.

\* Fiscal year 2015 was the 1st year of implementation.

<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
6/30/2016	6/30/2015	6/30/2014
\$ 7,200,571	\$ 7,446,410	\$ 7,816,868
32,305,003	31,414,256	30,597,498
(3,484,064)	(5,280,549)	-
-	(7,116,200)	-
-	-	-
<u>(23,917,069)</u>	<u>(23,302,793)</u>	<u>(23,007,539)</u>
12,104,441	3,161,124	15,406,827
<u>434,129,935</u>	<u>430,968,811</u>	<u>415,561,984</u>
<u>\$ 446,234,376</u>	<u>\$ 434,129,935</u>	<u>\$ 430,968,811</u>
\$ 8,093,834	\$ 7,189,716	\$ 6,661,038
3,087,656	3,141,565	3,195,699
1,630,388	7,502,958	51,867,728
(4,762)	(6,885)	-
(205,714)	(379,925)	-
-	-	-
(23,917,069)	(23,302,793)	(23,007,539)
-	-	-
<u>(11,315,667)</u>	<u>(5,855,364)</u>	<u>38,716,926</u>
<u>337,542,173</u>	<u>343,397,537</u>	<u>304,680,611</u>
<u>\$ 326,226,506</u>	<u>\$ 337,542,173</u>	<u>\$ 343,397,537</u>
<u>\$ 120,007,870</u>	<u>\$ 96,587,762</u>	<u>\$ 87,571,274</u>
73.11%	77.75%	79.68%
\$ 36,638,889	\$ 36,151,102	\$ 37,210,225
327.54%	267.18%	235.34%

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Contributions - Last 10 Years\**

<b>Fiscal Year Ended:</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Actuarially determined contribution	\$ 14,438,844	\$ 13,783,427	\$ 12,150,650	\$ 10,436,250
Contributions in relation to actuarially determined contributions	(14,438,844)	(13,783,427)	(12,150,650)	(10,436,250)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 32,686,024	\$ 35,129,597	\$ 36,295,759	\$ 35,725,311
Contributions as a percentage of covered payroll	44.17%	39.24%	33.48%	29.21%

**Notes to the schedule:**

Valuation date: 6/30/2019 6/30/2017 6/30/2016 6/30/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	For details, see June 30 Funding Valuation Report
Asset valuation method	Market Value of Assets. For details, see June 30 Funding Valuation Report.
Inflation	2.625%
Payroll growth	2.875%
Salary increases	Varies by Entry Age and Service.
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019 and 7.25% for 2020, 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.

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<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
\$ 8,867,763	\$ 8,084,584	\$ 7,178,549
<u>(8,867,763)</u>	<u>(8,084,584)</u>	<u>(7,178,549)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 35,964,798	\$ 36,638,889	\$ 36,151,102
24.66%	22.07%	19.86%
6/30/2014	6/30/2013	6/30/2012

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

Safety Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years\**

<b>Fiscal Year Ended:</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Total Pension Liability</b>				
Service cost	\$ 10,958,278	\$ 11,313,128	\$ 11,391,456	\$ 11,650,927
Interest	47,218,257	46,009,128	44,562,419	43,264,626
Differences between actual and expected experience	(2,189,929)	433,759	413,272	797,969
Changes in assumptions	-	-	(2,676,340)	35,109,898
Benefit payments, including refunds of employee contributions	(38,982,005)	(37,105,985)	(35,123,568)	(33,620,000)
<b>Net change in the total pension liability</b>	<b>17,004,601</b>	<b>20,650,030</b>	<b>18,567,239</b>	<b>57,203,420</b>
<b>Total pension liability - beginning</b>	<b>676,597,009</b>	<b>655,946,979</b>	<b>637,379,740</b>	<b>580,176,320</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 693,601,610</b>	<b>\$ 676,597,009</b>	<b>\$ 655,946,979</b>	<b>\$ 637,379,740</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 19,362,087	\$ 16,658,515	\$ 14,016,085	\$ 12,699,049
Contributions - employee	4,232,707	4,238,132	4,226,345	4,471,008
Net investment income	22,875,702	29,333,974	36,380,672	45,166,243
Plan to plan resource movement	-	-	(1,062)	50,018
Administrative expense	(662,340)	(326,144)	(684,883)	(607,337)
Benefit payments, including refunds of employee contributions	(38,982,005)	(37,105,985)	(35,123,568)	(33,620,000)
Other miscellaneous income (expense)	-	1,062	(1,300,605)	-
<b>Net change in plan fiduciary net position</b>	<b>6,826,151</b>	<b>12,799,554</b>	<b>17,512,984</b>	<b>28,158,981</b>
<b>Plan fiduciary net position - beginning</b>	<b>469,826,178</b>	<b>457,026,624</b>	<b>439,513,640</b>	<b>411,354,659</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 476,652,329</b>	<b>\$ 469,826,178</b>	<b>\$ 457,026,624</b>	<b>\$ 439,513,640</b>
Net pension liability - ending (a) - (b)	\$ 216,949,281	\$ 206,770,831	\$ 198,920,355	\$ 197,866,100
Plan fiduciary net position as a percentage percentage of the total pension liability	68.72%	69.44%	69.67%	68.96%
Covered payroll	\$ 34,316,884	\$ 35,870,534	\$ 34,439,607	\$ 37,273,957
Net pension liability as a percentage of covered payroll	632.19%	576.44%	577.59%	530.84%

**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.

**Changes in Assumptions:** None in 2019 or 2020. 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.

\* Fiscal year 2015 was the 1st year of implementation.

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<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
6/30/2016	6/30/2015	6/30/2014
\$ 10,297,536	\$ 10,142,245	\$ 10,167,167
41,950,593	40,142,006	38,254,517
2,950,295	3,799,388	-
-	(9,563,090)	-
<u>(30,593,589)</u>	<u>(28,747,508)</u>	<u>(27,199,743)</u>
24,604,835	15,773,041	21,221,941
555,571,485	539,798,444	518,576,503
<u>\$ 580,176,320</u>	<u>\$ 555,571,485</u>	<u>\$ 539,798,444</u>

\$ 11,488,714	\$ 10,652,641	\$ 9,352,438
4,607,993	3,797,568	3,348,408
2,062,417	9,408,186	64,842,562
4,762	3,476	-
(258,432)	(477,249)	-
(30,593,589)	(28,747,508)	(27,199,743)
-	-	-
(12,688,135)	(5,362,886)	50,343,665
424,042,794	429,405,680	379,062,015
<u>\$ 411,354,659</u>	<u>\$ 424,042,794</u>	<u>\$ 429,405,680</u>
<u>\$ 168,821,661</u>	<u>\$ 131,528,691</u>	<u>\$ 110,392,764</u>

70.90%	76.33%	79.55%
\$ 37,352,212	\$ 36,161,966	\$ 35,479,947
451.97%	363.72%	311.14%

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

Safety Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Contributions - Last 10 Years\**

<b>Fiscal Year Ended:</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Actuarially determined contribution	\$ 21,315,231	\$ 19,355,578	\$ 16,363,802	\$ 14,013,858
Contributions in relation to actuarially determined contributions	(21,315,231)	(19,355,578)	(16,363,802)	(14,013,858)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 33,272,769	\$ 34,316,884	\$ 35,870,534	\$ 34,439,607
Contributions as a percentage of covered payroll	64.06%	56.40%	45.62%	40.69%

**Notes to the schedule:**

Valuation date: 6/30/2019 6/30/2017 6/30/2016 6/30/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	For details, see June 30 Funding Valuation Report
Asset valuation method	Market Value of Assets. For details, see June 30 Funding Valuation Report.
Inflation	2.63%
Payroll growth	2.875%
Salary increases	Varies by Entry Age and Service.
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019 and 7.25% for 2020, 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.

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<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
\$ 12,696,582	\$ 11,492,798	\$ 10,650,057
(12,696,582)	(11,492,798)	(10,650,057)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 37,273,957	\$ 37,352,212	\$ 36,151,966
34.06%	30.77%	29.46%
6/30/2014	6/30/2013	6/30/2012

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

General Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years\**

<b>Fiscal Year Ended:</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<b>Total Pension Liability</b>				
Interest	\$ 35,526	\$ 57,712	\$ 70,585	\$ 80,100
Differences between actual and expected experience	106,639	-	150,123	-
Changes in assumptions	72,660	66,443	102,792	(20,669)
Benefit payments, including refunds of employee contributions	(401,991)	(424,760)	(494,605)	(524,939)
<b>Net change in the total pension liability</b>	<b>(187,166)</b>	<b>(300,605)</b>	<b>(171,105)</b>	<b>(465,508)</b>
<b>Total pension liability - beginning</b>	<b>1,995,238</b>	<b>2,295,843</b>	<b>2,466,948</b>	<b>2,932,456</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 1,808,072</b>	<b>\$ 1,995,238</b>	<b>\$ 2,295,843</b>	<b>\$ 2,466,948</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 319,025	\$ 503,714	\$ 812,561	\$ 814,594
Contributions - donations and other income	-	-	-	-
Contributions - member	-	-	-	-
Net investment income	5,501	23,724	8,124	2,207
Benefit payments, including member contribution refunds	(401,991)	(424,760)	(494,605)	(524,939)
<b>Net change in the total pension liability</b>	<b>(77,465)</b>	<b>102,678</b>	<b>326,080</b>	<b>291,862</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,170,491</b>	<b>1,067,813</b>	<b>741,733</b>	<b>449,871</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,093,026</b>	<b>\$ 1,170,491</b>	<b>\$ 1,067,813</b>	<b>\$ 741,733</b>
Net pension liability - ending (a) - (b)	\$ 715,046	\$ 824,747	\$ 1,228,030	\$ 1,725,215
Plan fiduciary net position as a percentage of the total pension liability	60.5%	58.7%	46.5%	30.1%
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>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 92,742	\$ 107,632	\$ 128,954	\$ 147,247
40,459	-	345,786	-
-	-	322,312	-
<u>(584,272)</u>	<u>(623,662)</u>	<u>(672,546)</u>	<u>(592,105)</u>
(451,071)	(516,030)	124,506	(444,858)
<u>3,383,527</u>	<u>3,899,557</u>	<u>3,775,051</u>	<u>4,219,909</u>
<u>\$ 2,932,456</u>	<u>\$ 3,383,527</u>	<u>\$ 3,899,557</u>	<u>\$ 3,775,051</u>
\$ 73,592	\$ 602,970	\$ 602,970	\$ 602,970
-	-	-	-
-	-	-	-
3,351	2,255	2,017	(837)
<u>(584,272)</u>	<u>(623,662)</u>	<u>(672,546)</u>	<u>(592,105)</u>
(507,329)	(18,437)	(67,559)	10,028
<u>957,200</u>	<u>975,637</u>	<u>1,043,196</u>	<u>1,033,168</u>
<u>\$ 449,871</u>	<u>\$ 957,200</u>	<u>\$ 975,637</u>	<u>\$ 1,043,196</u>
<u>\$ 2,482,585</u>	<u>\$ 2,426,327</u>	<u>\$ 2,923,920</u>	<u>\$ 2,731,855</u>
15.3%	28.3%	25.0%	27.6%
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, 2021**

Police and Firemen's Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years\**

<b>Fiscal Year Ended:</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<b>Total Pension Liability</b>				
Interest	\$ 561,163	\$ 606,022	\$ 952,312	\$ 1,031,753
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	(1,412,673)	(1,793,082)	(2,170,136)	(2,656,508)
<b>Net change in the total pension liability</b>	<b>(4,503,852)</b>	<b>(1,187,060)</b>	<b>(3,283,335)</b>	<b>(1,624,755)</b>
<b>Total pension liability - beginning</b>	<b>13,176,626</b>	<b>14,363,686</b>	<b>17,647,021</b>	<b>19,271,776</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 8,672,774</b>	<b>\$ 13,176,626</b>	<b>\$ 14,363,686</b>	<b>\$ 17,647,021</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 937,004	\$ 937,004	\$ 1,270,466	\$ 1,270,466
Net investment income	2,527,138	584,954	645,593	589,027
Benefit payments, including member contribution refunds	(1,412,673)	(1,793,082)	(2,170,136)	(2,656,508)
Other deductibles	-	-	-	-
<b>Net change in the total pension liability</b>	<b>2,051,469</b>	<b>(271,124)</b>	<b>(254,077)</b>	<b>(797,015)</b>
<b>Plan fiduciary net position - beginning</b>	<b>11,062,378</b>	<b>11,333,502</b>	<b>11,587,579</b>	<b>12,384,594</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 13,113,847</b>	<b>\$ 11,062,378</b>	<b>\$ 11,333,502</b>	<b>\$ 11,587,579</b>
Net pension liability - ending (a) - (b)	\$ (4,441,073)	\$ 2,114,248	\$ 3,030,184	\$ 6,059,442
Plan fiduciary net position as a percentage percentage of the total pension liability	151.2%	84.0%	78.9%	65.7%
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>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 1,111,386	\$ 1,214,089	\$ 1,464,746	\$ 1,579,762
261,891	-	(323,462)	-
-	-	1,380,854	-
<u>(2,859,902)</u>	<u>(3,140,552)</u>	<u>(3,074,421)</u>	<u>(3,436,887)</u>
(1,486,625)	(1,926,463)	(552,283)	(1,857,125)
<u>20,758,401</u>	<u>22,684,864</u>	<u>23,237,147</u>	<u>25,094,272</u>
<u>\$ 19,271,776</u>	<u>\$ 20,758,401</u>	<u>\$ 22,684,864</u>	<u>\$ 23,237,147</u>
\$ 1,270,466	\$ 1,222,197	\$ 740,235	\$ 740,235
1,340,997	(165,490)	369,240	2,968,492
(2,859,902)	(3,140,552)	(3,074,421)	(3,436,887)
-	-	-	(3,424,568)
<u>(248,439)</u>	<u>(2,083,845)</u>	<u>(1,964,946)</u>	<u>(3,152,728)</u>
<u>12,633,033</u>	<u>14,716,878</u>	<u>16,681,824</u>	<u>19,834,552</u>
<u>\$ 12,384,594</u>	<u>\$ 12,633,033</u>	<u>\$ 14,716,878</u>	<u>\$ 16,681,824</u>
<u>\$ 6,887,182</u>	<u>\$ 8,125,368</u>	<u>\$ 7,967,986</u>	<u>\$ 6,555,323</u>
64.3%	60.9%	64.9%	71.8%
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, 2021**

Garfield Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years\**

<b>Fiscal Year Ended:</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<b>Total Pension Liability</b>				
Interest	\$ 4,877	\$ 7,756	\$ 17,334	\$ 19,334
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	(50,048)	(49,067)	(77,703)	(94,323)
<b>Net change in the total pension liability</b>	<b>17,221</b>	<b>(31,086)</b>	<b>(281,874)</b>	<b>(74,989)</b>
<b>Total pension liability - beginning</b>	<b>303,693</b>	<b>334,779</b>	<b>616,653</b>	<b>691,642</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 320,914</b>	<b>\$ 303,693</b>	<b>\$ 334,779</b>	<b>\$ 616,653</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ -	\$ -	\$ 102,140	\$ 102,140
Net investment income	1,984	6,914	7,024	2,627
Benefit payments, including member contribution refunds	(50,048)	(49,067)	(77,703)	(94,323)
<b>Net change in the total pension liability</b>	<b>(48,064)</b>	<b>(42,153)</b>	<b>31,461</b>	<b>10,444</b>
<b>Plan fiduciary net position - beginning</b>	<b>297,069</b>	<b>339,222</b>	<b>307,761</b>	<b>297,317</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 249,005</b>	<b>\$ 297,069</b>	<b>\$ 339,222</b>	<b>\$ 307,761</b>
Net pension liability - ending (a) - (b)	\$ 71,909	\$ 6,624	\$ (4,443)	\$ 308,892
Plan fiduciary net position as a percentage of the total pension liability	77.6%	97.8%	101.3%	49.9%
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>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 19,517	\$ 21,615	\$ 28,597	\$ 30,759
67,810	-	(45,458)	-
-	-	64,544	-
<u>(92,474)</u>	<u>(90,660)</u>	<u>(88,883)</u>	<u>(87,140)</u>
(5,147)	(69,045)	(41,200)	(56,381)
<u>696,789</u>	<u>765,834</u>	<u>807,034</u>	<u>863,415</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
1,517	933	577	227
<u>(92,474)</u>	<u>(90,660)</u>	<u>(88,883)</u>	<u>(87,141)</u>
11,183	12,413	13,834	15,226
<u>286,134</u>	<u>273,721</u>	<u>259,887</u>	<u>244,661</u>
<u>\$ 297,317</u>	<u>\$ 286,134</u>	<u>\$ 273,721</u>	<u>\$ 259,887</u>
<u>\$ 394,325</u>	<u>\$ 410,655</u>	<u>\$ 492,113</u>	<u>\$ 547,147</u>
43.0%	41.1%	35.7%	32.2%
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, 2021**

*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)
<b>General Pension Plan</b>					
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
<b>Police &amp; Firemen's Pension Plan</b>					
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
<b>Garfield Pension Plan</b>					
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

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

*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	<b>Investment Gains &amp; Losses:</b> Straight-line amortization over a closed 5-year period.		
	<b>Effects of Assumptions Changes and Experience Gains and Losses:</b>		
	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\**

<b>Annual money-weighted rate of return, net of investment expense</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>General Pension Plan</b>	0.44%	1.54%	0.64%	1.00%	0.50%	0.30%	0.30%	0.10%
<b>Police and Firemen's Pension Plan</b>	22.61%	5.11%	5.51%	4.90%	11.80%	-1.20%	2.40%	3.90%
<b>Garfield Pension Plan</b>	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, 2021**

**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:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Total OPEB Liability</b>					
Service cost	\$ 2,072,961	\$ 4,292,499	\$ 3,452,679	\$ 6,730,397	\$ 7,558,987
Interest	6,846,932	7,222,766	7,625,498	7,927,217	7,064,307
Changes in benefit terms	-	-	(19,910,800)	-	-
Differences between actual and expected experience	(140,135)	(28,723,614)	-	(2,816,969)	-
Changes in assumptions	1,173,106	(42,412,472)	(1,409,953)	8,715,168	(15,340,529)
Benefit payments	(7,011,178)	(7,753,129)	(7,247,073)	(6,861,529)	(6,497,645)
<b>Net change in the total OPEB liability</b>	<b>2,941,686</b>	<b>(67,373,950)</b>	<b>(17,489,649)</b>	<b>13,694,284</b>	<b>(7,214,880)</b>
<b>Total OPEB liability - beginning</b>	<b>120,302,967</b>	<b>187,676,917</b>	<b>205,166,566</b>	<b>191,472,282</b>	<b>198,687,162</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 123,244,653</b>	<b>\$ 120,302,967</b>	<b>\$ 187,676,917</b>	<b>\$ 205,166,566</b>	<b>\$ 191,472,282</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 9,515,699	\$ 12,720,085	\$ 6,714,785	\$ 13,599,120	\$ 13,218,475
Contributions - employee	623,088	642,475	532,288	765,475	278,850
Net investment income	6,562,745	709,908	1,170,454	632,089	227,394
Administrative expense	(111,868)	(89,764)	(81,950)	(49,169)	(11,250)
Benefit payments	(7,011,178)	(7,753,129)	(7,247,073)	(6,861,529)	(6,497,645)
Plan to Plan transfer (1)	-	-	(1,879,640)	-	-
<b>Net change in the total OPEB liability</b>	<b>9,578,486</b>	<b>6,229,575</b>	<b>(791,136)</b>	<b>8,085,986</b>	<b>7,215,824</b>
<b>Plan fiduciary net position - beginning</b>	<b>22,861,318</b>	<b>16,631,743</b>	<b>17,422,879</b>	<b>9,336,893</b>	<b>2,121,069</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 32,439,804</b>	<b>\$ 22,861,318</b>	<b>\$ 16,631,743</b>	<b>\$ 17,422,879</b>	<b>\$ 9,336,893</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 90,804,849</b>	<b>\$ 97,441,649</b>	<b>\$ 171,045,174</b>	<b>\$ 187,743,687</b>	<b>\$ 182,135,389</b>
Plan fiduciary net position as a percentage percentage of the total OPEB liability	26.32%	19.00%	8.86%	8.49%	4.88%
Covered employee payroll	\$ 46,698,024	\$ 50,016,647	\$ 49,511,523	\$ 65,359,713	\$ 66,774,795
Net OPEB liability as a percentage of covered employee payroll	194.45%	194.82%	345.47%	287.25%	272.76%

(1) Transferred to the RPOA Plan established in fiscal year 2019.

\* Fiscal year 2017 was the 1st year of implementation.

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

**OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES, Continued**

OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan, Continued

*Schedule of Plan Contributions - Last 10 Years\**

<u>Fiscal Year Ended:</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Contractually required contributions (CRC) (1)	\$ 7,011,178	\$ 7,753,129	\$ 7,247,073	\$ 6,861,529	\$ 6,497,645
Contributions in relation to the CRC	(7,011,178)	(7,753,129)	(7,247,073)	(6,861,529)	(6,497,645)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -

**Notes:**

- (1) 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\**

<u>Fiscal Year Ended:</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Annual money weighted rate of return, net of investment expense	26.66%	3.48%	6.74%	6.30%	10.75%

\* Fiscal year 2017 was the 1st year of implementation.

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2021**

**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:	6/30/2021	6/30/2020	6/30/2019
<b>Total OPEB Liability</b>			
Service cost	\$ 1,871,012	\$ 2,053,367	\$ 1,939,517
Interest	800,939	850,944	764,597
Changes in benefit terms	-	-	21,995,467
Differences between actual and expected experience	10,367	(1,784,304)	-
Changes in assumptions	(9,082,375)	401,383	-
Benefit payments	(277,277)	(156,536)	(82,673)
<b>Net change in the total OPEB liability</b>	<b>(6,677,334)</b>	<b>1,364,854</b>	<b>24,616,908</b>
<b>Total OPEB liability - beginning</b>	<b>25,981,762</b>	<b>24,616,908</b>	<b>-</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 19,304,428</b>	<b>\$ 25,981,762</b>	<b>\$ 24,616,908</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 1,028,868	\$ 1,851,964	\$ -
Contributions - employee	453,163	425,213	82,673
Net investment income	935,134	170,322	-
Plan to Plan transfer (1)	-	-	1,879,640
Benefit payments	(277,277)	(156,536)	(82,673)
Administrative expense	(2,612)	-	-
<b>Net change in the total OPEB liability</b>	<b>2,137,276</b>	<b>2,290,963</b>	<b>1,879,640</b>
<b>Plan fiduciary net position - beginning</b>	<b>4,170,603</b>	<b>1,879,640</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 6,307,879</b>	<b>\$ 4,170,603</b>	<b>\$ 1,879,640</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 12,996,549</b>	<b>\$ 21,811,159</b>	<b>\$ 22,737,268</b>
Plan fiduciary net position as a percentage percentage of the total OPEB liability	32.68%	16.05%	7.64%
Covered employee payroll	\$ 16,100,126	\$ 16,699,113	\$ 17,404,407
Net OPEB liability as a percentage of covered employee payroll	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, 2021**

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**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:	6/30/2021	6/30/2020	6/30/2019
Contractually required contributions (CRC) (1)	\$ 1,028,868	\$ 1,851,964	\$ 82,673
Contributions in relation to the CRC	<u>(1,028,868)</u>	<u>(1,851,964)</u>	<u>(82,673)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Notes:**

- (1) 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.

## 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, 2021**

	Special Revenue Funds			
	State Gas Tax Fund	General Purpose Fund	Paratransit Operations Fund	Employment and Training Fund
<b>ASSETS</b>				
Cash and investments	\$ 4,008,432	\$ 1,557,533	\$ 412,314	\$ 2,345,449
Restricted cash and investments	-	-	-	1,398
Receivables:				
Accounts, net	257,813	167	230	46,076
Interest	1,134	540	62	-
Grants	-	1,720,090	35,903	916,825
Loans	-	-	-	-
<b>Total assets</b>	<u>4,267,379</u>	<u>3,278,330</u>	<u>448,509</u>	<u>3,309,748</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	1,025,792	1,086,862	50,587	377,173
Refundable deposits	-	-	-	-
Due to other funds	-	-	-	-
Advances to other funds	-	-	-	-
Unearned revenue	-	327,422	-	600
<b>Total liabilities</b>	<u>1,025,792</u>	<u>1,414,284</u>	<u>50,587</u>	<u>377,773</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	1,580,079	35,903	456,335
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>1,580,079</u>	<u>35,903</u>	<u>456,335</u>
<b>Fund Balances:</b>				
Restricted	3,241,587	283,967	362,019	-
Assigned	-	-	-	2,475,640
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>3,241,587</u>	<u>283,967</u>	<u>362,019</u>	<u>2,475,640</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 4,267,379</u>	<u>\$ 3,278,330</u>	<u>\$ 448,509</u>	<u>\$ 3,309,748</u>

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
\$ 286,947	\$ 1,404,342	\$ 10,251,759	\$ 144,998	\$ -	\$ 1,179,244
-	-	-	-	124,772	-
29,443	1,496	-	-	-	9,376
101	454	3,139	-	11	376
-	-	-	-	-	-
-	-	-	-	779,013	-
<u>316,491</u>	<u>1,406,292</u>	<u>10,254,898</u>	<u>144,998</u>	<u>903,796</u>	<u>1,188,996</u>
9,373	47,188	402,676	-	-	39,021
-	-	-	-	-	-
-	-	-	-	1,763	-
-	-	-	-	-	-
-	-	-	-	-	499
<u>9,373</u>	<u>47,188</u>	<u>402,676</u>	<u>-</u>	<u>1,763</u>	<u>39,520</u>
-	1,496	-	-	779,013	-
-	1,496	-	-	779,013	-
307,118	1,357,608	9,852,222	144,998	123,020	1,149,476
-	-	-	-	-	-
-	-	-	-	-	-
<u>307,118</u>	<u>1,357,608</u>	<u>9,852,222</u>	<u>144,998</u>	<u>123,020</u>	<u>1,149,476</u>
<u>\$ 316,491</u>	<u>\$ 1,406,292</u>	<u>\$ 10,254,898</u>	<u>\$ 144,998</u>	<u>\$ 903,796</u>	<u>\$ 1,188,996</u>

**City of Richmond**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds		Debt Service Funds	
	Cost Recovery Fund	Environmental and Community Investment Agreement Fund	2005 Pension Obligation Bonds Fund	General Debt Service Fund
<b>ASSETS</b>				
Cash and investments	\$ 2,451,253	\$ 18,739,152	\$ -	\$ 8,889
Restricted cash and investments	-	-	11,845,153	-
Receivables:				
Accounts, net	633,007	-	-	-
Interest	2,084	4,510	-	3
Grants	2,865,324	-	-	-
Loans	-	-	-	-
<b>Total assets</b>	<b>5,951,668</b>	<b>18,743,662</b>	<b>11,845,153</b>	<b>8,892</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	2,186,057	3,337,085	-	-
Refundable deposits	665,933	-	-	-
Due to other funds	-	-	3,969	-
Advances to other funds	-	-	-	-
Unearned revenue	20,093	-	-	-
<b>Total liabilities</b>	<b>2,872,083</b>	<b>3,337,085</b>	<b>3,969</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	2,859,324	-	-	-
<b>Total deferred inflows of resources</b>	<b>2,859,324</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	220,261	15,406,577	11,841,184	8,892
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>220,261</b>	<b>15,406,577</b>	<b>11,841,184</b>	<b>8,892</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,951,668</b>	<b>\$ 18,743,662</b>	<b>\$ 11,845,153</b>	<b>\$ 8,892</b>

Capital Projects Funds

Civic Center Debt Service Fund	General Capital Improvement Fund	Measure C/J Fund	Harbor Navigation Fund	Total Nonmajor Governmental Funds
\$ 955,397	\$ 2,916,040	\$ 242,346	\$ 45,445	\$ 46,949,540
39	89,354	-	-	12,060,716
-	-	1,657,713	-	2,635,321
123	-	139	14	12,690
-	-	342,865	-	5,881,007
-	-	-	-	779,013
<u>955,559</u>	<u>3,005,394</u>	<u>2,243,063</u>	<u>45,459</u>	<u>68,318,287</u>
-	15,078	323,974	-	8,900,866
-	-	-	-	665,933
-	-	-	-	5,732
-	-	-	-	-
2,551,845	-	-	-	2,900,459
<u>2,551,845</u>	<u>15,078</u>	<u>323,974</u>	<u>-</u>	<u>12,472,990</u>
-	-	342,865	-	6,055,015
-	-	342,865	-	6,055,015
-	2,990,316	1,657,713	-	48,946,958
-	-	-	45,459	2,521,099
(1,596,286)	-	(81,489)	-	(1,677,775)
<u>(1,596,286)</u>	<u>2,990,316</u>	<u>1,576,224</u>	<u>45,459</u>	<u>49,790,282</u>
<u>\$ 955,559</u>	<u>\$ 3,005,394</u>	<u>\$ 2,243,063</u>	<u>\$ 45,459</u>	<u>\$ 68,318,287</u>

**City of Richmond**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2021**

	Special Revenue Funds			
	State Gas Tax Fund	General Purpose Fund	Paratransit Operations Fund	Employment and Training Fund
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	25,000	-	-
Fines, forfeitures and penalties	-	692	-	-
Use of money and property	11,113	5,923	381	-
Intergovernmental	4,489,591	3,039,844	1,157,832	3,206,590
Charges for services	-	394,595	5,920	-
Other	-	150	-	75,021
<b>Total revenues</b>	<b>4,500,704</b>	<b>3,466,204</b>	<b>1,164,133</b>	<b>3,281,611</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	1,990,463	776,338	-
Public safety	-	879,671	-	-
Public works	2,658,021	75,192	-	-
Community development	-	8,989	-	4,692,920
Cultural and recreational	-	322,057	-	-
Housing and redevelopment	-	437	-	-
Capital outlay	619,466	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>3,277,487</b>	<b>3,276,809</b>	<b>776,338</b>	<b>4,692,920</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,223,217</b>	<b>189,395</b>	<b>387,795</b>	<b>(1,411,309)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	126,186	-	1,495,705
Transfers out	-	(126,186)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,495,705</b>
<b>Net change in fund balances</b>	<b>1,223,217</b>	<b>189,395</b>	<b>387,795</b>	<b>84,396</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	2,018,370	94,572	(25,776)	2,391,244
End of year	\$ 3,241,587	\$ 283,967	\$ 362,019	\$ 2,475,640

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
\$ -	\$ 1,676,745	\$ -	\$ 11,352,354	\$ -	\$ -
-	-	3,237,510	-	-	2,764,961
-	-	-	-	-	-
1,410	5,274	35,663	-	145	6,096
258,269	-	-	-	-	-
-	-	-	-	-	-
33,301	-	-	-	-	24,796
292,980	1,682,019	3,273,173	11,352,354	145	2,795,853
-	-	-	6,563	-	-
299,396	-	79,431	937,004	-	-
-	2,444,618	429,829	-	-	-
-	-	-	-	-	-
-	-	66,520	-	-	-
-	-	-	-	35,576	2,143,246
-	-	601,084	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
299,396	2,444,618	1,176,864	943,567	35,576	2,143,246
(6,416)	(762,599)	2,096,309	10,408,787	(35,431)	652,607
-	645,563	-	-	-	-
-	-	-	(10,263,789)	-	-
-	645,563	-	(10,263,789)	-	-
(6,416)	(117,036)	2,096,309	144,998	(35,431)	652,607
313,534	1,474,644	7,755,913	-	158,451	496,869
\$ 307,118	\$ 1,357,608	\$ 9,852,222	\$ 144,998	\$ 123,020	\$ 1,149,476

**City of Richmond**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2021**

	Special Revenue Funds		Debt Service Funds	
	Cost Recovery Fund	Environmental and Community Investment Agreement Fund	2005 Pension Obligation Bonds Fund	General Debt Service Fund
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ 12,124,486	\$ -
Licenses, permits and fees	8,387,591	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	24,665	62,573	3,281	209
Intergovernmental	718,961	7,000,000	-	-
Charges for services	2,544,424	-	-	-
Other	6,026	50,083	-	-
<b>Total revenues</b>	<b>11,681,667</b>	<b>7,112,656</b>	<b>12,127,767</b>	<b>209</b>
<b>EXPENDITURES:</b>				
Current:				
General government	8,830,541	4,643,862	-	-
Public safety	-	51,908	-	-
Public works	800,652	153,769	-	-
Community development	-	500,000	-	-
Cultural and recreational	-	330,067	-	-
Housing and redevelopment	-	-	-	-
Capital outlay	2,521,583	401,638	-	-
Debt service:				
Principal	-	-	9,458,000	795,000
Interest and fiscal charges	-	-	2,143,869	296,687
<b>Total expenditures</b>	<b>12,152,776</b>	<b>6,081,244</b>	<b>11,601,869</b>	<b>1,091,687</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(471,109)</b>	<b>1,031,412</b>	<b>525,898</b>	<b>(1,091,478)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	1,092,338
Transfers out	-	(325,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(325,000)</b>	<b>-</b>	<b>1,092,338</b>
<b>Net change in fund balances</b>	<b>(471,109)</b>	<b>706,412</b>	<b>525,898</b>	<b>860</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	691,370	14,700,165	11,315,286	8,032
End of year	\$ 220,261	\$ 15,406,577	\$ 11,841,184	\$ 8,892

Capital Projects Funds				
Civic Center Debt Service Fund	General Capital Improvement Fund	Measure C/J Fund	Harbor Navigation Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 25,153,585
-	-	-	-	14,415,062
-	-	-	-	692
2,613	22	3,523	195	163,086
-	-	1,657,713	-	21,528,800
5,696,151	-	-	-	8,641,090
-	-	-	-	189,377
5,698,764	22	1,661,236	195	70,091,692
-	-	-	-	16,247,767
-	-	-	-	2,247,410
-	-	716,192	-	7,278,273
-	-	-	-	5,201,909
-	-	-	-	718,644
-	-	-	-	2,179,259
-	839,634	985,430	-	5,968,835
3,260,000	-	-	-	13,513,000
4,466,982	-	-	-	6,907,538
7,726,982	839,634	1,701,622	-	60,262,635
(2,028,218)	(839,612)	(40,386)	195	9,829,057
2,406,458	303,275	-	-	6,069,525
-	-	-	-	(10,714,975)
2,406,458	303,275	-	-	(4,645,450)
378,240	(536,337)	(40,386)	195	5,183,607
(1,974,526)	3,526,653	1,616,610	45,264	44,606,675
\$ (1,596,286)	\$ 2,990,316	\$ 1,576,224	\$ 45,459	\$ 49,790,282

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 11,113	\$ 11,113
Intergovernmental	4,513,317	4,513,317	4,489,591	(23,726)
<b>Total revenues</b>	<b>4,513,317</b>	<b>4,513,317</b>	<b>4,500,704</b>	<b>(12,613)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,827,121	3,124,644	2,658,021	466,623
Capital outlay	1,450,845	1,153,322	619,466	533,856
<b>Total expenditures</b>	<b>4,277,966</b>	<b>4,277,966</b>	<b>3,277,487</b>	<b>1,000,479</b>
<b>Net change in fund balances</b>	<b>\$ 235,351</b>	<b>\$ 235,351</b>	<b>1,223,217</b>	<b>\$ 987,866</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			2,018,370	
End of year			<u>\$ 3,241,587</u>	

**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Purpose Fund**  
**For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 25,000	\$ 148,207	\$ 25,000	\$ (123,207)
Fines, forfeitures and penalties	19,000	500	692	192
Use of money and property	-	1,000	5,923	4,923
Intergovernmental	1,471,859	2,458,423	3,039,844	581,421
Charges for services	50,000	50,000	394,595	344,595
Other	17,733	17,733	150	(17,583)
<b>Total revenues</b>	<b>1,583,592</b>	<b>2,675,863</b>	<b>3,466,204</b>	<b>790,341</b>
<b>EXPENDITURES:</b>				
Current:				
General government	604,977	811,463	1,990,463	(1,179,000)
Public safety	318,618	1,102,824	879,671	223,153
Public works	1,073	112,814	75,192	37,622
Community development	-	-	8,989	(8,989)
Cultural and recreational	477,939	493,326	322,057	171,269
Housing and redevelopment	-	-	437	(437)
Capital outlay	284,000	284,000	-	284,000
<b>Total expenditures</b>	<b>1,686,607</b>	<b>2,804,427</b>	<b>3,276,809</b>	<b>(472,382)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(103,015)</b>	<b>(128,564)</b>	<b>189,395</b>	<b>317,959</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	126,186	126,186
Transfers out	-	-	(126,186)	(126,186)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (103,015)</b>	<b>\$ (128,564)</b>	<b>189,395</b>	<b>\$ 317,959</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			94,572	
End of year			<u>\$ 283,967</u>	

**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Paratransit Operations Fund**  
**For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 381	\$ 381
Intergovernmental	895,000	895,000	1,157,832	262,832
Charges for services	-	-	5,920	5,920
Other	20,000	20,000	-	(20,000)
<b>Total revenues</b>	<b>915,000</b>	<b>915,000</b>	<b>1,164,133</b>	<b>249,133</b>
<b>EXPENDITURES:</b>				
Current:				
General government	1,142,342	1,143,292	776,338	366,954
Community development	25,600	24,650	-	24,650
<b>Total expenditures</b>	<b>1,167,942</b>	<b>1,167,942</b>	<b>776,338</b>	<b>391,604</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(252,942)</b>	<b>(252,942)</b>	<b>387,795</b>	<b>640,737</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	252,942	252,942	-	(252,942)
<b>Total other financing sources (uses)</b>	<b>252,942</b>	<b>252,942</b>	<b>-</b>	<b>(252,942)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>387,795</b>	<b>\$ 387,795</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			(25,776)	
End of year			\$ 362,019	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 8,258,640	\$ 8,624,536	\$ 3,206,590	\$ (5,417,946)
Charges for services	116,371	116,371	-	(116,371)
Other	212,940	212,940	75,021	(137,919)
<b>Total revenues</b>	<b>8,587,951</b>	<b>8,953,847</b>	<b>3,281,611</b>	<b>(5,672,236)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	9,703,826	10,069,722	4,692,920	5,376,802
<b>Total expenditures</b>	<b>9,703,826</b>	<b>10,069,722</b>	<b>4,692,920</b>	<b>5,376,802</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(1,115,875)</b>	<b>(1,115,875)</b>	<b>(1,411,309)</b>	<b>(295,434)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,495,705	1,495,705	1,495,705	-
<b>Total other financing sources (uses)</b>	<b>1,495,705</b>	<b>1,495,705</b>	<b>1,495,705</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 379,830</b>	<b>\$ 379,830</b>	<b>84,396</b>	<b>\$ (295,434)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			2,391,244	
End of year			<b>\$ 2,475,640</b>	

**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Public Safety Fund**  
**For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 1,410	\$ 1,410
Intergovernmental	360,335	360,335	258,269	(102,066)
Other	-	20,780	33,301	12,521
<b>Total revenues</b>	<b>360,335</b>	<b>381,115</b>	<b>292,980</b>	<b>(88,135)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	566,811	566,811	299,396	267,415
<b>Total expenditures</b>	<b>566,811</b>	<b>566,811</b>	<b>299,396</b>	<b>267,415</b>
<b>Net change in fund balances</b>	<b>\$ (206,476)</b>	<b>\$ (185,696)</b>	<b>(6,416)</b>	<b>\$ 179,280</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			313,534	
End of year			<u>\$ 307,118</u>	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 1,678,479	\$ 1,678,479	\$ 1,676,745	\$ (1,734)
Use of money and property	-	-	5,274	5,274
<b>Total revenues</b>	<b>1,678,479</b>	<b>1,678,479</b>	<b>1,682,019</b>	<b>3,540</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,083,585	2,369,939	2,444,618	(74,679)
<b>Total expenditures</b>	<b>2,083,585</b>	<b>2,369,939</b>	<b>2,444,618</b>	<b>(74,679)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(405,106)</b>	<b>(691,460)</b>	<b>(762,599)</b>	<b>(71,139)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	645,563	645,563	645,563	-
<b>Total other financing sources (uses)</b>	<b>645,563</b>	<b>645,563</b>	<b>645,563</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 240,457</b>	<b>\$ (45,897)</b>	<b>(117,036)</b>	<b>\$ (71,139)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			1,474,644	
End of year			<b>\$ 1,357,608</b>	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ -	\$ 436,278	\$ 3,237,510	\$ 2,801,232
Use of money and property	-	-	35,663	35,663
<b>Total revenues</b>	-	436,278	3,273,173	2,836,895
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	79,431	(79,431)
Public works	-	-	429,829	(429,829)
Cultural and recreational	-	-	66,520	(66,520)
Capital outlay	-	-	601,084	(601,084)
<b>Total expenditures</b>	-	-	1,176,864	(1,176,864)
<b>Net change in fund balances</b>	\$ -	\$ 436,278	2,096,309	\$ 1,660,031
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			7,755,913	
End of year			\$ 9,852,222	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 11,200,793	\$ 11,200,793	\$ 11,352,354	\$ 151,561
<b>Total revenues</b>	<b>11,200,793</b>	<b>11,200,793</b>	<b>11,352,354</b>	<b>151,561</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	6,563	(6,563)
Public safety	937,004	937,004	937,004	-
<b>Total expenditures</b>	<b>937,004</b>	<b>937,004</b>	<b>943,567</b>	<b>(6,563)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>10,263,789</b>	<b>10,263,789</b>	<b>10,408,787</b>	<b>144,998</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(10,263,789)	(10,263,789)	(10,263,789)	-
<b>Total other financing sources (uses)</b>	<b>(10,263,789)</b>	<b>(10,263,789)</b>	<b>(10,263,789)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>144,998</b>	<b>\$ 144,998</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			-	
End of year			\$ 144,998	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 766	\$ 766	\$ 145	\$ (621)
<b>Total revenues</b>	<b>766</b>	<b>766</b>	<b>145</b>	<b>(621)</b>
<b>EXPENDITURES:</b>				
Current:				
Housing and redevelopment	4,750	4,750	35,576	(30,826)
<b>Total expenditures</b>	<b>4,750</b>	<b>4,750</b>	<b>35,576</b>	<b>(30,826)</b>
<b>Net change in fund balances</b>	<b>\$ (3,984)</b>	<b>\$ (3,984)</b>	<b>(35,431)</b>	<b>\$ (31,447)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			158,451	
End of year			<b>\$ 123,020</b>	

**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Rent Control Fund**  
**For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 2,609,056	\$ 2,609,056	\$ 2,764,961	\$ 155,905
Use of money and property	-	-	6,096	6,096
Other	-	-	24,796	24,796
<b>Total revenues</b>	<b>2,609,056</b>	<b>2,609,056</b>	<b>2,795,853</b>	<b>186,797</b>
<b>EXPENDITURES:</b>				
Current:				
Housing and redevelopment	2,425,312	2,425,312	2,143,246	282,066
<b>Total expenditures</b>	<b>2,425,312</b>	<b>2,425,312</b>	<b>2,143,246</b>	<b>282,066</b>
<b>Net change in fund balances</b>	<b>\$ 183,744</b>	<b>\$ 183,744</b>	<b>652,607</b>	<b>\$ 468,863</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			496,869	
End of year			<u>\$ 1,149,476</u>	

**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Cost Recovery Fund**  
**For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 6,871,937	\$ 6,905,005	\$ 8,387,591	\$ 1,482,586
Use of money and property	-	-	24,665	24,665
Intergovernmental	22,213,448	28,573,951	718,961	(27,854,990)
Charges for services	2,195,718	3,495,718	2,544,424	(951,294)
Other	-	-	6,026	6,026
<b>Total revenues</b>	<b>31,281,103</b>	<b>38,974,674</b>	<b>11,681,667</b>	<b>(27,293,007)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	8,338,655	10,801,139	8,830,541	1,970,598
Public works	909,949	1,498,517	800,652	697,865
Capital outlay	21,629,581	26,551,616	2,521,583	24,030,033
<b>Total expenditures</b>	<b>30,878,185</b>	<b>38,851,272</b>	<b>12,152,776</b>	<b>26,698,496</b>
<b>Net change in fund balances</b>	<b>\$ 402,918</b>	<b>\$ 123,402</b>	<b>(471,109)</b>	<b>\$ (594,511)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			691,370	
End of year			<b>\$ 220,261</b>	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 62,573	\$ 62,573
Intergovernmental	9,258,000	9,258,000	7,000,000	(2,258,000)
Other	-	-	50,083	50,083
<b>Total revenues</b>	<b>9,258,000</b>	<b>9,258,000</b>	<b>7,112,656</b>	<b>(2,145,344)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	7,269,907	6,944,807	4,643,862	2,300,945
Public safety	304,569	235,940	51,908	184,032
Public works	303,800	303,800	153,769	150,031
Community development	3,500,000	3,500,100	500,000	3,000,100
Cultural and recreational	781,514	781,514	330,067	451,447
Capital outlay	1,826,312	1,894,941	401,638	1,493,303
<b>Total expenditures</b>	<b>13,986,102</b>	<b>13,661,102</b>	<b>6,081,244</b>	<b>7,579,858</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(4,728,102)</b>	<b>(4,403,102)</b>	<b>1,031,412</b>	<b>5,434,514</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(252,942)	(577,942)	(325,000)	252,942
<b>Total other financing sources (uses)</b>	<b>(252,942)</b>	<b>(577,942)</b>	<b>(325,000)</b>	<b>252,942</b>
<b>Net change in fund balances</b>	<b>\$ (4,981,044)</b>	<b>\$ (4,981,044)</b>	<b>706,412</b>	<b>\$ 5,687,456</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			14,700,165	
End of year			<b>\$ 15,406,577</b>	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 12,124,486	\$ 12,124,486	\$ 12,124,486	\$ -
Use of money and property	-	-	3,281	3,281
<b>Total revenues</b>	<b>12,124,486</b>	<b>12,124,486</b>	<b>12,127,767</b>	<b>3,281</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	9,458,000	9,458,000	9,458,000	-
Interest and fiscal charges	4,575,500	4,575,500	2,143,869	2,431,631
<b>Total expenditures</b>	<b>14,033,500</b>	<b>14,033,500</b>	<b>11,601,869</b>	<b>2,431,631</b>
<b>Net change in fund balances</b>	<b>\$ (1,909,014)</b>	<b>\$ (1,909,014)</b>	<b>525,898</b>	<b>\$ 2,434,912</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			11,315,286	
End of year			<u>\$ 11,841,184</u>	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 209	\$ 209
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>209</b>	<b>209</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	795,000	795,000	795,000	-
Interest and fiscal charges	295,838	295,838	296,687	(849)
<b>Total expenditures</b>	<b>1,090,838</b>	<b>1,090,838</b>	<b>1,091,687</b>	<b>(849)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(1,090,838)</b>	<b>(1,090,838)</b>	<b>(1,091,478)</b>	<b>(640)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,092,338	1,092,338	1,092,338	-
<b>Total other financing sources (uses)</b>	<b>1,092,338</b>	<b>1,092,338</b>	<b>1,092,338</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 1,500</b>	<b>\$ 1,500</b>	<b>860</b>	<b>\$ (640)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			8,032	
End of year			<b>\$ 8,892</b>	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 2,613	2,613
Charges for services	5,580,311	5,580,311	5,696,151	115,840
<b>Total revenues</b>	<b>5,580,311</b>	<b>5,580,311</b>	<b>5,698,764</b>	<b>118,453</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	3,260,000	(74,055,000)	3,260,000	(77,315,000)
Interest and fiscal charges	4,455,769	4,455,769	4,466,982	(11,213)
<b>Total expenditures</b>	<b>7,715,769</b>	<b>(69,599,231)</b>	<b>7,726,982</b>	<b>(77,326,213)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(2,135,458)</b>	<b>75,179,542</b>	<b>(2,028,218)</b>	<b>(77,207,760)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Payment to refunded bonds escrow agent	-	(77,315,000)	-	77,315,000
Transfers in	2,406,458	2,406,458	2,406,458	-
<b>Total other financing sources (uses)</b>	<b>2,406,458</b>	<b>(74,908,542)</b>	<b>2,406,458</b>	<b>77,315,000</b>
<b>Net change in fund balances</b>	<b>\$ 271,000</b>	<b>\$ 271,000</b>	<b>378,240</b>	<b>\$ 107,240</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			(1,974,526)	
End of year			<u>\$ (1,596,286)</u>	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 22	\$ 22
<b>Total revenues</b>	-	-	22	22
<b>EXPENDITURES:</b>				
Capital outlay	-	-	839,634	(839,634)
<b>Total expenditures</b>	-	-	839,634	(839,634)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	-	(839,612)	(839,612)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	303,275	303,275	-
<b>Total other financing sources (uses)</b>	-	303,275	303,275	-
<b>Net change in fund balances</b>	\$ -	\$ 303,275	(536,337)	\$ (839,612)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			3,526,653	
End of year			\$ 2,990,316	

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 3,523	\$ 3,523
Intergovernmental	4,756,391	4,756,391	1,657,713	(3,098,678)
<b>Total revenues</b>	<b>4,756,391</b>	<b>4,756,391</b>	<b>1,661,236</b>	<b>(3,095,155)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	716,192	(716,192)
Capital outlay	-	-	985,430	(985,430)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,701,622</b>	<b>(1,701,622)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>4,756,391</b>	<b>4,756,391</b>	<b>(40,386)</b>	<b>(4,796,777)</b>
<b>Net change in fund balances</b>	<b>\$ 4,756,391</b>	<b>\$ 4,756,391</b>	<b>(40,386)</b>	<b>\$ (4,796,777)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			1,616,610	
End of year			\$ 1,576,224	

**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Harbor Navigation Fund**  
**For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 195	\$ 195
<b>Total revenues</b>	-	-	195	195
<b>Net change in fund balances</b>	\$ -	\$ -	195	\$ 195
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			45,264	
End of year			\$ 45,459	

## 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, 2021**

	Richmond Marina Fund	Storm Sewer Fund	Cable TV Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 4,200,928	\$ 953,168	\$ 669,936	\$ 5,824,032
Restricted cash and investments	89,726	-	-	89,726
Receivables:				
Accounts, net	138,887	5,579	290,323	434,789
Interest	1,298	-	189	1,487
Total current assets	<u>4,430,839</u>	<u>958,747</u>	<u>960,448</u>	<u>6,350,034</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	330,794	3,523,900	-	3,854,694
Depreciable	4,338,356	30,889,661	120,981	35,348,998
Less accumulated depreciation	<u>(3,150,267)</u>	<u>(29,847,123)</u>	<u>(120,981)</u>	<u>(33,118,371)</u>
Net capital assets	<u>1,518,883</u>	<u>4,566,438</u>	<u>-</u>	<u>6,085,321</u>
Total noncurrent assets	<u>1,518,883</u>	<u>4,566,438</u>	<u>-</u>	<u>6,085,321</u>
<b>Total assets</b>	<u>5,949,722</u>	<u>5,525,185</u>	<u>960,448</u>	<u>12,435,355</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	-	46,594	263,370	309,964
Deferred outflows of resources - OPEB	-	4,608	24,930	29,538
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>51,202</u>	<u>288,300</u>	<u>339,502</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	-	323,610	10,327	333,937
Interest payable	96,395	-	-	96,395
Refundable deposits	87,973	1,200	-	89,173
Compensated absences - current	-	-	41,737	41,737
Long-term debt - current	101,656	-	-	101,656
Total current liabilities	<u>286,024</u>	<u>324,810</u>	<u>52,064</u>	<u>662,898</u>
Noncurrent liabilities:				
Advances from other funds	-	2,580,535	-	2,580,535
Unearned revenue	-	591,867	-	591,867
Compensated absences	-	-	5,838	5,838
Long-term debt	2,235,202	-	-	2,235,202
Net pension liability	-	355,891	2,011,645	2,367,536
Net OPEB liability	-	149,582	809,501	959,083
Total noncurrent liabilities	<u>2,235,202</u>	<u>3,677,875</u>	<u>2,826,984</u>	<u>8,740,061</u>
<b>Total liabilities</b>	<u>2,521,226</u>	<u>4,002,685</u>	<u>2,879,048</u>	<u>9,402,959</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	-	6,125	34,622	40,747
Deferred inflows of resources - OPEB	-	71,005	384,261	455,266
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>77,130</u>	<u>418,883</u>	<u>496,013</u>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	(817,975)	4,566,438	-	3,748,463
Restricted for debt service	89,726	-	-	89,726
Unrestricted	4,156,745	(3,069,866)	(2,049,183)	(962,304)
<b>Total net position</b>	<u>\$ 3,428,496</u>	<u>\$ 1,496,572</u>	<u>\$ (2,049,183)</u>	<u>\$ 2,875,885</u>

**City of Richmond**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the year ended June 30, 2021**

	Richmond Marina Fund	Storm Sewer Fund	Cable TV Fund	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>				
Service charges	\$ -	\$ 2,098,685	\$ 1,145,886	\$ 3,244,571
Lease income	574,453	5,243	-	579,696
Other	-	-	50	50
<b>Total operating revenues</b>	<b>574,453</b>	<b>2,103,928</b>	<b>1,145,936</b>	<b>3,824,317</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	-	134,662	536,089	670,751
General and administrative	36,305	1,543,522	252,868	1,832,695
Depreciation	85,563	45,088	-	130,651
<b>Total operating expenses</b>	<b>121,868</b>	<b>1,723,272</b>	<b>788,957</b>	<b>2,634,097</b>
<b>OPERATING INCOME (LOSS)</b>	<b>452,585</b>	<b>380,656</b>	<b>356,979</b>	<b>1,190,220</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	18,789	-	2,310	21,099
Grants	-	1,722,930	-	1,722,930
Interest expense	(105,523)	(73,150)	-	(178,673)
<b>Total nonoperating revenues (expenses)</b>	<b>(86,734)</b>	<b>1,649,780</b>	<b>2,310</b>	<b>1,565,356</b>
<b>Income (loss) before contributions and transfers</b>	<b>365,851</b>	<b>2,030,436</b>	<b>359,289</b>	<b>2,755,576</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>				
Transfers out	(86,778)	-	-	(86,778)
<b>Total contributions and transfers</b>	<b>(86,778)</b>	<b>-</b>	<b>-</b>	<b>(86,778)</b>
<b>Change in net position</b>	<b>279,073</b>	<b>2,030,436</b>	<b>359,289</b>	<b>2,668,798</b>
<b>NET POSITION:</b>				
Beginning of year	3,149,423	(533,864)	(2,408,472)	207,087
End of year	\$ 3,428,496	\$ 1,496,572	\$ (2,049,183)	\$ 2,875,885

**City of Richmond**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the year ended June 30, 2021**

	Richmond Marina Fund	Storm Sewer Fund	Cable TV Fund	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 588,224	\$ 2,695,408	\$ 1,149,802	\$ 4,433,434
Payments to suppliers	(35,651)	(1,463,315)	(242,727)	(1,741,693)
Payments to employees	-	(179,976)	(699,233)	(879,209)
<b>Net cash provided by (used in) operating activities</b>	<b>552,573</b>	<b>1,052,117</b>	<b>207,842</b>	<b>1,812,532</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund receipts (payments)	-	(46,719)	-	(46,719)
Transfers out	(86,778)	-	-	(86,778)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(86,778)</b>	<b>(46,719)</b>	<b>-</b>	<b>(133,497)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Grant receipts	-	1,722,930	-	1,722,930
Acquisition of capital assets	-	(1,702,010)	-	(1,702,010)
Principal payments on capital debt	(97,279)	-	-	(97,279)
Interest paid	(109,536)	(73,150)	-	(182,686)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(206,815)</b>	<b>(52,230)</b>	<b>-</b>	<b>(259,045)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest	22,777	-	2,646	25,423
<b>Net cash provided by (used in) investing activities</b>	<b>22,777</b>	<b>-</b>	<b>2,646</b>	<b>25,423</b>
<b>Net cash flows</b>	<b>281,757</b>	<b>953,168</b>	<b>210,488</b>	<b>1,445,413</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>4,008,897</b>	<b>-</b>	<b>459,448</b>	<b>4,468,345</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 4,290,654</b>	<b>\$ 953,168</b>	<b>\$ 669,936</b>	<b>\$ 5,913,758</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 452,585	\$ 380,656	\$ 356,979	\$ 1,190,220
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	85,563	45,088	-	130,651
Changes in assets and liabilities:				
Receivables, net	13,771	(387)	3,866	17,250
Accounts payable and accrued liabilities	-	80,207	10,141	90,348
Refundable deposits	654	-	-	654
Unearned revenue	-	591,867	-	591,867
Compensated absences payable	-	(14,890)	1,348	(13,542)
Net pension liability and deferred outflows/inflows	-	626	3,539	4,165
Net OPEB liability and deferred outflows/inflows	-	(31,050)	(168,031)	(199,081)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 552,573</b>	<b>\$ 1,052,117</b>	<b>\$ 207,842</b>	<b>\$ 1,812,532</b>

## 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.

*Police Telecommunications Fund* is used to report activities related to CAD dispatch, RMS records, maintenance, and 800 MHz equipment expense.

*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, 2021**

	Insurance Reserves	Equipment Services and Replacement	Police Tele- communications	Compensated Absences	Total Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 50,812,459	\$ 313,895	\$ -	\$ 910,951	\$ 52,037,305
Restricted cash and investments	-	1,233,426	-	-	1,233,426
Receivables:					
Accounts, net	9,000	-	-	-	9,000
Interest	16,130	62	-	-	16,192
<b>Total current assets</b>	<b>50,837,589</b>	<b>1,547,383</b>	<b>-</b>	<b>910,951</b>	<b>53,295,923</b>
Noncurrent assets:					
Receivables:					
Advances to other funds	2,580,535	-	-	-	2,580,535
Capital assets:					
Nondepreciable	-	2,826,937	-	-	2,826,937
Depreciable	-	24,784,013	-	-	24,784,013
Less accumulated depreciation	-	(19,681,861)	-	-	(19,681,861)
Net capital assets	-	7,929,089	-	-	7,929,089
<b>Total noncurrent assets</b>	<b>2,580,535</b>	<b>7,929,089</b>	<b>-</b>	<b>-</b>	<b>10,509,624</b>
<b>Total assets</b>	<b>53,418,124</b>	<b>9,476,472</b>	<b>-</b>	<b>910,951</b>	<b>63,805,547</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - pension	481,556	-	-	-	481,556
Deferred outflows of resources - OPEB	44,441	-	-	-	44,441
Deferred charge on refunding	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>525,997</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,997</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	1,609,733	-	-	-	1,609,733
Interest payable	-	9,717	-	-	9,717
Compensated absences - current	35,782	-	-	-	35,782
Claims payable - current	13,033,895	-	-	-	13,033,895
Long-term debt - current	-	251,951	-	-	251,951
<b>Total current liabilities</b>	<b>14,679,410</b>	<b>261,668</b>	<b>-</b>	<b>-</b>	<b>14,941,078</b>
Noncurrent liabilities:					
Compensated absences	75,445	-	-	-	75,445
Claims payable	31,358,444	-	-	-	31,358,444
Long-term debt	-	1,736,079	-	-	1,736,079
Net pension liability	3,678,178	-	-	-	3,678,178
Net OPEB liability	1,443,023	-	-	-	1,443,023
<b>Total noncurrent liabilities</b>	<b>36,555,090</b>	<b>1,736,079</b>	<b>-</b>	<b>-</b>	<b>38,291,169</b>
<b>Total liabilities</b>	<b>51,234,500</b>	<b>1,997,747</b>	<b>-</b>	<b>-</b>	<b>53,232,247</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - pension	63,305	-	-	-	63,305
Deferred inflows of resources - OPEB	684,987	-	-	-	684,987
<b>Total deferred inflows of resources</b>	<b>748,292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>748,292</b>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	-	7,174,485	-	-	7,174,485
Unrestricted	1,961,329	304,240	-	910,951	3,176,520
<b>Total net position</b>	<b>\$ 1,961,329</b>	<b>\$ 7,478,725</b>	<b>\$ -</b>	<b>\$ 910,951</b>	<b>\$ 10,351,005</b>

**City of Richmond**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2021**

	Insurance Reserves	Equipment Services and Replacement	Police Tele- communications	Compensated Absences	Total Internal Service Funds
<b>OPERATING REVENUES:</b>					
Service charges - internal	\$ 17,985,992	\$ 1,245,000	\$ 106,026	\$ 2,400,000	\$ 21,737,018
Service charges - external	-	-	-	-	-
Other	272	-	-	-	272
<b>Total operating revenues</b>	<b>17,986,264</b>	<b>1,245,000</b>	<b>106,026</b>	<b>2,400,000</b>	<b>21,737,290</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	1,317,218	-	-	2,175,310	3,492,528
General and administrative	1,097,351	-	-	-	1,097,351
Maintenance	1,756,589	24,382	-	-	1,780,971
Depreciation	-	985,343	-	-	985,343
Claims losses	13,476,986	-	-	-	13,476,986
Other	1,005	-	-	-	1,005
<b>Total operating expenses</b>	<b>17,649,149</b>	<b>1,009,725</b>	<b>-</b>	<b>2,175,310</b>	<b>20,834,184</b>
<b>OPERATING INCOME (LOSS)</b>	<b>337,115</b>	<b>235,275</b>	<b>106,026</b>	<b>224,690</b>	<b>903,106</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Interest income	285,258	4,249	-	-	289,507
Grants	1,292,953	-	-	-	1,292,953
Interest expense	-	(82,498)	-	-	(82,498)
<b>Total nonoperating revenues (expenses)</b>	<b>1,578,211</b>	<b>(78,249)</b>	<b>-</b>	<b>-</b>	<b>1,499,962</b>
<b>Income (loss) before contributions and transfers</b>	<b>1,915,326</b>	<b>157,026</b>	<b>106,026</b>	<b>224,690</b>	<b>2,403,068</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>					
Transfers in	-	426,018	-	-	426,018
Transfers out	-	-	(196,550)	-	(196,550)
<b>Total contributions and transfers</b>	<b>-</b>	<b>426,018</b>	<b>(196,550)</b>	<b>-</b>	<b>229,468</b>
<b>Change in net position</b>	<b>1,915,326</b>	<b>583,044</b>	<b>(90,524)</b>	<b>224,690</b>	<b>2,632,536</b>
<b>NET POSITION:</b>					
Beginning of year	46,003	6,895,681	90,524	686,261	7,718,469
End of year	<u>\$ 1,961,329</u>	<u>\$ 7,478,725</u>	<u>\$ -</u>	<u>\$ 910,951</u>	<u>\$ 10,351,005</u>

**City of Richmond**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2021**

	Insurance Reserves	Equipment Services and Replacement	Police Tele- communications	Compensated Absences	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from interfund services	\$ 18,282,044	\$ 1,245,000	\$ 176,058	\$ 2,400,000	\$ 22,103,102
Payments to suppliers	(1,410,930)	(194,850)	(3,614)	-	(1,609,394)
Payments to employees	(1,638,880)	-	(150,985)	(2,175,310)	(3,965,175)
Insurance premiums and claims paid	(12,325,014)	-	-	-	(12,325,014)
<b>Net cash provided by (used in) operating activities</b>	<b>2,907,220</b>	<b>1,050,150</b>	<b>21,459</b>	<b>224,690</b>	<b>4,203,519</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Interfund receipts (payments)	9,703,154	-	-	-	9,703,154
Transfers in	-	426,018	-	-	426,018
Transfers out	-	-	(151,591)	-	(151,591)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>9,703,154</b>	<b>426,018</b>	<b>(151,591)</b>	<b>-</b>	<b>9,977,581</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Grant receipts	1,292,953	-	-	-	1,292,953
Acquisition of capital assets	-	(2,003,389)	-	-	(2,003,389)
Principal payments on capital debt	-	(242,336)	-	-	(242,336)
Interest paid	-	(83,682)	-	-	(83,682)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>1,292,953</b>	<b>(2,329,407)</b>	<b>-</b>	<b>-</b>	<b>(1,036,454)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest	331,912	5,851	998	-	338,761
<b>Net cash provided by (used in) investing activities</b>	<b>331,912</b>	<b>5,851</b>	<b>998</b>	<b>-</b>	<b>338,761</b>
<b>Net cash flows</b>	<b>14,235,239</b>	<b>(847,388)</b>	<b>(129,134)</b>	<b>224,690</b>	<b>13,483,407</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>36,577,220</b>	<b>2,394,709</b>	<b>129,134</b>	<b>686,261</b>	<b>39,787,324</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 50,812,459</b>	<b>\$ 1,547,321</b>	<b>\$ -</b>	<b>\$ 910,951</b>	<b>\$ 53,270,731</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 337,115	\$ 235,275	\$ 106,026	\$ 224,690	\$ 903,106
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	-	985,343	-	-	985,343
Changes in assets and liabilities:					
Receivables, net	295,780	-	70,032	-	365,812
Accounts payable and accrued liabilities	1,444,015	(170,468)	(3,614)	-	1,269,933
Compensated absences payable	(28,603)	-	(150,985)	-	(179,588)
Claims payable	1,151,972	-	-	-	1,151,972
Net pension liability and deferred outflows/inflows	6,474	-	-	-	6,474
Net OPEB liability and deferred outflows/inflows	(299,533)	-	-	-	(299,533)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,907,220</b>	<b>\$ 1,050,150</b>	<b>\$ 21,459</b>	<b>\$ 224,690</b>	<b>\$ 4,203,519</b>

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## 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, 2021**

	Pension			Total
	General Pension	Police and Firemen's Pension	Garfield Pension	
<b>ASSETS</b>				
Restricted cash and investments	\$ 1,092,667	\$ 71,321	\$ 62,921	\$ 1,226,909
Local Agency Investment Fund	-	-	186,062	186,062
Mutual fund investments	-	13,042,440	-	13,042,440
Interest receivable	359	86	22	467
<b>Total assets</b>	<b>1,093,026</b>	<b>13,113,847</b>	<b>249,005</b>	<b>14,455,878</b>
<b>NET POSITION:</b>				
Restricted for employees' pension and OPEB benefits	1,093,026	13,113,847	249,005	14,455,878
<b>Total net position</b>	<b>\$ 1,093,026</b>	<b>\$ 13,113,847</b>	<b>\$ 249,005</b>	<b>\$ 14,455,878</b>

**City of Richmond**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**For the year ended June 30, 2021**

	Pension			Total
	General Pension	Police and Firemen's Pension	Garfield Pension	
<b>ADDITIONS:</b>				
Contributions to trust - employers	\$ 319,025	\$ 937,004	\$ -	\$ 1,256,029
Net investment income:				
Net increase (decrease) in fair value of investments	101	2,392,461	22	2,392,584
Interest income	5,400	207,245	1,963	214,608
Less investment management fees	-	(72,568)	-	(72,568)
<b>Total additions</b>	<b>324,526</b>	<b>3,464,142</b>	<b>1,985</b>	<b>3,790,653</b>
<b>DEDUCTIONS:</b>				
Pension and OPEB benefits	401,991	1,412,673	50,049	1,864,713
<b>Total deductions</b>	<b>401,991</b>	<b>1,412,673</b>	<b>50,049</b>	<b>1,864,713</b>
<b>Change in net position</b>	<b>(77,465)</b>	<b>2,051,469</b>	<b>(48,064)</b>	<b>1,925,940</b>
<b>NET POSITION:</b>				
Beginning of year	1,170,491	11,062,378	297,069	12,529,938
End of year	\$ 1,093,026	\$ 13,113,847	\$ 249,005	\$ 14,455,878

**City of Richmond**  
**Combining Statement of Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**June 30, 2021**

	Pt. Molate	Successor Agency to the Richmond Community Redevelopment Agency	Total
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 7,075,368	\$ 7,075,368
Restricted cash and investments	2,266,164	15,439,808	17,705,972
Accounts receivable	-	33,665	33,665
Interest receivable	131	22,141	22,272
Grants receivable	-	451,406	451,406
Loans receivable	-	1,021,000	1,021,000
Prepays and other assets	-	5,716,860	5,716,860
<b>Total assets</b>	<b>2,266,295</b>	<b>29,760,248</b>	<b>32,026,543</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - deferred loss on refunding	-	436,160	436,160
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>436,160</b>	<b>436,160</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	71,757	194,505	266,262
Interest payable	-	697,901	697,901
Long-term debt:			
Due within one year	-	6,645,000	6,645,000
Due in more than one year	-	53,465,925	53,465,925
<b>Total liabilities</b>	<b>71,757</b>	<b>61,003,331</b>	<b>61,075,088</b>
<b>NET POSITION:</b>			
Held in trust for other governments	2,194,538	(30,806,923)	(28,612,385)
<b>Total net position</b>	<b>\$ 2,194,538</b>	<b>\$ (30,806,923)</b>	<b>\$ (28,612,385)</b>

**City of Richmond**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the year ended June 30, 2021**

	Pt. Molate	Successor Agency to the Richmond Community Redevelopment Agency	Total
<b>ADDITIONS:</b>			
Property taxes	\$ -	\$ 12,927,768	\$ 12,927,768
Contributions from the City	-	451,406	451,406
Interest income	1,989	1,044,655	1,046,644
Gain from sale of property	-	925,585	925,585
<b>Total additions</b>	<b>1,989</b>	<b>15,349,414</b>	<b>15,351,403</b>
<b>DEDUCTIONS:</b>			
Community development	-	1,970,023	1,970,023
Payments in accordance with trust agreements	211,835	-	211,835
Interest and fiscal charges	-	4,128,651	4,128,651
<b>Total deductions</b>	<b>211,835</b>	<b>6,098,674</b>	<b>6,310,509</b>
<b>Change in net position</b>	<b>(209,846)</b>	<b>9,250,740</b>	<b>9,040,894</b>
<b>NET POSITION:</b>			
Beginning of year	2,404,384	(40,057,663)	(37,653,279)
End of year	\$ 2,194,538	\$ (30,806,923)	\$ (28,612,385)

**City of Richmond**  
**Subcombining Statement of Fiduciary Net Position**  
**Successor Agency to the Richmond Community Redevelopment Agency**  
**June 30, 2021**

	Redevelopment		Capital	Bond Funded
	Property Tax	Administration	Projects	Capital Projects
	Trust Fund			
<b>ASSETS</b>				
Cash and investments	\$ 5,166,462	\$ 16,627	\$ 1,891,316	\$ -
Restricted cash and investments	-	-	3,678,229	-
Accounts receivable	-	-	33,665	-
Interest receivable	-	-	22,141	-
Grants receivable	-	-	451,406	-
Loans receivable	-	-	1,021,000	-
Prepays and other assets	-	-	5,716,860	-
<b>Total assets</b>	<b>5,166,462</b>	<b>16,627</b>	<b>12,814,617</b>	<b>-</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - deferred loss on refunding	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	-	16,627	176,915	-
Interest payable	-	-	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>16,627</b>	<b>176,915</b>	<b>-</b>
<b>NET POSITION:</b>				
Held in trust for successor agency	5,166,462	-	12,637,702	-
<b>Total net position</b>	<b>\$ 5,166,462</b>	<b>\$ -</b>	<b>\$ 12,637,702</b>	<b>\$ -</b>

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Bond Payments	Intrafund Eliminations	Total
\$ 963	\$ -	\$ 7,075,368
11,761,579	-	15,439,808
-	-	33,665
-	-	22,141
-	-	451,406
-	-	1,021,000
-	-	5,716,860
<u>11,762,542</u>	<u>-</u>	<u>29,760,248</u>
<u>436,160</u>	<u>-</u>	<u>436,160</u>
<u>436,160</u>	<u>-</u>	<u>436,160</u>
963	-	194,505
697,901	-	697,901
6,645,000	-	6,645,000
53,465,925	-	53,465,925
<u>60,809,789</u>	<u>-</u>	<u>61,003,331</u>
<u>(48,611,087)</u>	<u>-</u>	<u>(30,806,923)</u>
<u>\$ (48,611,087)</u>	<u>\$ -</u>	<u>\$ (30,806,923)</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, 2021**

	Redevelopment Property Tax Trust Fund	Administration	Capital Projects	Bond Funded Capital Projects
<b>ADDITIONS:</b>				
Property taxes	\$ 12,927,768	\$ -	\$ -	\$ -
Contributions from the local agency	-	-	451,406	-
Contributions from employees	-	-	-	-
Net investment income:				
Net increase (decrease) in fair value of investments	-	-	-	-
Interest income	-	-	59,996	-
Less investment management fees	-	-	-	-
Transfers from other funds	-	309,863	85,457	-
Gain from sale of property	-	-	925,585	-
<b>Total additions</b>	<b>12,927,768</b>	<b>309,863</b>	<b>1,522,444</b>	<b>-</b>
<b>DEDUCTIONS:</b>				
Community development	-	309,863	1,074,504	-
Interest and fiscal charges	-	-	-	-
Transfers to other funds	13,975,965	-	6,211,600	-
<b>Total deductions</b>	<b>13,975,965</b>	<b>309,863</b>	<b>7,286,104</b>	<b>-</b>
<b>Change in net position</b>	<b>(1,048,197)</b>	<b>-</b>	<b>(5,763,660)</b>	<b>-</b>
<b>NET POSITION:</b>				
Beginning of year	6,214,659	-	18,401,362	-
End of year	<b>\$ 5,166,462</b>	<b>\$ -</b>	<b>\$ 12,637,702</b>	<b>\$ -</b>

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Bond Payments	Intrafund Eliminations	Total
\$ -	\$ -	\$ 12,927,768
-	-	451,406
-	-	-
-	-	-
984,659	-	1,044,655
-	-	-
19,792,245	(20,187,565)	-
-	-	925,585
<u>20,776,904</u>	<u>(20,187,565)</u>	<u>15,349,414</u>
585,656	-	1,970,023
4,128,651	-	4,128,651
-	(20,187,565)	-
<u>4,714,307</u>	<u>(20,187,565)</u>	<u>6,098,674</u>
16,062,597	-	9,250,740
<u>(64,673,684)</u>	<u>-</u>	<u>(40,057,663)</u>
<u>\$ (48,611,087)</u>	<u>\$ -</u>	<u>\$ (30,806,923)</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, 2021**

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	Special Assessment	General Agency	Johnson Library
<b>ASSETS</b>			
Cash and investments	\$ 895,415	\$ 2,691,854	\$ 10,765
Restricted cash and investments	342,219	17,264	-
Interest receivable	259	847	4
<b>Total assets</b>	<u>1,237,893</u>	<u>2,709,965</u>	<u>10,769</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	-	3,691	-
<b>Total liabilities</b>	<u>-</u>	<u>3,691</u>	<u>-</u>
<b>NET POSITION</b>			
Restricted for: Individuals, organizations, and other governments	<u>1,237,893</u>	<u>2,706,274</u>	<u>10,769</u>
<b>Total net position</b>	<u>\$ 1,237,893</u>	<u>\$ 2,706,274</u>	<u>\$ 10,769</u>

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Senior Center	JPFA Reassessment	2016 A&B Reassessment District	Total Custodial Funds
\$ 64,927	\$ 1,845,567	\$ 1,063,705	\$ 6,572,233
-	-	564,014	923,497
21	576	298	2,005
<u>64,948</u>	<u>1,846,143</u>	<u>1,628,017</u>	<u>7,497,735</u>
1,965	-	-	5,656
<u>1,965</u>	<u>-</u>	<u>-</u>	<u>5,656</u>
62,983	1,846,143	1,628,017	7,492,079
<u>\$ 62,983</u>	<u>\$ 1,846,143</u>	<u>\$ 1,628,017</u>	<u>\$ 7,492,079</u>

**City of Richmond**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2021**

	Special Assessment	General Agency	Johnson Library
<b>ADDITIONS:</b>			
Property taxes	\$ 316,243	\$ -	\$ -
Contributions	-	1,501,073	-
Net investment income:			
Interest income	3,474	12,433	46
<b>Total additions</b>	<b>319,717</b>	<b>1,513,506</b>	<b>46</b>
<b>DEDUCTIONS:</b>			
Interest and fiscal charges	307,186	-	-
Other	13,324	460,457	-
<b>Total deductions</b>	<b>320,510</b>	<b>460,457</b>	<b>-</b>
<b>Change in net position</b>	<b>(793)</b>	<b>1,053,049</b>	<b>46</b>
<b>NET POSITION:</b>			
Beginning of year	-	-	-
Restatements	1,238,686	1,653,225	10,723
Beginning of year, as restated	1,238,686	1,653,225	10,723
End of year	<u>\$ 1,237,893</u>	<u>\$ 2,706,274</u>	<u>\$ 10,769</u>

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Senior Center	JPFA Reassessment	2016 A&B Reassessment District	Total Custodial Funds
\$ 2,997	\$ -	\$ 885,094	\$ 1,204,334
-	-	-	1,501,073
301	7,912	3,140	27,306
3,298	7,912	888,234	2,732,713
-	-	668,592	975,778
10,947	-	16,128	500,856
10,947	-	684,720	1,476,634
(7,649)	7,912	203,514	1,256,079
-	-	-	-
70,632	1,838,231	1,424,503	6,236,000
70,632	1,838,231	1,424,503	6,236,000
\$ 62,983	\$ 1,846,143	\$ 1,628,017	\$ 7,492,079

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**STATISTICAL  
SECTION (UNAUDITED)**

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**CITY OF RICHMOND**  
**JUNE 30, 2021**

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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, 2021**

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***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:

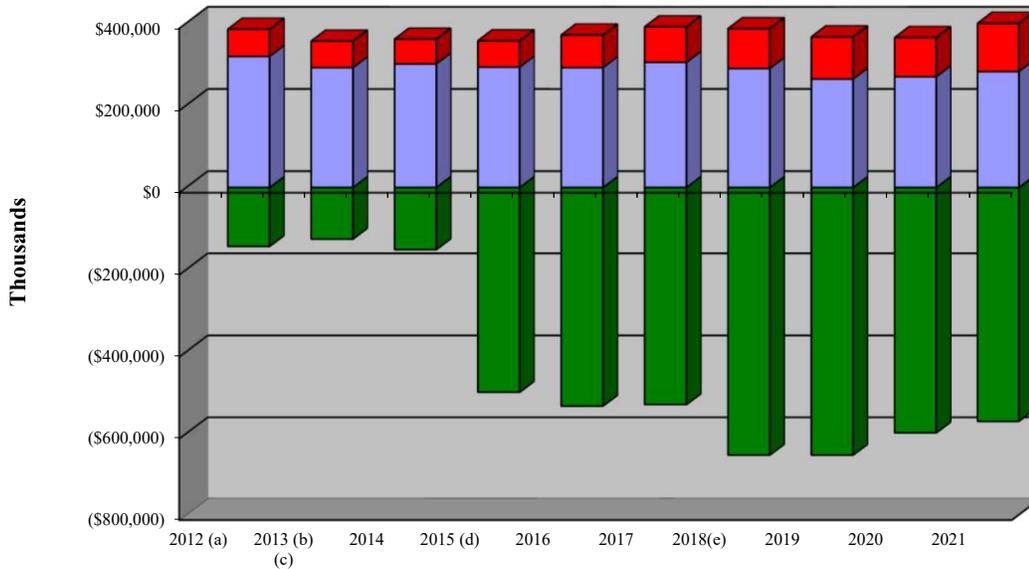
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

***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)**



■ Net Investment in Capital Assets    
■ Restricted    
■ Unrestricted

	<b>Fiscal Year Ended June 30</b>				
	<b>2012 (a)</b>	<b>2013 (b) (c)</b>	<b>2014</b>	<b>2015 (d)</b>	<b>2016</b>
<b>Governmental activities</b>					
Net investment in capital assets	\$242,281,323	\$214,572,546	\$227,828,243	\$218,144,811	\$228,292,389
Restricted	57,989,820	55,396,056	50,461,923	54,578,939	70,322,707
Unrestricted	(118,620,471)	(119,231,699)	(148,161,106)	(479,961,080)	(508,981,299)
<b>Total governmental activities net position</b>	<b>\$181,650,672</b>	<b>\$150,736,903</b>	<b>\$130,129,060</b>	<b>(\$207,237,330)</b>	<b>(\$210,366,203)</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$76,731,871	\$76,966,448	\$72,911,000	\$74,922,303	\$63,405,228
Restricted	8,169,878	9,196,255	9,793,767	9,408,237	9,008,038
Unrestricted	(24,759,367)	(6,365,742)	(3,096,845)	(18,432,590)	(23,382,659)
<b>Total business-type activities net position</b>	<b>\$60,142,382</b>	<b>\$79,796,961</b>	<b>\$79,607,922</b>	<b>\$65,897,950</b>	<b>\$49,030,607</b>
<b>Primary government</b>					
Net investment in capital assets	\$319,013,194	\$291,538,994	\$300,739,243	\$293,067,114	\$291,697,617
Restricted	66,159,698	64,592,311	60,255,690	63,987,176	79,330,745
Unrestricted	(143,379,838)	(125,597,441)	(151,257,951)	(498,393,670)	(532,363,958)
<b>Total primary government net position</b>	<b>\$241,793,054</b>	<b>\$230,533,864</b>	<b>\$209,736,982</b>	<b>(\$141,339,380)</b>	<b>(\$161,335,596)</b>

(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**

<u>2017</u>	<u>2018(e)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$233,619,046	\$221,336,363	\$211,717,676	\$205,374,054	\$206,419,763
76,810,440	87,380,363	93,157,922	93,703,974	103,401,613
<u>(504,602,583)</u>	<u>(625,067,289)</u>	<u>(644,341,826)</u>	<u>(597,270,745)</u>	<u>(568,565,683)</u>
<u>(\$194,173,097)</u>	<u>(\$316,350,563)</u>	<u>(\$339,466,228)</u>	<u>(\$298,192,717)</u>	<u>(\$258,744,307)</u>
\$71,000,240	\$68,213,687	\$52,161,380	\$64,270,898	\$75,738,268
9,441,288	9,514,522	9,440,965	1,517,087	13,859,999
<u>(24,096,174)</u>	<u>(27,908,968)</u>	<u>(8,644,683)</u>	<u>(1,045,003)</u>	<u>(1,417,443)</u>
<u>\$56,345,354</u>	<u>\$49,819,241</u>	<u>\$52,957,662</u>	<u>\$64,742,982</u>	<u>\$88,180,824</u>
\$304,619,286	\$289,550,050	\$263,879,056	\$269,644,952	\$282,158,031
86,251,728	96,894,885	102,598,887	95,221,061	117,261,612
<u>(528,698,757)</u>	<u>(652,976,257)</u>	<u>(652,986,509)</u>	<u>(598,315,748)</u>	<u>(569,983,126)</u>
<u>(\$137,827,743)</u>	<u>(\$266,531,322)</u>	<u>(\$286,508,566)</u>	<u>(\$233,449,735)</u>	<u>(\$170,563,483)</u>

**CITY OF RICHMOND**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

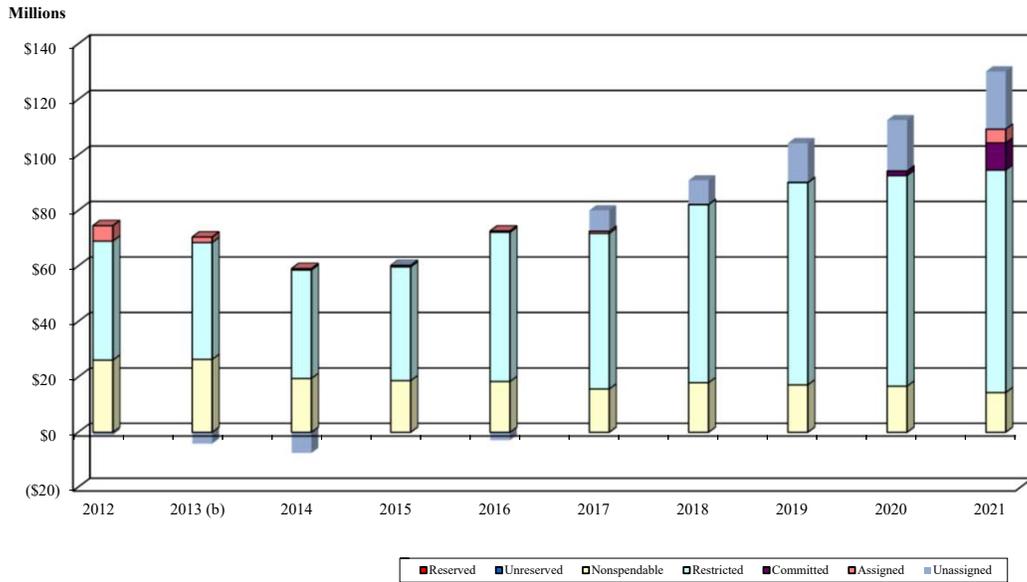
	Fiscal Year Ended June 30				
	2012	2013 (b)	2014	2015 (c)	2016
<b>Expenses</b>					
Governmental Activities:					
General Government	\$32,549,754	\$35,272,517	\$36,119,297	\$28,879,074	\$32,197,941
Public Safety	100,403,365	97,136,602	102,664,551	102,732,652	107,380,286
Public Works	42,747,958	46,011,618	46,403,830	43,363,799	44,410,102
Community Development	5,845,968	4,909,158	4,618,101	4,771,875	5,003,045
Cultural and Recreational	14,583,687	12,129,962	10,808,931	10,492,020	11,021,226
Housing and Redevelopment	19,768,765	2,816,094	1,984,908	2,751,290	2,051,898
Interest and Fiscal Charges	19,633,486	15,411,831	19,439,248	17,219,905	18,902,831
Total Governmental Activities Expenses	<u>235,532,983</u>	<u>213,687,782</u>	<u>222,038,866</u>	<u>210,210,615</u>	<u>220,967,329</u>
Business-Type Activities:					
Richmond Housing Authority	30,989,229	28,992,229	29,771,151	28,049,474	26,385,133
Port of Richmond	7,868,918	9,337,252	9,530,693	9,923,282	11,132,997
Richmond Marina	1,681,461	266,918	253,190	235,054	237,129
Municipal Sewer	14,655,752	16,964,175	16,298,623	15,965,608	16,446,626
Storm Sewer	2,744,775	2,815,541	3,210,678	3,282,406	2,465,929
Cable TV	1,037,142	990,802	890,846	948,426	2,114,436
Total Business-Type Activities Expenses	<u>58,977,277</u>	<u>59,366,917</u>	<u>59,955,181</u>	<u>58,404,250</u>	<u>58,782,250</u>
Total Primary Government Expenses	<u>\$294,510,260</u>	<u>\$273,054,699</u>	<u>\$281,994,047</u>	<u>\$268,614,865</u>	<u>\$279,749,579</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$8,496,532	\$11,596,612	\$16,917,113	\$11,107,654	\$12,468,525
Public Safety	5,075,588	5,400,290	6,217,749	10,466,292	7,271,472
Public Works	2,596,312	3,090,211	4,160,804	3,609,577	3,936,242
Community Development	361,706	234,836	405,404	1,385,689	1,069,767
Cultural and Recreational	1,118,777	516,499	584,475	475,091	1,128,267
Housing and Redevelopment					42,040
Operating Grants and Contributions	11,259,829	9,703,416	8,434,018	9,231,039	20,994,534
Capital Grants and Contributions	17,238,057	11,360,153	34,530,908	21,097,186	17,534,992
Total Governmental Activities Program Revenues	<u>46,146,801</u>	<u>41,902,017</u>	<u>71,250,471</u>	<u>57,372,528</u>	<u>64,445,839</u>
Business-Type Activities:					
Charges for Services:					
Richmond Housing Authority	2,354,197	2,619,669	2,638,834	1,917,602	1,851,337
Port of Richmond	7,745,580	9,043,026	10,201,751	9,480,367	10,581,419
Richmond Marina	259,777	466,921	456,956	488,201	517,108
Municipal Sewer	17,565,632	17,733,454	18,569,191	19,033,406	19,757,863
Storm Sewer	1,800,536	1,842,001	1,869,064	1,845,648	1,966,537
Cable TV	1,022,100	1,320,552	1,228,864	1,376,194	1,320,486
Operating Grants and Contributions	22,742,102	22,323,336	21,953,401	22,112,391	21,951,328
Capital Grants and Contributions	3,775,002	10,087,538	1,673,398	2,189,724	2,155,686
Total Business-Type Activities Program Revenue	<u>57,264,926</u>	<u>65,436,497</u>	<u>58,591,459</u>	<u>58,443,533</u>	<u>60,101,764</u>
Total Primary Government Program Revenues	<u>\$103,411,727</u>	<u>\$107,338,514</u>	<u>\$129,841,930</u>	<u>\$115,816,061</u>	<u>\$124,547,603</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(\$189,386,182)	(\$171,785,765)	(\$150,788,395)	(\$152,838,087)	(\$156,521,490)
Business-Type Activities	(1,712,351)	6,069,580	(1,363,722)	39,283	1,319,514
Total Primary Government Net Expense	<u>(\$191,098,533)</u>	<u>(\$165,716,185)</u>	<u>(\$152,152,117)</u>	<u>(\$152,798,804)</u>	<u>(\$155,201,976)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
Property Taxes:					
Current Collections	\$52,219,777	\$47,207,734	\$42,226,820	\$45,129,392	\$51,302,638
Sales Taxes	27,788,339	29,865,548	29,627,711	33,155,376	40,877,125
Utility User Taxes	45,984,315	48,398,349	48,033,706	48,299,958	43,365,249
Documentary Transfer Taxes	2,765,842	2,957,834	3,461,473	4,818,936	6,187,096
Other Taxes	3,784,986	3,289,518	3,592,218	5,099,511	5,734,802
Unrestricted Intergovernmental	4,752,245	44,814		1,806,532	43,312
Use of Money and Property	(22,064,295)	11,331,823	(1,164,987)	(4,752,198)	1,198,266
Gain From Sale of Capital Assets			174,874	268,927	262,667
Miscellaneous	7,917,715	3,461,402	3,229,898	2,151,042	4,258,061
Pension Stabilization Revenue	2,544,175	2,549,922	998,839	954,202	915,860
Developer Revenue Sharing	55,958				
Transfers	1,030,428	(590,394)		178,487	600,000
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	84,426,106 (a)	(5,328,244)			
Total Governmental Activities	<u>211,205,591</u>	<u>143,188,306</u>	<u>130,180,552</u>	<u>137,110,165</u>	<u>153,392,617</u>
Business-Type Activities:					
Taxes:					
Property Taxes					
Use of Money and Property	(5,331,300)	4,054,073	(185,246)	(563,129)	(3,076,857)
Settlement					
Other					
Special Item					(14,510,000)
Transfers	(1,030,428)	590,394		(178,487)	(600,000)
Extraordinary Items		9,023,704	1,359,929		
Total Business-Type Activities	<u>(6,361,728)</u>	<u>13,668,171</u>	<u>1,174,683</u>	<u>(741,616)</u>	<u>(18,186,857)</u>
Total Primary Government	<u>\$204,843,863</u>	<u>\$156,856,477</u>	<u>\$131,355,235</u>	<u>\$136,368,549</u>	<u>\$135,205,760</u>
<b>Change in Net Position</b>					
Governmental Activities	\$21,819,409	(\$28,597,459)	(\$20,607,843)	(\$15,727,922)	(\$3,128,873)
Business-Type Activities	(8,074,079)	19,737,751	(189,039)	(702,333)	(16,867,343)
Total Primary Government	<u>\$13,745,330</u>	<u>(\$8,859,708)</u>	<u>(\$20,796,882)</u>	<u>(\$16,430,255)</u>	<u>(\$19,996,216)</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

2017	2018 (d)	2019	2020	2021
\$34,851,005	\$45,715,329	\$45,626,305	\$43,495,871	\$47,854,126
104,919,259	114,932,219	116,621,006	108,947,688	93,441,711
41,558,084	48,617,290	49,893,124	45,051,479	33,979,639
3,290,142	4,589,328	5,791,630	4,115,214	4,433,192
10,996,526	14,280,985	15,074,312	10,409,881	9,006,470
7,449,423	3,442,239	2,676,897	2,807,611	3,108,240
16,387,887	16,127,479	15,380,005	14,896,558	12,825,356
<u>219,452,326</u>	<u>247,704,869</u>	<u>251,063,279</u>	<u>229,724,302</u>	<u>204,648,734</u>
26,241,916	30,978,813	36,766,319	5,834,686	3,607,603
10,102,104	10,257,553	8,811,486	7,744,773	6,263,232
230,621	327,442	273,929	21,767,690	20,466,640
17,720,735	21,696,370	19,259,997	241,445	227,391
2,320,723	1,661,808	1,643,453	1,965,353	1,796,422
1,028,185	1,697,155	973,747	671,790	788,957
57,644,284	66,619,141	67,728,931	38,225,737	33,150,245
<u>\$277,096,610</u>	<u>\$314,324,010</u>	<u>\$318,792,210</u>	<u>\$267,950,039</u>	<u>\$237,798,979</u>
\$15,543,381	\$16,838,782	\$15,310,347	\$13,211,033	\$13,777,010
8,932,212	8,147,458	7,124,227	6,631,900	3,674,412
4,796,586	6,529,172	5,118,216	7,792,157	7,198,221
615,388	1,748,222	1,603,581	827,055	665,999
1,252,192	1,545,399	2,200,702	1,111,472	814,073
	1,878,958	2,189,703		
16,083,370	20,556,989	20,514,833	25,354,387	29,316,141
14,008,833	10,471,376	5,778,572	4,987,273	4,386,950
<u>61,231,962</u>	<u>67,716,356</u>	<u>59,840,181</u>	<u>59,915,277</u>	<u>59,832,806</u>
3,067,020	1,740,399	3,329,072	841,319	861,943
10,182,777	10,580,246	10,629,229	10,454,061	10,704,024
540,567	537,438	602,591	27,934,684	27,759,474
20,767,925	22,447,439	24,476,967	564,988	574,453
1,992,758	2,068,110	1,942,171	2,087,561	2,103,928
1,339,104	1,281,952	1,240,754	1,203,837	1,145,936
22,636,922	26,098,804	28,666,300	4,027,791	3,771,674
969,910	1,155,536	2,170,137	322,164	13,167
61,496,983	65,909,924	73,057,221	47,436,405	46,934,599
<u>\$122,728,945</u>	<u>\$133,626,280</u>	<u>\$132,897,402</u>	<u>\$107,351,682</u>	<u>\$106,767,405</u>
(\$158,220,364)	(\$179,988,513)	(\$191,223,098)	(\$169,809,025)	(\$144,815,928)
3,852,699	(709,217)	5,328,290	9,210,668	13,784,354
<u>(\$154,367,665)</u>	<u>(\$180,697,730)</u>	<u>(\$185,894,808)</u>	<u>(\$160,598,357)</u>	<u>(\$131,031,574)</u>
\$56,588,547	59,441,796	60,592,022	63,004,942	65,075,408
41,620,189	44,474,973	47,659,481	44,537,156	48,998,406
44,966,489	46,079,755	45,905,937	45,552,523	45,240,705
7,452,985	6,486,347	8,011,672	8,707,564	19,857,680
5,329,465	6,144,968	6,227,213	7,127,375	7,424,135
49,448	58,842	4,705,047	5,367,784	6,593,602
12,230,256	7,000,785	(6,825,744)	2,946,978	1,461,004
64,651	39,226	71,779	82,036	71,458
5,138,724	4,195,794	1,980,973	1,992,600	1,357,022
885,938				
86,778	86,778	(220,947)	86,778	(11,279,988)
	1,208,259			
<u>174,413,470</u>	<u>175,217,523</u>	<u>168,107,433</u>	<u>179,405,736</u>	<u>184,799,432</u>
3,548,826	3,431,293	(1,015,459)	770,319	145,810
(86,778)	(86,778)	220,947	(86,778)	11,279,988
3,462,048	3,344,515	(794,512)	683,541	11,425,798
<u>\$177,875,518</u>	<u>\$178,562,038</u>	<u>\$167,312,921</u>	<u>\$180,089,277</u>	<u>\$196,225,230</u>
\$16,193,106	(\$4,770,990)	(\$23,115,665)	\$9,596,711	\$39,983,504
7,314,747	2,635,298	4,533,778	9,894,209	25,210,152
<u>\$23,507,853</u>	<u>(\$2,135,692)</u>	<u>(\$18,581,887)</u>	<u>\$19,490,920</u>	<u>\$65,193,656</u>

**CITY OF RICHMOND**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30									
	2012	2013 (b)	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable	\$25,944,325	\$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
Committed									1,500,000	9,800,000
Assigned	377,181	219,646	56,786	23,934	4,460	10,013	72,506	63,180	113,349	2,436,475
Unassigned	11,036,847	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
<b>Total General Fund</b>	<b>\$37,358,353</b>	<b>\$36,825,337</b>	<b>\$27,541,828</b>	<b>\$28,681,736</b>	<b>\$29,397,395</b>	<b>\$35,416,890</b>	<b>\$35,630,923</b>	<b>\$36,768,554</b>	<b>\$38,646,231</b>	<b>\$49,114,042 (a)</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$174,067			\$484	\$550					
Restricted	42,888,150	\$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
Committed										
Assigned	5,147,506	1,734,260	428,766	430,083	431,867	782,617	43,906	44,602	45,264	2,521,099
Unassigned	(11,929,833)	(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)
<b>Total all other governmental funds</b>	<b>\$36,279,890</b>	<b>\$29,494,607</b>	<b>\$23,995,127</b>	<b>\$31,693,039</b>	<b>\$40,360,231</b>	<b>\$44,644,243</b>	<b>\$55,229,478</b>	<b>\$67,506,239</b>	<b>\$73,925,889</b>	<b>\$81,005,318 (a)</b>

(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,				
	2012	2013	2014	2015	2016
<b>Revenues</b>					
Property taxes	\$51,964,005	\$48,518,328	\$43,559,305	\$46,498,061	\$52,714,540
Sales taxes	27,788,339	29,865,548	29,627,711	33,131,486	40,877,125
Utility user fees	50,984,315	48,398,349	48,033,706	48,299,958	43,365,249
Other taxes	6,550,828	6,247,352	7,053,691	9,918,447	11,628,519
Licenses, permits and fees	9,393,833	11,830,426	7,713,634	12,409,625	12,235,483
Developer revenue sharing	55,958				
Fines, forfeitures and penalties	536,510	617,509	821,411	1,353,518	901,838
Use of money and property	932,393	557,936	153,958	225,529	212,787
Intergovernmental	36,121,561	19,995,922	17,078,035	19,228,997	14,440,543
Private grants					12,971,138
Charges for services	9,204,016	9,350,051	20,022,968	13,607,840	13,462,270
Pension stabilization revenue	2,544,175	2,549,922	998,839	954,202	915,860
Rent	793,144	681,141	708,626	809,113	768,753
Other	7,142,854	2,703,133	2,845,117	1,977,688	4,300,150
<b>Total Revenues</b>	<b>204,011,931</b>	<b>181,315,617</b>	<b>178,617,001</b>	<b>188,414,464</b>	<b>208,794,255</b>
<b>Expenditures</b>					
Current:					
General government	30,303,614	33,251,610	32,005,878	29,786,089	31,819,369
Public safety	87,286,248	87,573,539	91,676,955	90,219,981	94,774,545
Public works	25,555,928	26,065,996	26,363,885	25,806,437	25,690,663
Community development	5,643,542	4,709,478	4,357,885	4,586,333	4,843,687
Cultural and recreational	12,183,399	11,175,362	10,223,708	10,021,481	10,551,337
Housing and redevelopment	6,267,418	3,089,640	2,266,265	2,625,533	3,038,135
SERAF					
Capital outlay	28,721,772	15,704,486	14,365,888	8,178,649	8,566,563
Debt service:					
Principal repayment	14,312,544	8,691,629	6,775,769	7,842,830	9,148,909
Interest and fiscal charges	11,393,091	7,504,922	10,989,996	13,407,604	12,503,442
Swap termination payment					28,554,000
<b>Total Expenditures</b>	<b>221,667,556</b>	<b>197,766,662</b>	<b>199,026,229</b>	<b>192,474,937</b>	<b>229,490,650</b>
Excess (deficiency) of revenues over (under) expenditures	(17,655,625)	(16,451,045)	(20,409,228)	(4,060,473)	(20,696,395)
<b>Other Financing Sources (Uses)</b>					
Transfers in	38,456,022	21,145,031	20,145,264	12,879,975	12,124,166
Transfers out	(33,437,663)	(19,666,470)	(20,859,344)	(13,815,569)	(12,091,206)
Sale of property	188,489	53,618	174,874	268,927	262,667
Payment to refund bond escrow agent					
Issuance of long-term debt	3,214,243	2,621,558	6,165,445	11,175,436	28,390,000
Bond issuance premium	109,701	106,740		82,880	1,393,619
<b>Total other financing sources (uses)</b>	<b>8,530,792</b>	<b>4,260,477</b>	<b>5,626,239</b>	<b>10,591,649</b>	<b>30,079,246</b>
<b>Special and Extraordinary Items</b>					
Assets transferred to/liabilities assumed by					
Housing Successor/Successor Agency	(33,902,636) (a)				
Transfer of loans to housing successor					
Interfund advance restructuring		745,119			
<b>Total Special and Extraordinary Items</b>	<b>(33,902,636)</b>	<b>745,119</b>			
<b>Net Change in fund balances</b>	<b>(\$43,027,469)</b>	<b>(\$11,445,449)</b>	<b>(\$14,782,989)</b>	<b>\$6,531,176</b>	<b>\$9,382,851</b>
Debt service as a percentage of noncapital expenditures					
	12.3%	8.7%	9.4%	11.4%	9.8%

**NOTE:**

(a) The Redevelopment Agency was dissolved effective January 31, 2012 and its net assets transferred to a Successor Agency.

**Fiscal Year Ended June 30,**

2017	2018	2019	2020	2021
\$58,042,766	\$60,963,189	\$66,816,032	\$68,285,321	\$70,294,487
41,620,189	44,474,973	47,659,481	44,537,156	48,998,406
44,966,489	46,079,755	45,905,937	45,552,523	45,240,705
12,566,579	12,413,127	14,020,347	15,619,151	27,066,292
16,577,695	21,552,883	18,865,730	15,385,538	18,316,552
1,065,421	1,001,927	964,255	815,910	455,470
422,324	746,525	1,302,922	1,302,020	472,216
19,913,858	20,137,593	17,691,976	24,284,779	23,912,334
5,000,000	9,000,000	9,000,000		
15,947,909	17,045,201	16,625,733	16,807,806	15,371,589
885,938				
839,821	852,940	988,741	892,579	699,301
5,472,719	4,418,779	2,999,947	1,998,535	1,491,314
<u>223,321,708</u>	<u>238,686,892</u>	<u>242,841,101</u>	<u>235,481,318</u>	<u>252,318,666</u>
36,973,645	44,009,256	42,470,628	47,122,400	47,429,988
95,479,682	96,546,035	99,824,574	100,037,206	97,682,457
30,327,553	35,016,495	37,133,097	34,207,196	32,067,844
6,374,607	8,057,638	5,126,848	5,189,613	5,606,322
10,786,216	11,347,436	12,713,460	11,482,027	9,717,875
7,672,540	1,942,637	3,436,988	3,544,492	3,225,876
3,667,134	10,000,595	5,774,234	4,871,461	6,135,189
9,966,416	11,032,933	12,518,807	12,552,283	14,423,082
11,471,169	10,785,342	10,026,887	10,431,652	7,044,795
<u>212,718,962</u>	<u>228,738,367</u>	<u>229,025,523</u>	<u>229,438,330</u>	<u>223,333,428</u>
10,602,746	9,948,525	13,815,578	6,042,988	28,985,238
18,770,780	14,472,164	19,215,848	18,336,677	15,524,305
(19,251,041)	(14,868,906)	(19,688,813)	(18,221,126)	(27,033,761)
181,022	39,226	71,779	82,036	71,458
			(77,315,000)	
			79,171,752	
<u>(299,239)</u>	<u>(357,516)</u>	<u>(401,186)</u>	<u>2,054,339</u>	<u>(11,437,998)</u>
	1,208,259			
	<u>1,208,259</u>			
<u>\$10,303,507</u>	<u>\$10,799,268</u>	<u>\$13,414,392</u>	<u>\$8,097,327</u>	<u>\$17,547,240</u>
10.3%	10.0%	10.2%	10.3%	9.9%

**CITY OF RICHMOND**  
**ASSESSED AND ESTIMATED ACTUAL**  
**VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(In Thousands)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>ASSESSED VALUE <sup>(1)</sup></b>										
Land	\$3,329,164	\$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
Improvements	7,413,276	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
Total Real Property	10,742,440	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
Personal Property	681,204	795,573	53,195	460,661	669,634	585,832	\$589,457	\$584,968	\$617,157	\$652,386
<b>TOTAL</b>	<b>\$11,423,644</b>	<b>\$13,280,654</b>	<b>\$10,453,101</b>	<b>\$12,429,550</b>	<b>\$13,539,643</b>	<b>\$14,322,848</b>	<b>\$14,937,014</b>	<b>\$16,137,560</b>	<b>\$16,720,799</b>	<b>\$17,471,611</b>
<b>EXEMPTIONS <sup>(2)</sup></b>										
Homeowners <sup>(4)</sup>	\$107,571	\$104,144	\$100,680	\$98,456	\$96,539	\$95,052	\$94,266	\$93,219	\$91,907	\$91,372
Other <sup>(b)</sup>	495,344	519,976	527,179	587,350	641,475	688,713	760,841	809,325	932,222	1,008,837
<b>TOTAL</b>	<b>\$602,915</b>	<b>\$624,120</b>	<b>\$627,859</b>	<b>\$685,806</b>	<b>\$738,014</b>	<b>\$783,765</b>	<b>\$855,107</b>	<b>\$902,544</b>	<b>\$1,024,129</b>	<b>\$1,100,209</b>
<b>ASSESSED VALUE</b>										
(Net of Exemptions)	\$10,820,729	\$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
<b>Redevelopment Tax</b> <b>Increments <sup>(3)</sup></b>	<b>1,578,082</b>	<b>1,558,233</b>	<b>1,595,033</b>	<b>1,799,831</b>	<b>2,055,811</b>	<b>2,248,742</b>	<b>2,567,061</b>	<b>2,892,823</b>	<b>3,175,294</b>	<b>3,175,294</b>
<b>NET ASSESSED</b> <b>VALUE</b>	<b>\$9,242,647</b>	<b>\$11,098,301</b>	<b>\$8,230,209</b>	<b>\$9,943,913</b>	<b>\$10,745,818</b>	<b>\$11,290,341</b>	<b>\$11,514,846</b>	<b>\$12,342,193</b>	<b>\$12,521,376</b>	<b>\$13,196,108</b>
<b>NET INCREASE</b> <b>(DECREASE)</b>	<b>\$601,337</b>	<b>\$1,855,654</b>	<b>(\$2,868,092)</b>	<b>\$1,713,704</b>	<b>\$801,905</b>	<b>\$544,523</b>	<b>\$224,505</b>	<b>\$827,347</b>	<b>\$179,183</b>	<b>\$674,732</b>
<b>% OF INCREASE</b> <b>(DECREASE)</b>	<b>6.96%</b>	<b>20.08%</b>	<b>-25.84%</b>	<b>20.82%</b>	<b>8.06%</b>	<b>5.07%</b>	<b>1.99%</b>	<b>7.19%</b>	<b>1.45%</b>	<b>5.39%</b>
<b>Total Direct Tax Rate<sup>(4)</sup></b>	<b>0.00000%</b>	<b>0.38653%</b>	<b>0.41948%</b>	<b>0.41930%</b>	<b>0.43781%</b>	<b>0.43675%</b>	<b>0.43591%</b>	<b>0.43540%</b>	<b>0.43473%</b>	<b>0.43394%</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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).

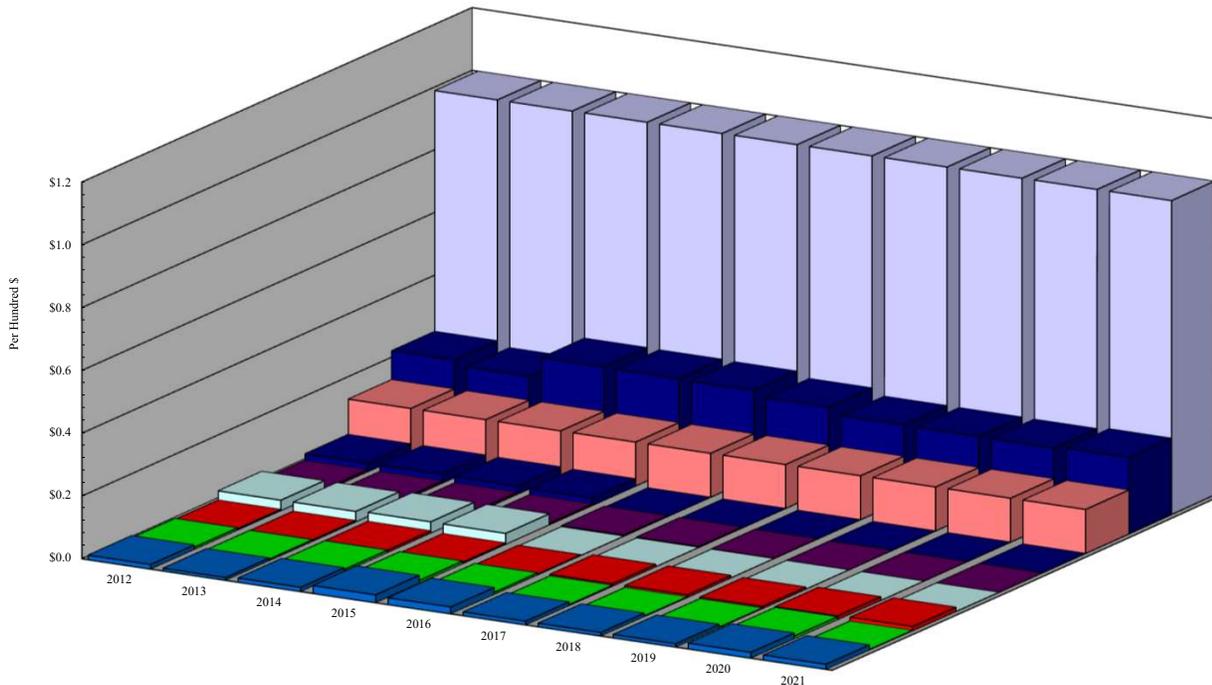
<sup>(3)</sup> Tax increments are allocations made to the Redevelopment Agency under authority of California Constitution, Article XVI.

<sup>(4)</sup> 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 (3)
2012	1.00000	0.14000	0.00410	0.00710	0.03330	0.00670	0.02740	0.23220	0.01440	1.46520
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

**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) Voter approved debt.
- (3) 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.
- (4) 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. ERAF general fund tax shifts may not be included in tax ratio figures.
- (5) RDA 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.
- (6) Total Direct Rate is the weighted average of all individual direct rates applied by the government 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 the rates reported, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: County of Contra Costa, Office of the Auditor-Controller

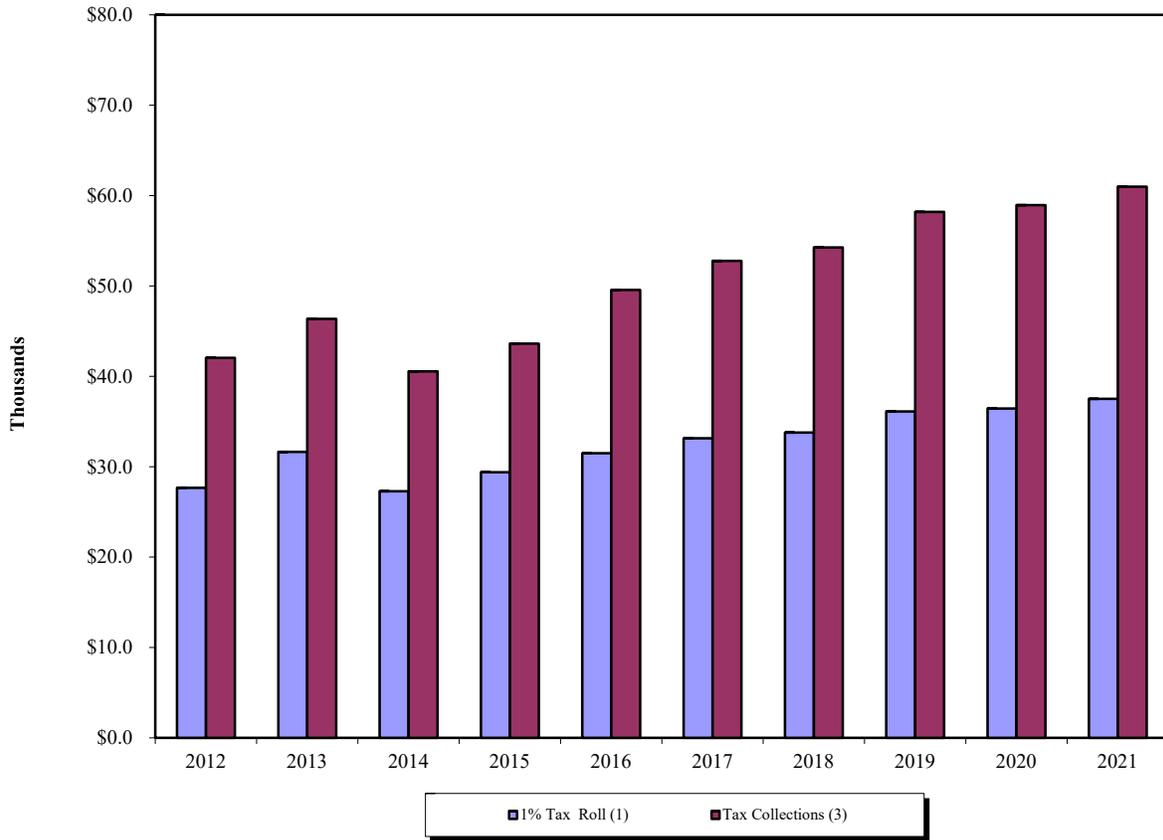
<b>City's Share of 1% Levy Per Prop 13 (4)</b>	<b>General Obligation Debt Rate</b>	<b>Redevelopment Rate (5)</b>	<b>Total Direct Rate (6)</b>
0.28784	0.14000	1.14710	0.40618
0.28784	0.14000	0.00000	0.38653
0.28784	0.14000	0.00000	0.41948
0.28784	0.14000	0.00000	0.41930
0.28784	0.14000	0.00000	0.43781
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

**CITY OF RICHMOND**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**  
**(In Thousands)**

Taxpayer	Type of Business	2020-2021			2011-2012		
		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	\$3,489,775	1	21.32%	\$3,143,118	1	29.05%
Guardian KW Hilltop LLC	Residential	209,287	2	1.28%	101,776	2	0.94%
Kaiser Foundation Hospitals	Industrial	91,884	3	0.56%	70,302	3	
LIPT Giant Road Inc.	Industrial	89,226	4	0.55%			
Richmond Essex, LP	Residential	81,861	5	0.50%	47,694	7	0.44%
Centerpoint Properties Trust	Industrial	56,312	6	0.34%			
Pacific Atlantic Terminals LLC	Industrial	54,639	7	0.33%	43,478	10	0.40%
Phillips 66 Company	Industrial	51,218	8	0.31%			
2930 Technology Court LLC	Institutional	50,870	9	0.31%			
KM Phoenix Holdings LLC	Industrial	50,412	10	0.31%			
Richmond Associates LLC	Commercial				65,002	4	0.60%
Berlex Laboratories, Inc.	Industrial				60,228	5	0.56%
BP West Coast Products	Industrial				58,405	6	0.54%
Cherokee Simeon Venture I LLC	Commercial				46,605	8	0.43%
Auto Warehousing Company	Unsecured				44,748	9	0.41%
Subtotal		<u>\$4,225,484</u>		<u>25.81%</u>	<u>\$3,681,357</u>		<u>34.02%</u>
Total Net Assessed Valuation:							
Fiscal Year 2020-2021		\$16,371,402					
Fiscal Year 2011-2012		\$10,820,729					

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)**

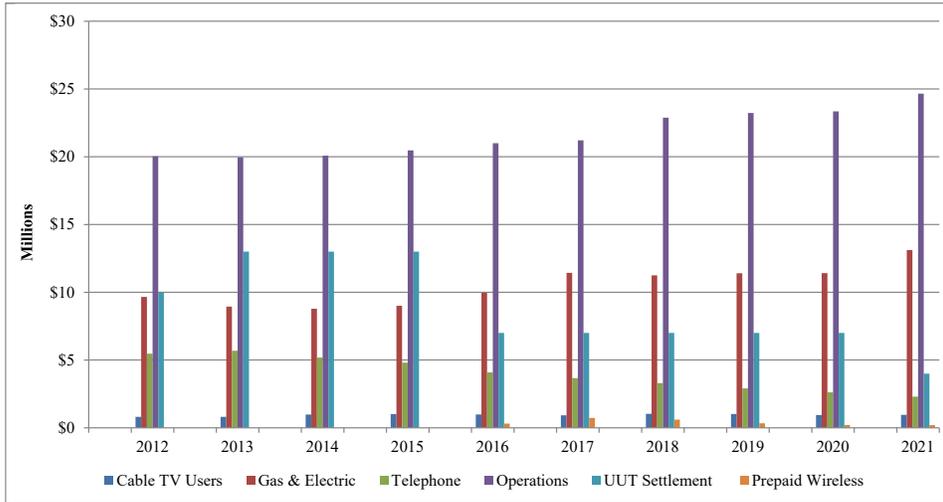


<b>Fiscal Year</b>	<b>1% Tax Roll (1)</b>	<b>Voter Approve Debt Tax Rolls (2)</b>	<b>Total Tax Collections (3)</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
2012	27,669	14,377	42,046	100%
2013	31,638	14,718	46,356	100%
2014	27,289	13,267	40,556	100%
2015	29,392	14,225	43,617	100%
2016	31,490	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%

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cable TV Users	\$810,755	\$809,972	\$983,465	\$1,016,552	\$988,547	\$924,912	\$1,036,854	\$1,025,549	\$951,147	\$961,286
Gas & Electric	9,660,557	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
Telephone	5,473,445	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
Operations	20,039,558	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
UUT Settlement	10,000,000	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
Prepaid Wireless					312,852	730,939	608,042	335,153	211,927	200,199
Combined (A)										
	<u>\$45,984,315</u>	<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>

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>2012</u>	<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>
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	(B)									
UUT Settlement	(C)									

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**

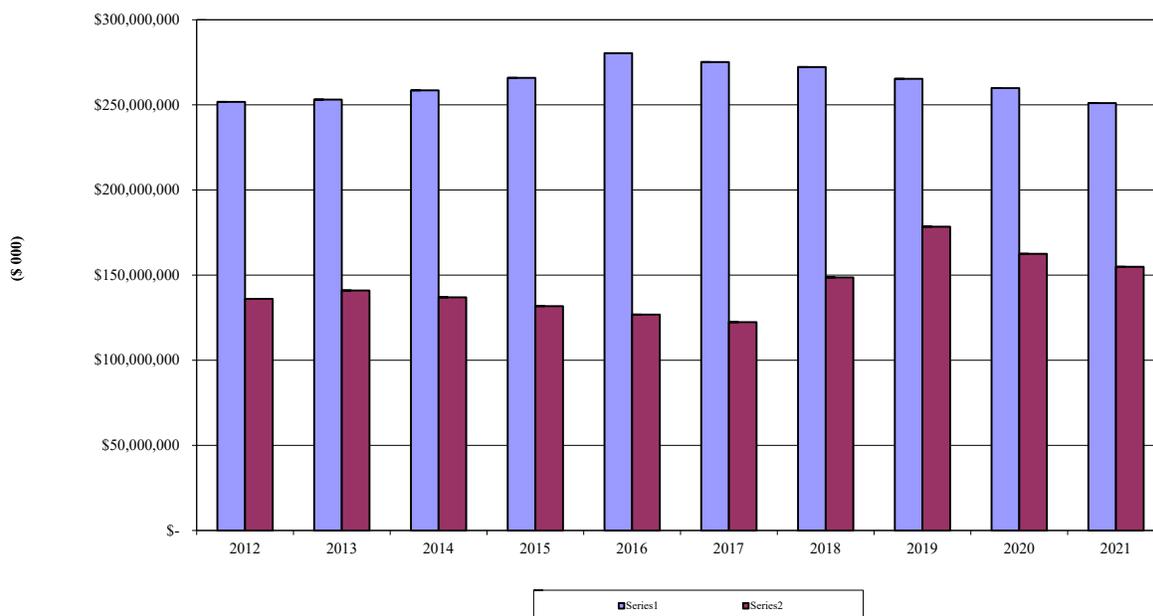
<b>Taxpayer</b>	<b>Type of Business (A)</b>
CHEVRON	Industrial
COMCAST	Cable
CONSTELLATION NEW ENERGY	Utility
GTE MOBILNET OF CALIFORNIA LTD	Telecommunications
MARIN CLEAN ENERGY	Utility
NEW CINGULAR WIRELESS	Telecommunications
PACIFIC BELL	Telecommunications
PG&E	Utility
SHELL ENERGY	Utility
SPRINT SPECTRUM	Telecommunications

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**



<b>Governmental Activities</b>						
Fiscal Year	Tax Allocation Bonds	Pension Obligation Bonds	Revenue Bonds	Loans and Notes Payable	Capital Leases	Total
2012	(B)	\$ 155,060,554	\$ 87,526,545	\$ 635,646	(B) \$ 8,523,072	\$ 251,745,817
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	103,543,450	1,023,224	5,642,605	251,025,583

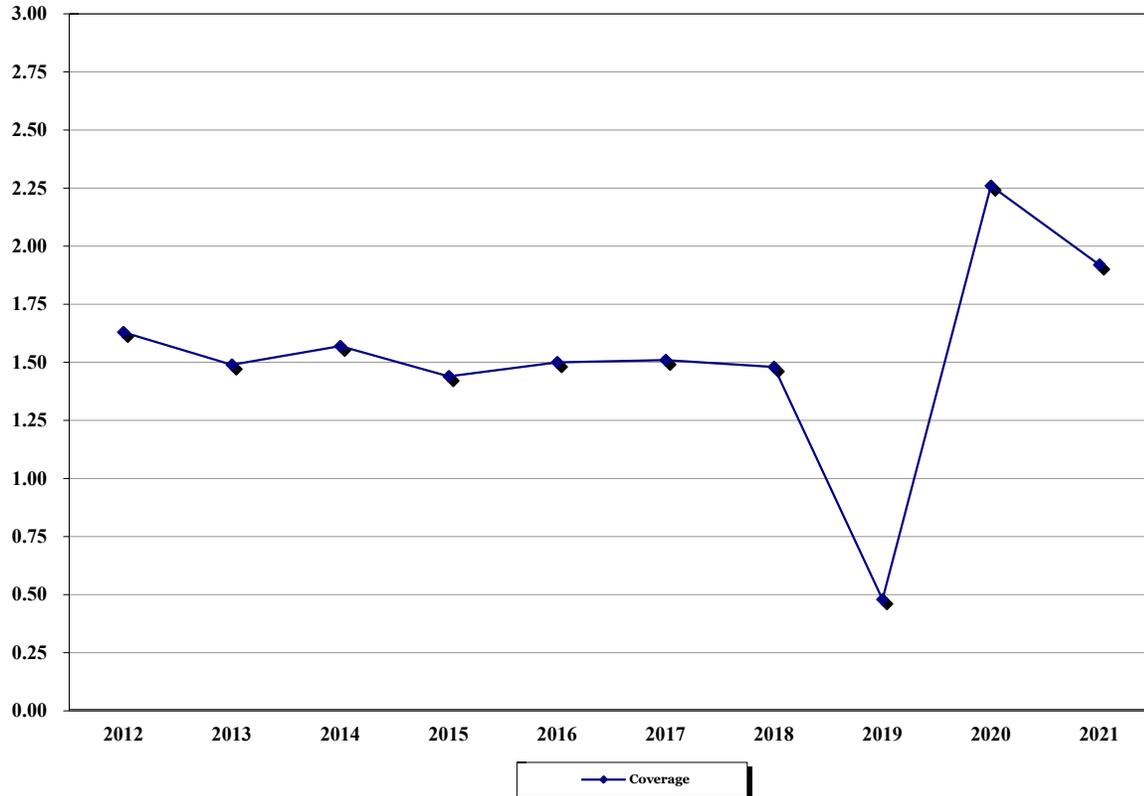
<b>Business-Type Activities</b>							
Fiscal Year	Wastewater Revenue Bonds	Port Lease Revenue Bonds	Loans and Notes Payable	Total	Total Primary Government	Percentage of Personal Income (A)	Per Capita (A)
2012	\$ 84,246,892	\$ 48,252,294	\$ 3,516,009	\$ 136,015,195	\$ 387,761,012	15.37%	3,671
2013	90,096,593 (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	405,854,756	12.53%	3,649

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  
REVENUE BOND COVERAGE  
1999, 2006, 2008, 2010A, 2010B, 2017A, 2019A and 2019B WASTEWATER REVENUE BONDS  
LAST TEN FISCAL YEARS**

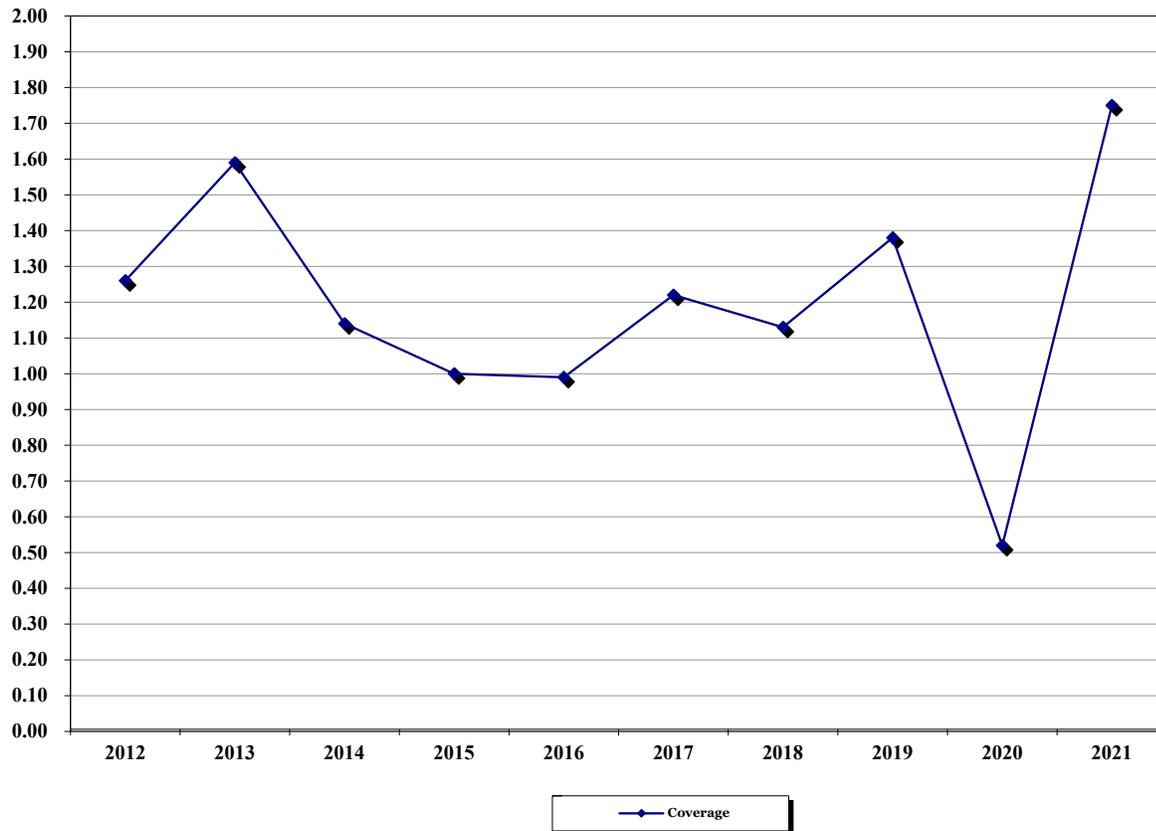


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 17,697,208	\$ 8,956,411	\$ 8,740,797	\$ 975,000	\$ 4,399,406	\$ 5,374,406	1.63
2013	17,840,042	9,447,236	8,392,806	1,005,000	4,613,635	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	27,879,891	12,214,607	15,665,284	2,515,000	5,633,851	8,148,851	1.92

- 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**

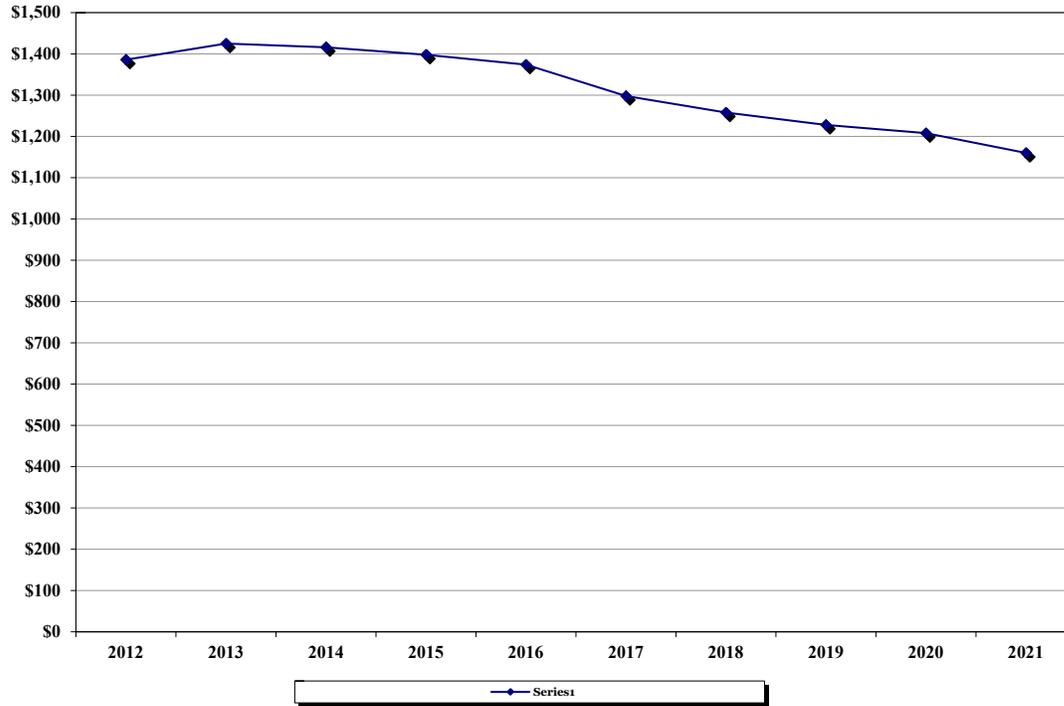


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 7,822,496	\$ 2,931,799	\$ 4,890,697	\$ 505,000	\$ 3,381,546	\$ 3,886,546	1.26
2013	9,138,193	2,964,060	6,174,133	525,000	3,348,154	3,873,154	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

- 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  
GENERAL BONDED DEBT  
PENSION OBLIGATION BONDS (1)  
LAST TEN FISCAL YEARS**

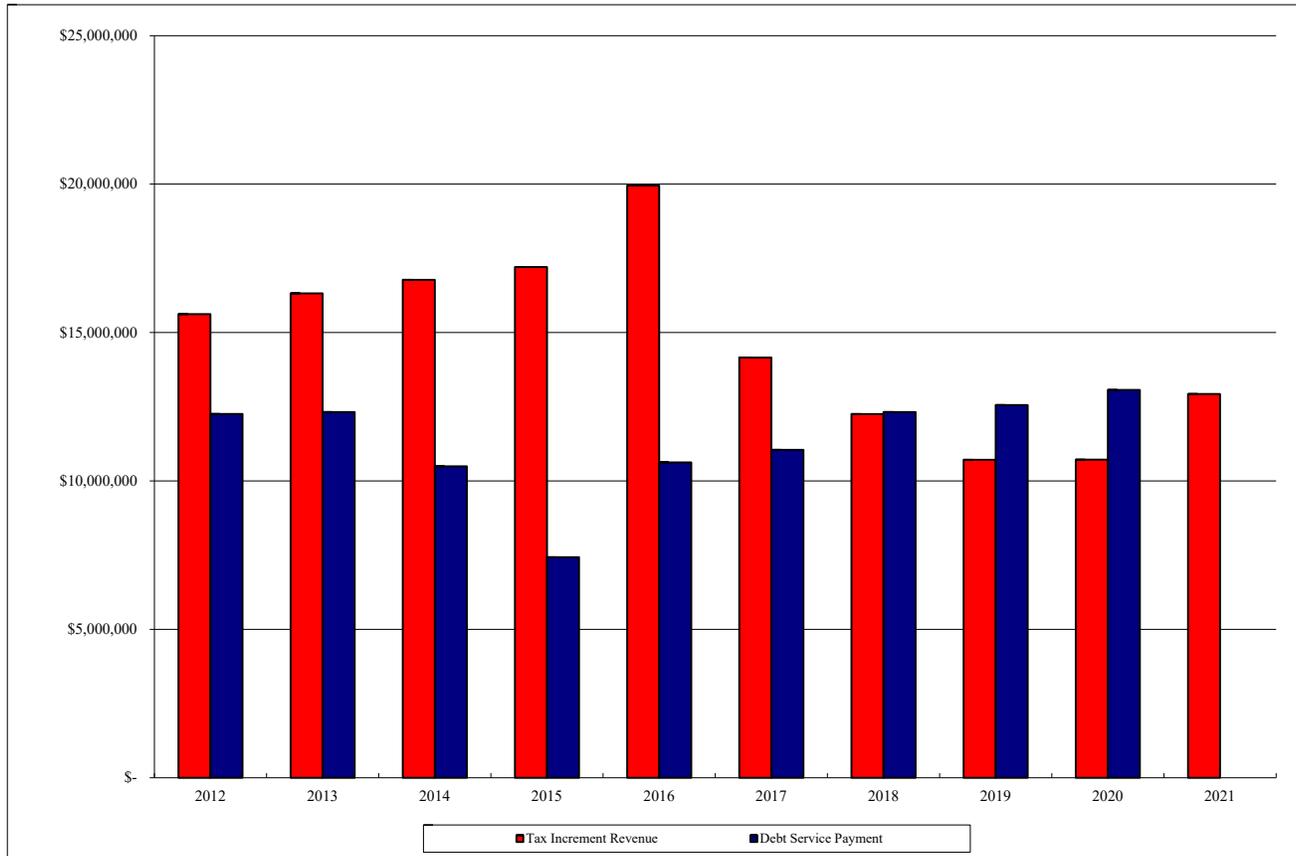


Fiscal Year	Bonds Outstanding	Restricted Cash and Investments (2)	Net Bonds Outstanding	Net Assessed Value of Property	Ratio of General Bonded Debt to Net Assessed Value of Property	Net General Bonded Debt per Capita
2012	\$ 155,060,554	\$ 8,617,952	\$ 146,442,602	\$ 9,242,647,000	1.58%	\$ 1,386
2013	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%	1,160

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  
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	
2012	\$ 15,619,530 (3) (4)	\$ 6,285,000	\$ 5,972,529	\$ 12,257,529	1.27
2013	16,320,481 (4)	6,565,000	5,754,825	12,319,825	1.32
2014	16,776,169 (4)	5,030,000	5,461,989	10,491,989	1.60
2015	17,206,306 (4)	2,930,000	4,500,409	7,430,409	2.32
2016	19,953,198 (4)	6,180,000	4,445,674	10,625,674	1.88
2017	14,156,746 (4)	6,395,000	4,653,678	11,048,678	1.28
2018	12,255,069 (4)	7,575,000	4,746,564	12,321,564	0.99
2019	10,714,239 (4)	7,895,000	4,662,021	12,557,021	0.85
2020	10,720,489 (4)	8,820,000	4,244,580	13,064,580	0.82
2021	12,927,768 (4)	12,949,294	4,128,651	17,077,945	0.76

- Note: (1) Includes the 1991, 1998, 2000, 2003, 2004, 2007, 2010 and 2014 Bonds.  
(2) Includes current refunding of the 2007 Bonds of \$64,275,000.  
(3) The Redevelopment Agency was dissolved effective January 31, 2012, and its liabilities were assumed by a Successor Agency. Amounts reported here include tax revenue and debt service of both the former Redevelopment Agency and the Successor Agency.  
(4) 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  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2021**

2020-2021 Assessed Valuation: \$16,462,773,688

	Total Debt	% Applicable (1)	City's Share of Debt
	June 30, 2021		June 30, 2021
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Bay Area Rapid Transit District	\$1,871,890,000	1.922%	\$35,977,726
Contra Costa Community College District	596,325,000	7.300%	\$43,531,725
West Contra Costa Unified School District	1,214,983,000	46.630%	\$566,546,573
West Contra Costa Healthcare District Parcel Tax Obligations	51,237,000	43.802%	\$22,442,831
East Bay Regional Park District	133,170,000	3.075%	\$4,094,978
City of Richmond Community Facilities District No. 1998-1	1,980,000	100%	\$1,980,000
City of Richmond 1915 Act Bonds	5,940,000	100%	\$5,940,000
California Statewide Community Development Authority 1915 Act Bonds	1,480,173	100%	\$1,480,173
<b>TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>681,994,006</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Contra Costa County General Fund Obligations	\$254,570,000	7.275%	18,519,968
Contra Costa County Pension Obligation Bonds	44,925,000	7.275%	3,268,294
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	5.806%	676,689
West Contra Costa Unified School District Certificates of Participation	7,105,000	46.630%	3,313,062
<b>City of Richmond General Fund Obligations</b>	<b>101,295,000</b>	<b>100%</b>	<b>101,295,000</b>
<b>City of Richmond Pension Obligations Bonds</b>	<b>62,482,525</b>	<b>100%</b>	<b>62,482,525</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>189,555,538</b>
Less: Contra Costa County general fund obligations supported by revenue funds			2,981,493
<b>City of Richmond obligations supported by port revenues</b>			<b>12,430,000</b>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>174,144,045</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</b>	<b>\$48,638,477</b>	<b>100%</b>	<b>48,638,477</b>
<b>TOTAL GROSS DIRECT DEBT</b>			<b>\$163,777,525</b>
<b>TOTAL NET DIRECT DEBT</b>			<b>\$151,347,525</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$756,410,496</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$753,429,003</b>
<b>GROSS COMBINED TOTAL DEBT</b>			<b>\$920,188,021 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$904,776,528</b>

- (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 4.14%

Ratios to Adjusted Assessed Valuation:

**Gross Total Direct Debt (\$163,777,525) 0.99%**

**Net Total Direct Debt (\$151,347,525) 0.92%**

Gross Combined Total Debt 5.59%

Net Combined Total Debt 5.50%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$3,477,991,163):

Total Overlapping Tax Increment Debt 1.40%

Source: HdL Coren & Cone, Contra Costa County Assessor and Auditor, City of Richmond Finance Department

**CITY OF RICHMOND  
COMPUTATION OF LEGAL BONDED DEBT MARGIN  
JUNE 30, 2021**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$16,371,402,000
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$613,927,575
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$0
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	0

Amount of debt subject to limit	0
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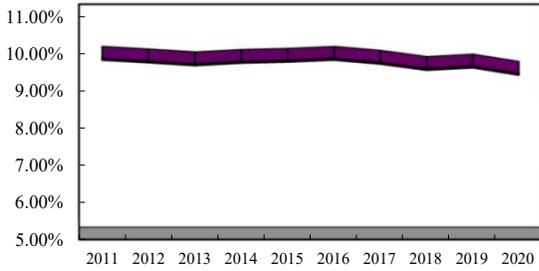
LEGAL BONDED DEBT MARGIN	\$613,927,575
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2012	405,777,338	0	405,777,338	0.00%
2013	474,620,025	0	474,620,025	0.00%
2014	368,446,575	0	368,446,575	0.00%
2015	440,390,400	0	440,390,400	0.00%
2016	480,061,088	0	480,061,088	0.00%
2017	507,715,613	0	507,715,613	0.00%
2018	528,071,513	0	528,071,513	0.00%
2019	571,313,100	0	571,313,100	0.00%
2020	588,625,125	0	588,625,125	0.00%
2021	613,927,575	0	613,927,575	0.00%

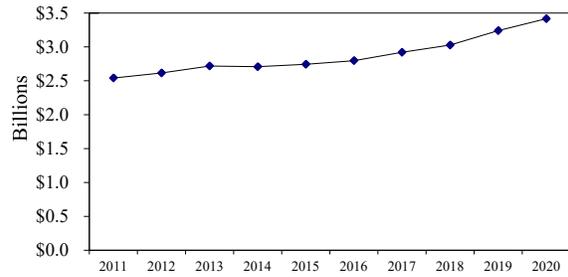
NOTE:

- (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.

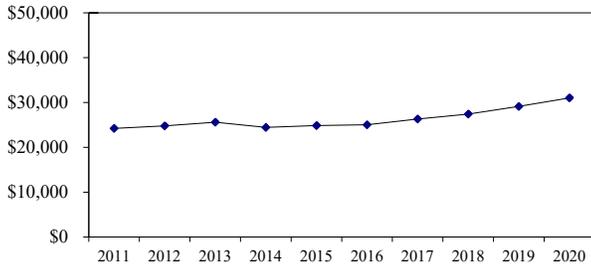
**CITY OF RICHMOND  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**



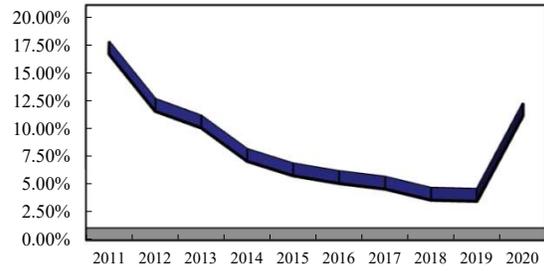
■ Series 1



◆ Series 1



◆ Per Capita Personal Income



■ Series 1

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%

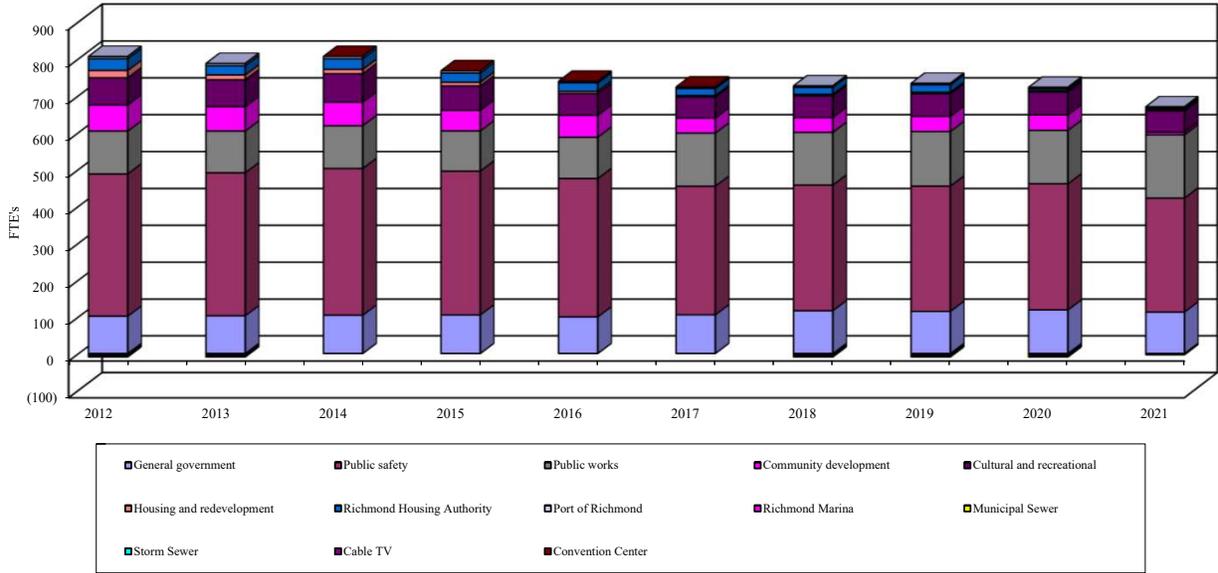
Source: HdL, Coren & Cone

**CITY OF RICHMOND**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<b>Employer</b>	<b>2020-2021</b>			<b>2011-2012</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Chevron Refinery	3,264	1	3.3%	1,950	1	1.9%
West Contra Costa Unified School District	1,658	2	1.7%	1,580	2	1.5%
Kaiser Foundation Hospitals	1,596	3	1.6%	677	7	0.6%
United Parcel Service	1,332	4	1.4%			
Social Security Administration	1,259	5	1.3%	1,259	3	1.2%
Amazon.com Services	1,055	6	1.1%			
The Permanente Medical Group	1,051	7	1.1%			
U.S. Postal Service	1,047	8	1.1%	1,047	4	1.0%
Contra Costa County	844	9	0.9%	844	5	0.8%
City of Richmond	860	10	0.9%	771	6	0.7%
Bio-RAD Laboratories				473	8	0.5%
Michael Stead Auto Depot & Sales				472	9	0.5%
Walmart				400	10	0.4%
Dicon Fiberoptic				400	10	0.4%
Subtotal	<u>13,966</u>		<u>14.2%</u>	<u>9,873</u>		<u>9.4%</u>
Total City Day Population	<u>98,229</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
<b>Function</b>										
General government	101.7	102.9	104.4	105.2	99.8	105.4	116.5	114.7	118.7	113.1
Public safety	386.0	388.0	398.0	390.0	375.5	349.0	341.0	340.0	342.0	309.0
Public works	116.0	113.0	116.0	109.0	112.0	144.0	143.0	148.0	145.0	171.5
Community development	71.0	66.0	64.0	56.0	59.5	41.0	40.0	41.0	42.0	7.0
Cultural and recreational	73.8	73.2	76.8	66.0	59.0	57.0	59.1	61.7	61.7	58.1
Housing and redevelopment	19.6	13.0	12.0	10.0	5.9	3.8	3.8	3.8	3.8	2.8
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
Port of Richmond	6.0	6.0	6.0	6.0	4.0	4.0	4.0	4.0	4.0	4.0
Richmond Marina	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Municipal Sewer	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Storm Sewer	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Cable TV	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Convention Center	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
<b>Total</b>	<b>806.1</b>	<b>787.1</b>	<b>806.2</b>	<b>767.2</b>	<b>738.7</b>	<b>723.2</b>	<b>726.4</b>	<b>733.2</b>	<b>722.5</b>	<b>669.5</b>

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**

	<u>2012</u>	<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>
<b>Function/Program</b>										
Public safety:										
Fire:										
Fire calls for service	12,770	12,868	12,988	13,670	14,497	14,372	14,375	13,900	14,318	18,150
Primary fire inspections conducted	1,071	2,716	3,000	1,569	1,134	1,160	5,378	3,929	2,919	3,320
Number of firefighters	85	93	85	94	91	90	91	90	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	1.8	1.7	1.8	1.7	1.6	1.6	1.6	1.6	1.3
Number of sworn officers	191	195	186	196	185	182	178	178	178	157
Water										
Daily average consumption in gallons per family	250	250	250	250	250	250	250	250	160	194

**Source:** City of Richmond

**CITY OF RICHMOND**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Function/Program</b>										
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	280	290	280
Street lights	7,000	7,000	6,543	8,343	8,543	9,000	9,000	9,000	7,801	9,000
Urban Forest (trees) (a)	41,562	26,000	21,609	22,009	35,620	35,782	36,231	36,499	36,766	36,700
Culture and recreation:										
Community services:										
City parks	55	55	55	55	55	55	55	55	55	55
City parks acreage	336.6	336.6	336.6	336.6	336.6	336.6	336.6	336.6	336.6	336.6
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	1
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	3
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	1
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	2
Water										
Fire hydrants	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153
Wastewater										
Miles of sanitary sewers	183	183	183	183	183	183	183	230	189	194
Miles of storm sewers	310	310	310	310	310	310	310	310	198	310
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.