

# Annual Comprehensive Financial Report

For The Year Ended June 30, 2023

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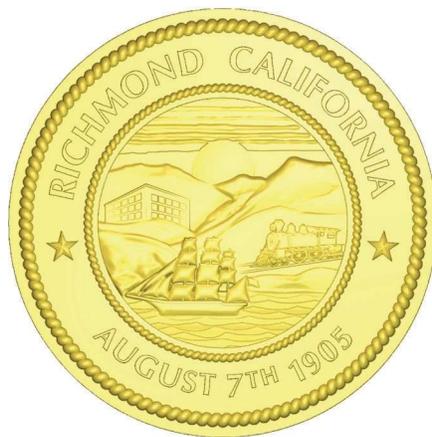


City of Richmond, California



City of Richmond  
California

# Annual Comprehensive Financial Report



Fiscal Year Ended June 30, 2023

Prepared by the Finance Department

Andrea Miller

Director of Finance/Treasurer

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**City of Richmond**  
**Annual Comprehensive Financial Report**  
**For the year ended June 30, 2023**  
**Table of Contents**

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	Page
<b><u>INTRODUCTORY SECTION</u></b>	
Table of Contents .....	i
Letter of Transmittal.....	v
Organizational Chart.....	xi
List of Elected and Appointed Officials.....	xii
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditor’s Report .....</b>	<b>1</b>
<b>Management’s Discussion and Analysis.....</b>	<b>7</b>
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position.....	26
Statement of Activities.....	28
<b>Fund Financial Statements:</b>	
<b>Governmental Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds .....	33
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	34
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	35
Reconciliation of the Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities .....	36
<b>Proprietary Fund Financial Statements:</b>	
Statement of Net Position – Proprietary Funds .....	38
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	40
Statement of Cash Flows – Proprietary Funds.....	42
<b>Fiduciary Fund Financial Statements:</b>	
Statement of Fiduciary Net Position – Fiduciary Funds.....	45
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	46
Notes to Basic Financial Statements .....	49

**City of Richmond**  
**Annual Comprehensive Financial Report**  
**For the year ended June 30, 2023**  
**Table of Contents**

---

	Page
<b>Required Supplemental Information:</b>	
Budget and Budgetary Accounting.....	179
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund .....	181
Community Development and Loan Programs Special Revenue Fund .....	182
American Rescue Plan Act Special Revenue Fund.....	183
Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plan.....	184
Schedule of Contributions – Miscellaneous Plan .....	186
Schedule of Changes in the Net Pension Liability and Related Ratios –Safety Plan.....	188
Schedule of Contributions – Safety Plan .....	190
Schedule of Changes in the Net Pension Liability and Related Ratios:	
General Pension Plan.....	192
Police and Firemen’s Pension Plan.....	194
Garfield Pension Plan .....	196
Schedule of Contributions:	
General Pension Plan .....	198
Police and Firemen’s Pension Plan.....	198
Garfield Pension Plan .....	198
Schedule of Investment Returns:	
Police and Firemen’s Pension Plan.....	199
General Pension Plan.....	199
Garfield Pension Plan .....	199
Other Post-Employment Benefits Plan Schedules - OPEB Plan:	
Schedule of Changes in the Net OPEB Liability and Related Ratios .....	200
Schedule of Plan Contributions.....	202
Schedule of Investment Returns.....	202
Other Post-Employment Benefits Plan Schedules - RPOA Plan:	
Schedule of Changes in the Net OPEB Liability and Related Ratios .....	204
Schedule of Plan Contributions.....	205
<b>Supplementary Information:</b>	
<b>Combining and Individual Fund Statements and Schedules:</b>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	212
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	216

**City of Richmond**  
**Annual Comprehensive Financial Report**  
**For the year ended June 30, 2023**  
**Table of Contents**

	Page
<b>Supplementary Information (Continued):</b>	
Schedules of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Nonmajor Governmental Funds:	
State Gas Tax Fund .....	220
General Purpose Fund.....	221
Paratransit Operations Fund .....	222
Employment and Training Fund .....	223
Public Safety Fund .....	224
Lighting and Landscaping Districts Fund.....	225
Developer Impact Fees Fund.....	226
Secured Pension Override Fund .....	227
Richmond Neighborhood Stabilization Corporation Fund .....	228
Rent Control Fund .....	229
Cost Recovery Fund.....	230
Environmental and Community Investment Agreement Fund .....	231
2005 Pension Obligation Bonds Fund .....	232
General Debt Service Fund .....	233
Civic Center Debt Service Fund.....	234
General Capital Improvement Fund .....	235
Measure C/J Fund .....	236
Harbor Navigation Fund .....	237
Combining Statements of Net Position – Nonmajor Enterprise Funds.....	240
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds .....	241
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	242
Combining Statement of Net Position – Internal Service Funds.....	244
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds .....	245
Combining Statement of Cash Flows – Internal Service Funds .....	246
Combining Statement of Fiduciary Net Position – Pension Trust Funds.....	248
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds.....	249
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds .....	250
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds.....	251
Sub-Combining Statement of Fiduciary Net Position – Successor Agency to the Richmond Community Redevelopment Agency .....	252
Sub-Combining Statement of Changes in Fiduciary Net Position – Successor Agency to the Richmond Community Redevelopment Agency .....	254
Combining Statement of Fiduciary Net Position – Custodial Funds.....	258
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds .....	260

**City of Richmond**  
**Annual Comprehensive Financial Report**  
**For the year ended June 30, 2023**  
**Table of Contents**

---

	Page
<b><u>STATISTICAL SECTION</u></b>	
Net Position by Component Last Ten Fiscal Years .....	268
Changes in Net Position Last Ten Fiscal Years.....	270
Fund Balances of Governmental Funds Last Ten Fiscal Years.....	272
Changes in Fund Balance of Governmental Funds Last Ten Fiscal Years.....	274
Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years .....	276
Property Tax Rates – All Overlapping Governments Last Ten Fiscal Years.....	278
Principal Property Tax Payers Current Year and Nine Years Ago .....	280
Property Tax Levies and Collections Last Ten Fiscal Years.....	281
Utility Users Tax Collections Last Ten Fiscal Years .....	282
Utility Users Tax Direct Rates On Charges For Services Last Ten Fiscal Years.....	283
Top Ten Utility Users Taxpayers .....	284
Ratio of Outstanding Debt by Type Last Ten Fiscal Years.....	285
Computation of Legal Bonded Debt Margin.....	286
Revenue Bond Coverage 1999, 2006, 2008, 2010A, 2010B, 2017A, 2019A and 2019B Wastewater Revenue Bonds Last Ten Fiscal Years.....	287
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 .....	288
Bonded Debt Pledged Revenue Coverage Tax Allocation Bonds and Refunding Bonds Last Ten Fiscal Years .....	289
General Bonded Debt Pension Obligation Bonds Last Ten Fiscal Years .....	290
Computation of Direct and Overlapping Debt .....	291
Demographic and Economic Statistics Last Ten Calendar Years.....	292
Principal Employers Current Year and Nine Years Ago.....	293
Full-Time Equivalent City Government Employees by Function Last Ten Fiscal Years .....	294
Operating Indicators by Function/Program Last Ten Fiscal Years.....	295
Capital Asset Statistics by Function/Program Last Ten Fiscal Years.....	296

## FINANCE DEPARTMENT

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

January 23, 2024

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, 2023, and the cash flows of its proprietary fund types for the year then ended. The basic financial statements and supporting schedules have been prepared in compliance with Article IV, Section 1(b)3 of the City Charter, with California Government Code Sections 25250 and 25253, and in accordance with generally accepted accounting principles (GAAP) for local governments as established by the Governmental Accounting Standards Board (GASB).

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

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

The City's financial statements have been audited by an independent auditing firm of licensed certified public accountants. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining evidence supporting the amounts and disclosures in the financial statements on a test basis; 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, 2023, 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, 2023. 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**

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; therefore, 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 and independent operations from the City. Each blended component unit has a year-end date of June 30. 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 60 minutes 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 113,518. The population within a 30-mile radius of Richmond is over 3.7 million and within a 70-mile radius is approximately 7.8 million. Richmond is located on the western shore of Contra Costa County, and it is the largest city in the "West County" region consisting of five cities: Richmond, El Cerrito, San Pablo, Hercules, and Pinole.

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

The City of Richmond operates under a Council-Manager form of government with six members elected at-large to alternating four-year terms and the Mayor elected at-large as the seventh member. The City Manager, appointed by the Mayor and Council, has authority to manage the administrative and fiscal operations of the City. In addition to the City Manager, the City Attorney, and City Clerk 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 received in two installments, \$13.8 million in August 2021 and \$13.8 million in August 2022. These funds have been allocated to programs that provide rent relief for those negatively impacted by COVID-19, assistance for the unhoused, community needs assessment, and community infrastructure improvements.

COVID-19 pandemic impacts on the City of Richmond's tax revenues have significantly subsided. Revenue reduction is reflected in Transient Occupancy Tax (TOT), and fees and rentals collected by both the Police Department and Community Services. The major revenue streams, including Sales Tax, Property Taxes, and Utility Users Tax are well above pre-pandemic levels. Additionally, voter approved changes to the Business Tax Ordinance have yielded significantly higher amounts of General Fund revenue.

Property Tax continues to see steady growth with actual General Fund Property Taxes in FY2022-23 increase more than 10% compared to the previous year. More recently, the 2022-2023 County Assessment Roll indicates growth of the Assessed Valuation (AV) at 6.77% for Secured Property Taxes, the main component in changes to secure property taxes year-to-year. While most properties in Richmond had a year-over-year increase of the 2% maximum allowed under Proposition 13, the major growth leading to the 6.77% AV change was driven by properties sold during the previous calendar year and the updated valuation of the Chevron Refinery by the County Assessor. A component of the General Fund Property Taxes are the Successor Agency Surplus and Pass-through revenues, which increased over \$410 million in FY2022-23, almost 20% more compared to the previous year.

The City received \$55.5 million in Sales Tax revenue, which is \$5.8 million more than the pre-pandemic high of \$44.5 million in FY2018-19, a total increase of 13% over the last three years. The most recent forecast from the City's financial consultants, using the most likely scenarios, expects this trend to continue.

Measure U, which was approved by voters in November 2020, significantly changed the calculation for the Business License Tax. Measure U imposes a calculation based on Gross Receipts. This changed the tax calculation from being based on number of employees or location to a percentage of the business gross receipts. The business tax collected by the City will change with inflation, and with the number of businesses opening and closing. This will more closely tie to the local economy than in years past.

## **Significant Events and Accomplishments**

The City of Richmond is committed to providing excellent municipal services to its diverse residents and visitors. Highlights of the City's activities and accomplishments for the fiscal year ended June 30, 2023, include the following:

### **Library**

- Restored Saturday hours to the Main Library, for a total of 46 service hours per week exceeding the pre-pandemic 40 hours.
- Library users borrowed 113,220 items.
- Library users made 42,661 visits to the library.
- 10,168 people attended 327 library events for children, teens, and adults including expansive Summer Programming at all locations from numerous performers and community organizations.
- Partnerships: Collaborated with Scientific Adventures for Girls to offer co-ed space science programs to children on Saturdays in July. Productive partnerships with East Bay Regional Parks, Habitat Children's Museum and Richmond Head Start classrooms led to dozens of well-attended special events and story times.
- Acquired additional hotspots and laptops to be circulated to patrons, expanding access to online resources.
- Accepted a \$250,000 grant from the California State Library to design and procure a replacement Bookmobile.
- Accepted a \$9.7 million library renovation grant from the California State Library to renovate Richmond Main Library.
- Accepted a \$150,000 grant from the Richmond Fund for Children and Youth for an expansive Homework Help program to be operated in conjunction with Bay Area Tutoring Association at three library locations and two community centers in 2023-2024.

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

- LEAP received grants to support literacy services including adult literacy instruction, families for literacy services, and English as a Second Language services totaling \$183,869.
- LEAP provided literacy services to Richmond residents, offered GED preparation classes at Bay Area Rescue Mission and English as a Second Language classes at a local business, Online Bindery. LEAP partnered with the Office of Neighborhood Safety to serve –at-risk youth, Richmond Builds to provide math training for the plumber's exam, and the West Contra Costa Unified School district to offer ESL classes to parents. LEAP also served as host site for Contra Costa Health Services Health Career Pathways and collaborated with other City departments to host the Annual Literacy Festival.
- 287 active adult learners; 6 GED certificates earned, 38 adults and 59 children participated in the Families for Literacy Services.
- LEAP has a group of dedicated volunteers who donated 2,203.5 hours, the equivalent of \$61,900 in salary costs.
- Entered partnership with T-Mobile Government contracting to secure 109 free iPads for students to continue their education remotely with free hotspots.

### **Office of Neighborhood Safety**

- Awarded over \$6 million dollars in grant funding.
- Completed our 7<sup>th</sup> cohort of our Operation Peacemaker Fellowship.
- Hired 7 new Neighborhood Change Agents and 2 new administrative staff.
- Had 5,100+ engagements with Richmond community members.
- Spent 5,000+ hours engaging Richmond community members.

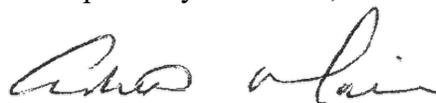
### **Recreation**

- Expanded the hours for many of our programs into evening and weekend times.
- Transitioned all afterschool and summer camp programs to in-person opportunities.
- Increased attendance at all our programs and Special Events such as Spring Egg Hunt, Park Rx Day, Fireworks, Fall Festival, and Tree Lighting.
- Senior Centers and Developing Personal Resources Center continued to provide programs in a hybrid format to allow our participants the freedom to choose programs of their comfort level.
- Continued to award Love Your Block Mini-Grants and supported community beautification projects through the fee waiver process.
- Celebrated the opening of the City of Richmond's first mobile Tool Lending Library.
- Opened the first cooling center at Nevin Park through a grant received from Pacific Gas & Electric.

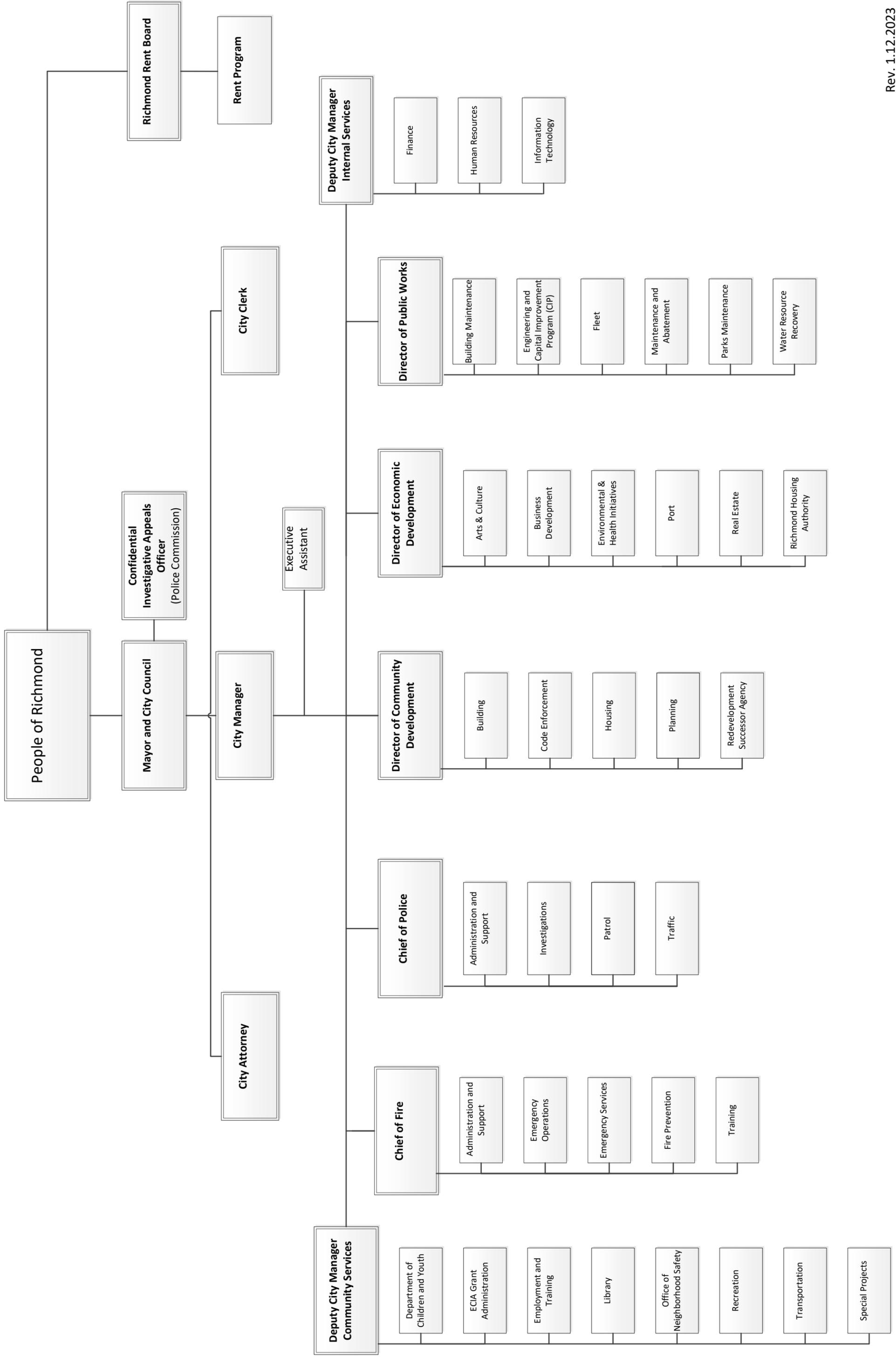
### **Transportation**

- Increased Richmond MOVES on demand ride destinations by 15%.
- Expanded the R-Transit senior / disabled rideshare van service by contracting with a transportation provider to assist with rides and outreach promotions to enroll additional consumers.
- Approved by the US DOT as a Transportation Service provider.
- Increased participation in the annual electric vehicle carshare program to encourage increased EV purchases.

Respectfully submitted,



Andrea Miller  
Director of Finance/Treasurer



**CITY OFFICIALS**

**JUNE 30, 2023**

**CITY COUNCIL**

Mayor .....	Eduardo Martinez
Vice Mayor .....	Gayle McLaughlin
Councilmember .....	Soheila Bana
Councilmember .....	Claudia Jimenez
Councilmember .....	Doria Robinson
Councilmember .....	Melvin Willis
Councilmember .....	Cesar Zepeda

**ADMINISTRATION AND EXECUTIVE MANAGEMENT**

City Manager .....	Shasa Curl
Deputy City Manager, Community Services .....	LaShonda White
Deputy City Manager, Internal Services .....	Nickie Mastay
City Attorney .....	Dave Aleshire
City Clerk .....	Pamela Christian
Director of Community Development .....	Lina Velasco
Director of Economic Development .....	Nannette Beacham
Director of Finance .....	Andrea Miller
Director of Information Technology .....	Sue Hartman
Director of Public Works .....	Daniel Chavarria
Human Resources Director .....	Sharrone Taylor
Interim Fire Chief .....	Michael Smith
Police Chief .....	Bisa French
Port Director .....	Charles Gerard



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Disclaimer of Opinion and Unmodified Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Richmond, California (City), as of and for the year ended June 30, 2023, 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, 2023. These financial statements collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Summary of Opinions*

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

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

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

To the Honorable Mayor and Members of the City Council  
of the City of Richmond  
Richmond, California  
Page 2

***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, 2023. The Richmond Housing Authority's financial activities are included in the City's basic financial statements as a major enterprise fund and represent 8.11%, 18.66%, and 8.67% of the assets, net position, and revenues, respectively, of the City's business-type activities. The financial activities of the RHA Properties, RHA Housing Corporation and RHA RAD LLC are included in the City's financial activities as discretely presented component units and represent the City's only discretely presented component units.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, the Community Development and Loan Programs Special Revenue Fund, the Port of Richmond Enterprise Fund, the Municipal Sewer Enterprise Fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Unmodified Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other post-employment benefits information on pages 7-19 and 179-205 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedule and budget comparison information of nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

***Other Information***

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

To the Honorable Mayor and Members of the City Council  
of the City of Richmond  
Richmond, California  
Page 5

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2024 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  
January 23, 2024

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2023**

This narrative overview and analysis of the City of Richmond's (City) Basic Financial Statements is for the fiscal year ended June 30, 2023. 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 \$118.1 million during the fiscal year, attributed to \$98.1 million increase in governmental activities and \$20 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 fiscal year 2023 by \$62 million (net deficit). Alternatively, the assets and deferred outflows of the business-type activities of the City exceeded its liabilities and deferred inflows by \$133.9 million.
- As of June 30, 2023, the City's unrestricted net deficit (governmental and business-type activities) totaled \$370.5 million, a \$83.1 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 \$22.8 million to \$140.6 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, 2023, the net position of RHA is \$25 million, accounting for 18.7% 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 increased the minimum to 21% of the General Fund's next year's budgeted appropriations, or \$47.3 million. As of June 30, 2023, the balance was \$55.2 million, or 24.49%.
- The Net Pension Liability of \$369.6 million, represents the City's unfunded pension obligation, increased by \$155.3 million from \$214.3 million. The City reports \$74.7 million in the Other Post-Employment Benefit (OPEB) liability for this fiscal year, which is a decrease of \$9.8 million from the \$84.5 million obligation reported in the prior year.
- The City's General Fund revenue and other financing sources (uses) exceeded expenditures by \$15.8 million in fiscal year 2023. This is primarily attributable to property taxes, utility user taxes, and licenses, permits, and fee revenues in excess of expectations for the year.

## OVERVIEW OF FINANCIAL STATEMENTS

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

### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all 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.

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, while being legally separate entities, are included in the City's financial statement as discretely presented component units for which the City bears financial responsibility.

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

### Fund Financial Statements

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

**Governmental Funds** – Governmental funds focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year 2023. 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 21 governmental funds, of which three 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 three major funds are the General Fund, the Community Development and Loan Programs Special Revenue Fund, and the American Rescue Plan Act Fund. The basic governmental fund financial statements can be found on pages 33-36 of the financial report. Data from the other eighteen governmental funds are combined into a single, aggregated presentation and reported separately on pages 212-219 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 more detailed. The City maintains three internal service funds to account for its vehicle operations, risk management program, and compensated absences. The proprietary fund financial statements can be found on pages 38-43 of the financial report.

***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of third parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The fiduciary funds for the City consist of Pension Trust Funds, City OPEB Plan Trust Fund, RPOA OPEB Plan Trust Fund, Pt. Molate Private-Purpose Trust Fund, Successor Agency to the Richmond Community Redevelopment Agency Private-Purpose Trust Fund, and Custodial Funds. The fiduciary funds financial statements for these funds can be found on pages 45-46 of the financial report.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-176 of the financial report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Government-wide Net Position

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

**City of Richmond's Net Position**  
**June 30, 2023 and 2022**  
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
<b>Assets:</b>						
Current assets	\$ 302,062	\$ 245,417	\$ 71,414	\$ 63,729	\$ 373,475	\$ 309,146
Other noncurrent assets	55,050	49,189	64,517	72,441	119,567	121,630
Capital assets	298,742	296,418	246,849	226,354	545,591	522,772
Total Assets	<u>655,853</u>	<u>591,024</u>	<u>382,779</u>	<u>362,524</u>	<u>1,038,633</u>	<u>953,548</u>
<b>Deferred Outflows of Resources:</b>						
Deferred outflows related to pensions	101,707	36,064	2,134	778	103,840	36,842
Deferred outflows related to OPEB	2,512	4,095	61	122	2,574	4,217
Deferred outflows related to fair value of derivative	-	21,985	-	-	-	21,985
Deferred charge on refunding	30,246	-	5,554	5,901	35,800	5,901
Total Deferred Outflows of Resources	<u>134,465</u>	<u>62,145</u>	<u>7,748</u>	<u>6,801</u>	<u>142,213</u>	<u>68,945</u>
<b>Liabilities:</b>						
Current liabilities	89,810	108,322	20,173	20,953	109,983	129,275
Noncurrent liabilities	728,266	561,493	175,910	161,964	904,176	723,457
Total Liabilities	<u>818,076</u>	<u>669,815</u>	<u>196,084</u>	<u>182,917</u>	<u>1,014,160</u>	<u>852,732</u>
<b>Deferred Inflows of Resources:</b>						
Deferred inflows related to pensions	7,266	94,876	122	2,378	7,388	97,254
Deferred inflows related OPEB	26,414	47,929	560	1,321	26,975	49,250
Deferred inflows related to leases	860	898	59,901	68,857	60,761	69,755
Total Deferred Inflows of Resources	<u>34,540</u>	<u>143,702</u>	<u>60,583</u>	<u>72,556</u>	<u>95,124</u>	<u>216,258</u>
<b>Net Position:</b>						
Net investment in capital assets	219,126	213,930	82,405	75,469	301,531	289,399
Restricted	139,687	117,137	879	608	140,566	117,744
Unrestricted	(421,111)	(491,415)	50,576	37,775	(370,535)	(453,640)
Total Net Position (Deficit)	<u>\$ (62,298)</u>	<u>\$ (160,348)</u>	<u>\$ 133,861</u>	<u>\$ 113,852</u>	<u>\$ 71,563</u>	<u>\$ (46,495)</u>

## Government-wide Activities

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

**City of Richmond's Changes in Net Position  
For the Years Ended June 30, 2023 and 2022  
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	FY2023	FY2022 *	FY2023	FY2022 *	FY2023	FY2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 35,662	\$ 26,965	\$ 46,672	\$ 43,173	\$ 82,334	\$ 70,138
Operating grants/contributions	39,915	37,756	4,341	2,212	44,256	39,968
Capital grants/contributions	1,785	10,787	-	-	1,785	10,787
General revenues:						
Property taxes-current collections	71,090	65,249	-	-	71,090	65,249
Sales taxes	55,541	53,453	-	-	55,541	53,453
Utility user taxes	54,676	48,374	-	-	54,676	48,374
Documentary transfer taxes	10,417	18,612	-	-	10,417	18,612
Other taxes	9,207	8,177	-	-	9,207	8,177
Unrestricted Intergovernmental	8,744	7,241	-	-	8,744	7,241
Use of money and property	5,517	1,594	2,083	910	7,600	2,504
Gain on sale of capital assets	20	88	-	-	20	88
Other	1,994	2,140	-	-	1,994	2,140
Total revenues	<u>294,568</u>	<u>280,436</u>	<u>53,096</u>	<u>46,295</u>	<u>347,664</u>	<u>326,731</u>
<b>Expenses:</b>						
General government	60,377	48,312	-	-	60,377	48,312
Public safety	76,927	68,260	-	-	76,927	68,260
Public works	36,476	35,555	-	-	36,476	35,555
Community development	4,515	3,552	-	-	4,515	3,552
Cultural & recreation	9,264	9,970	-	-	9,264	9,970
Housing & redevelopment	3,235	3,376	-	-	3,235	3,376
Interest and fiscal charges	4,841	12,322	-	-	4,841	12,322
Richmond Housing Authority	-	-	4,987	(1,751)	4,987	(1,751)
Port of Richmond	-	-	5,500	4,764	5,500	4,764
Municipal Sewer	-	-	20,762	18,141	20,762	18,141
Richmond Marina	-	-	217	246	217	246
Storm Sewer	-	-	1,803	1,283	1,803	1,283
Cable TV	-	-	735	665	735	665
Total expenses	<u>195,635</u>	<u>181,347</u>	<u>34,004</u>	<u>23,347</u>	<u>229,639</u>	<u>204,695</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	98,933	99,089	19,092	22,948	118,025	122,037
Transfers	(882)	(3,517)	882	3,517	-	-
Changes in Net Position	<u>98,051</u>	<u>95,572</u>	<u>19,975</u>	<u>26,464</u>	<u>118,025</u>	<u>122,036</u>
Net position (deficit) at beginning of year (July 1, 2022restated)	<u>(160,348)</u>	<u>(255,921)</u>	<u>113,886</u>	<u>87,388</u>	<u>(46,462)</u>	<u>(168,533)</u>
Net position (deficit) at end of year	<u>\$ (62,298)</u>	<u>\$ (160,348)</u>	<u>\$ 133,861</u>	<u>\$ 113,852</u>	<u>\$ 71,563</u>	<u>\$ (46,495)</u>

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

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

## Governmental Activities

Governmental activities increased the City’s net position by \$98.1 million, accounting for 83% of the City’s total increase in net position of \$118 million. Total revenues of \$294.6 million exceeded expenses of \$195.6 million by \$99 million. Revenues increased by \$14.1 million or 5% from the prior year primarily due to an increase in charges for services, property tax revenues, and operating grants/contributions. Expenses increased \$14.3 million or 7.8% from the prior year primarily due to an increase in general government, public safety, and public works expenses.

## Business Type Activities

Business-type activities increased the City’s net position by \$20 million. Key factors contributing to the increase in business-type activities are as follows:

- The Richmond Housing Authority’s (RHA) net position increased by \$600 thousand. This increase is due to the collection of past due tenant rent and payment agreements.
- The Port of Richmond’s (Port) net position increased by \$6.8 million, an increase of 6% from the previous year.
- The Municipal Sewer fund’s net position increased by \$10.4 million. This increase was primarily due to an increase in revenues.
- Other Enterprise fund’s net position increased by \$2.2 million. This increase was primarily due to a grant income of \$1.1 million and a decrease in interest expense.

## Net Program (Expenses) Revenues

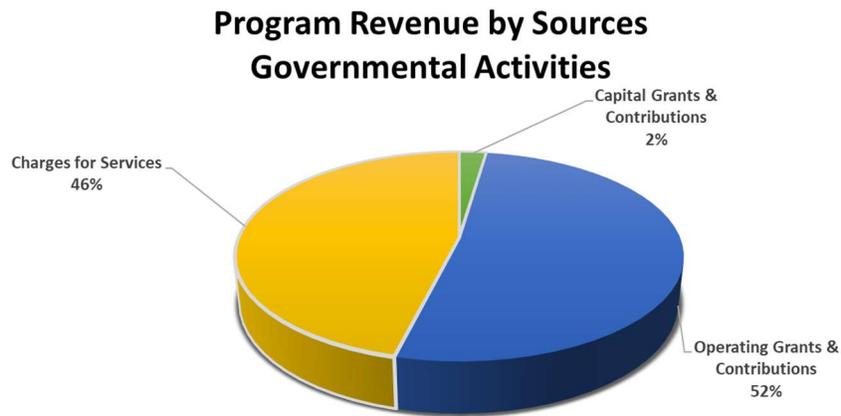
Comparisons of the costs of services by functions for the City’s government-wide activities are shown in the preceding tables on page 11, along with the revenues used to cover the net expenses.

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

Functions	Expenses and Program Revenues		Net (Expenses)
	Expenses	Revenues	Revenues
General government	\$ 60,377,362	\$ 29,096,998	\$ (31,280,364)
Public safety	76,926,512	4,414,291	(72,512,221)
Public works	36,475,877	16,925,792	(19,550,085)
Community development	4,515,446	26,096,385	21,580,939
Cultural and recreational	9,263,762	1,062,677	(8,201,085)
Housing and redevelopment	3,234,605	(234,064)	(3,468,669)
Interest on long-term debt	4,841,105	-	(4,841,105)
<b>Total</b>	<b>\$ 195,634,669</b>	<b>\$ 77,362,079</b>	<b>\$ (118,272,590)</b>

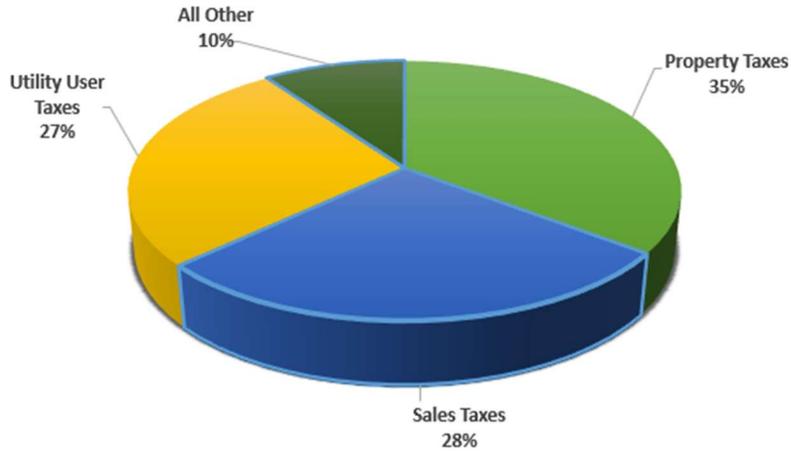
Total governmental activities expenses of \$195.6 million were offset by \$77.4 million in program revenues in fiscal year 2023. Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from the government's general revenues. During the fiscal year, the net costs funded by the City's general revenues were \$118 million.

As reflected in the pie chart below, 46% of the governmental program revenues came from Charges for Services, which includes licenses, permits, fees, fines, forfeitures, penalties, and several other revenues. The remaining 54% of governmental program revenues came from Operating Grants and Capital Grants Contributions, which include restricted revenues such as Gas Tax, Transportation and Sales Tax, and Federal/State Grants.



General revenues are all other revenues not categorized as program revenues and include property taxes, sales taxes, utility users' tax, documentary transfer taxes, investment earnings, grants and contributions not related to specific programs and other miscellaneous general revenues. Total general revenue from governmental activities were \$217.2 million in fiscal year 2023. The three largest components of general revenues received were Property Taxes-current collections of \$71.1 million, Sales Taxes of \$55.5 million, and Utility User Taxes of \$54.7 million. The following pie chart shows the City's general revenues by source.

## General Revenue by Sources Governmental Activities

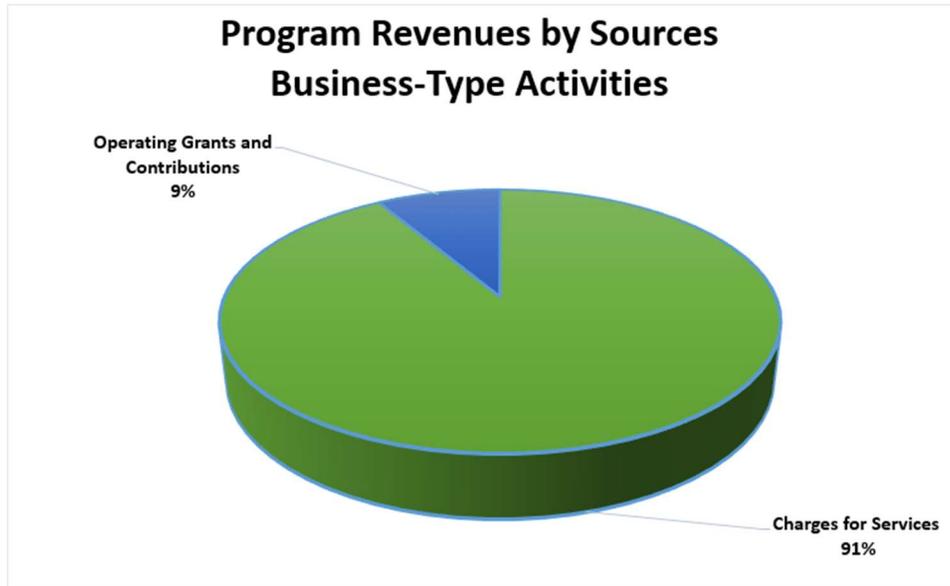


The following table details net program costs for business-type activities. Business-type activities revenue exceeded expenses by \$17 million, as Municipal Sewer, the Port of Richmond, and other Enterprise Funds contributed net revenues of \$9.6 million, \$5.9 million, and \$1.5 million respectively.

### Expenses and Program Revenues Business-type Activities

	Expenses	Program Revenues	Net (Expenses) Revenues
<b>Business-type Activities</b>			
Richmond Housing Authority	\$ 4,986,560	\$ 4,591,367	\$ (395,193)
Port of Richmond	5,500,092	11,383,930	5,883,838
Municipal Sewer	20,762,028	30,312,526	9,550,498
Richmond Marina	217,343	541,632	324,289
Storm Sewer	1,803,217	3,146,595	1,343,378
Cable TV	735,080	1,037,515	302,435
<b>Total</b>	<b>\$ 34,004,320</b>	<b>\$ 51,013,565</b>	<b>\$ 17,009,245</b>

As reflected in the following pie chart, 91% of the business-type program revenues came from Charges for Services and the remaining 9% were derived from Operating Grants and Contributions.



## 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 2023, the City's governmental funds reported total fund balances of \$193.2 million, an increase of \$35.9 million, or 22.8% 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 \$13.1 million or 6.8% and expenditures increased by \$12.2 million or 7.2%. The increase in revenues is primarily due to the increased collection of both Utility User Tax and Licenses, permits and fees. Utility User Tax increased by \$6.3 million or 13%. Licenses, permits and fees increased by \$7.5 million, an increase of over 86.2%.

General Fund expenditures increased by 7.2% across several categories with General Government as the major source of increase. In Other Financing Sources and Uses, Operating Transfers-In increased by 97.9%; however, Operating Transfers Out increased by 116.7%. Operating Transfers In included \$19.4 million from Secured Pension Override Fund for current year pension contributions to CalPERS. Operating Transfers Out included \$15 million to the General Capital Fund for the Main Library Renovation Project.

At the end of the fiscal year 2023, the total fund balance increased by \$15.8 million from the prior year to \$86.3 million. The General Fund reported an unassigned fund balance of \$55.2 million, an increase of \$10.3 million from prior year, of which the entire balance has been set aside for contingency.

***Community Development and Loan Programs*** – This fund was established to account for the receipt of grant monies and the uses of Community Development Block Grant, HOME Investment Partnership Program, and Neighborhood Stabilization Program. 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-income and moderate-income housing activities. As of June 30, 2023, fund balance is \$32.6 million, which represents a \$1.2 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 affordable housing for low and very low-income residents of Richmond through federally funded housing programs. RHA’s net position increased by \$0.6 million to \$25 million as of June 30, 2023.

***The Port of Richmond*** – The Port of Richmond (Port) is a public enterprise established by the City and is administered as a department of the City. Operations include the marine terminal facilities and commercial property rentals. The Port’s net position increased by \$6.8 million to \$29.1 million as of June 30, 2023.

***Municipal Sewer Fund*** – This fund is used to account for a variety of sewer service-related revenues and expenses. Municipal Sewer’s net position increased by \$10.4 million to \$70.5 million as of June 30, 2023.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original adopted budget, excluding transfers, bond premium and proceeds from sale of property, reflected \$190 million in estimated revenues and \$198.7 million in appropriations.

Budget adjustments reflect extensive analysis and updates arising from periodic review and Council approved amendments that occurred during the fiscal year.

The final revised budget included a \$5.3 million increase in estimated revenues and a \$14.5 million decrease in appropriations. Actual revenue of \$206.6 million was \$11.4 million more than the revised revenue budget, a variance of 6%. Key elements of the variances in revenues are discussed as follows:

Property taxes totaled \$51.9 million, which is \$3.3 million more than the revised budget and \$5.9 million more than the original budget. The increase stems from increases in residual Redevelopment Property Tax Trust Fund (RPTTF) Recognized Obligation Payment Schedule (ROPS) receipts which were more than expected for the Successor Agency Residual and Pass-through revenue.

Sales taxes totaled \$55.5 million, which was \$12 thousand less the revised budget and \$259 thousand more than the original budget. This corresponded to increases in the regular sales tax and proportional increases in both half cent sales tax measures.

Utility users tax (UUT) totaled \$54.7 million, which was \$3.8 million more than expected. The bulk of the increase was in tax collected from gas & electricity. The combination of a colder and wetter winter compared to previous years and significant rate increase by Pacific Gas & Electric yielded higher than anticipated gas and electricity UUT.

Licenses, permits and fees totaled \$16.2 million, which was \$8.1 million more than the revised budget amount. The bulk of this stemmed from the first full year of Measure U – the voter approved business tax measure that changed the way business tax is calculated from being based on number of employees to one based on gross receipts with different rates based on the type of businesses and with progressive tiers where businesses with higher gross receipts pay a higher tax rate. Additionally, going forward, all businesses are required to have a December 31<sup>st</sup> expiration date. This meant the City had to transition about 40% of the businesses from their previous anniversary-based expiration date to the new December 31<sup>st</sup> expiration date. The result was that those businesses had to pay both a prorated tax for 2022 and the full amount for 2023, within fiscal year 2022-23. This resulted in approximately \$2.5 million of additional revenue on top of the tax stemming from the new methodology.

The final adjusted appropriations were \$184.2 million, a decrease of \$14.5 million from the original adopted budget appropriation of \$198.7 million. The adopted budget appropriation was decreased primarily due to increased adjustments in public safety and engineering services. The final budget appropriation for transfers out was \$34.9 million, an increase of \$23 million. The increase was due to several adjustments to the budget made during mid-year to incorporate the City Council approved set asides for Reimagining Public Safety and several transfers approved as part of year-end clean-up to clear negative cash from other funds.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounted to \$545.6 million, net of accumulated depreciation. Investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. Details by type are shown in the following table.

Capital Assets by Type  
June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022 (as restated)	2023	2022 (as restated)	2023	2022 (as restated)
Land	24,634,683	24,634,683	7,195,986	7,195,986	31,830,669	31,830,669
Construction in Progress	46,446,200	34,549,467	90,738,540	63,868,930	137,184,740	98,418,397
Building and Improvements	99,104,964	102,746,858	21,389,307	22,925,841	120,494,271	125,672,699
Machinery and Equipment	12,236,047	13,396,901	2,841,100	1,612,772	15,077,147	15,009,673
Land Improvements and Infrastructure	109,930,502	116,311,619	123,946,295	129,838,589	233,876,797	246,150,208
Leased Building and Improvements	6,389,454	8,947,137	737,809	1,128,196	7,127,263	10,075,333
<b>Total Capital Assets</b>	<b>298,741,850</b>	<b>300,586,665</b>	<b>246,849,037</b>	<b>226,570,314</b>	<b>545,590,887</b>	<b>527,156,979</b>

The City’s infrastructure assets are recorded at their historical costs in the government-wide financial statements. Additional information about the City’s capital assets can be found in Note 6 on pages 83-87.

## Debt Administration

**Long Term Debt** – The City’s total debt outstanding increased \$18.1 million to \$423.4 million as of June 30, 2023. The increase is due to \$20 million California State Loan drawdown used to finance the Water Resource Recovery Facility project.

	Outstanding Debt June 30, 2023 and 2022					
	Governmental Activities		Business-Type Activities		Totals	
	FY 2023	FY 2022	FY 2023	FY 2022	FY2023	FY2022
Revenue Bonds	\$ -	\$ -	\$ 4,451,473	\$ 9,112,946	\$ 4,451,473	\$ 9,112,946
Lease Revenue bonds	94,726,574	136,976,078	130,825,994	134,416,180	225,552,568	271,392,258
Pension Obligation bonds	154,140,000	99,240,012	-	-	154,140,000	99,240,012
<b>Total Bonds Payable</b>	<b>248,866,574</b>	<b>236,216,090</b>	<b>135,277,467</b>	<b>143,529,126</b>	<b>384,144,041</b>	<b>379,745,216</b>
Loan payable	749,582	887,622	34,752,234	15,229,299	35,501,816	16,116,921
Financed Purchases	3,506,076	4,581,187	-	-	3,506,076	4,581,187
Lease Liability	249,248	4,852,956	-	-	249,248	4,852,956
<b>Total outstanding debt</b>	<b>\$ 253,371,480</b>	<b>\$ 246,537,855</b>	<b>\$ 170,029,701</b>	<b>\$ 158,758,425</b>	<b>\$ 423,401,181</b>	<b>\$ 405,296,280</b>

The City does not have any general obligation bonds as of June 30, 2023.

## Economic Factors

The City’s economic base has recovered from the slowdown related to the effects of the COVID-19 restrictions. As of January 1, 2023, Property values assessed by the County have increased by 6.77% over the prior year. Increase to the Assessed Valuation (AV) primarily stemmed from an increased valuation of the Chevron Refinery in Richmond. The CPI growth was 2.0% for most properties and there were significant property sales during the year, the refinery assessment by the County went from approximately \$2.7 billion in FY2021-22, to \$3.0 billion in FY2022-23. Redevelopment Property Tax Trust Fund (RPTTF) revenue from Recognized Obligation Payment Schedule (ROPS) payments have continued to increase over the years from \$600 thousand in fiscal year 2016 to \$10.4 million in 2023. Sales Tax revenue has rebounded to above pre-pandemic levels. Sales Tax revenue was \$47.7 million in fiscal year 2019, dipped down to \$44.5 million in fiscal year 2020, and finally rebounded to \$49.0 million in fiscal year 2021, \$53.4 in fiscal year 2022, and in fiscal year 2023, Sales Tax revenue increased to \$55.5 million.

## Measure H

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

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

Even before the new tiered system, the Documentary Transfer Tax was one of the most volatile of revenue streams for the City. A few sales can have a dramatic impact on the General Fund. In fiscal year 2018, before the new tiered rate structure was approved and put in place, the transfer tax collected totaled \$6.5 million. In fiscal year 2019, the tax collected went up to \$8.0 million. In fiscal year 2020, it went up modestly to \$8.7 million. In fiscal year 2021, due to a few unusually large real-estate transactions, it increased significantly to \$19.9 million. In fiscal year 2022, the Transfer Tax revenue decreased by \$1.2 million to \$18.6 million. In fiscal year 2023, the Transfer Tax revenue saw a significant dip of \$8.2 million, or a decrease of 44%, with a total of \$10.4 million in Transfer Tax.

## **Measure U**

In November 2020, Richmond voters approved Measure U which significantly changed the calculation for the business license tax. This changed the tax calculation from based on number of employees or location to a percentage of the business gross receipts. The percentage charged varies based on both the type of business and the amount of gross receipts with the new rates ranging from 0.06% to 0.68% for businesses and 1.08% to 2.4% for rental properties. The new methodology brought in an additional \$5.3 million for the City in fiscal year 2022, an increase of 168% compared to prior year and an additional \$7.7 million in fiscal year 2023 with a total of \$16.2 million, an increase of 91% over the previous year.

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

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

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all of its citizens, taxpayers, customers, investors, and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Richmond, Finance Department, 450 Civic Center Plaza, Richmond, CA 94804. Alternatively, you may send your inquiries via e-mail to [Finance@ci.richmond.ca.us](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, 2023**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 252,374,633	\$ 66,900,808	\$ 319,275,441
Restricted cash and investments	2,573,370	1,571,515	4,144,885
Receivables:			
Accounts, net	15,576,419	6,949,415	22,525,834
Interest	420,109	115,777	535,886
Grants	17,741,594	1,105,632	18,847,226
Loans	-	-	-
Leases	58,315	7,255,740	7,314,055
Internal balances	12,485,370	(12,485,370)	-
Prepays and supplies	832,075	-	832,075
Total current assets	<u>302,061,885</u>	<u>71,413,517</u>	<u>373,475,402</u>
Noncurrent assets:			
Due from developer	-	10,221,743	10,221,743
Loans	49,408,121	-	49,408,121
Leases	818,997	54,294,943	55,113,940
Property held for resale	78,016	-	78,016
Net pension asset	4,744,616	-	4,744,616
Capital assets:			
Nondepreciable	71,080,883	97,934,526	169,015,409
Depreciable	773,529,123	359,266,195	1,132,795,318
Less accumulated depreciation	(545,868,156)	(210,351,684)	(756,219,840)
Total capital assets	<u>298,741,850</u>	<u>246,849,037</u>	<u>545,590,887</u>
Total noncurrent assets	<u>353,791,600</u>	<u>311,365,723</u>	<u>665,157,323</u>
<b>Total assets</b>	<u>655,853,485</u>	<u>382,779,240</u>	<u>1,038,632,725</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - pension	101,706,642	2,133,666	103,840,308
Deferred outflows of resources - OPEB	2,512,281	61,288	2,573,569
Deferred outflows - change in fair value of derivative instruments	-	-	-
Deferred charge on refunding	30,245,958	5,553,533	35,799,491
<b>Total deferred outflows of resources</b>	<u>134,464,881</u>	<u>7,748,487</u>	<u>142,213,368</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	14,866,933	9,936,768	24,803,701
Interest payable	742,454	2,331,278	3,073,732
Refundable deposits	1,003,374	450,982	1,454,356
Unearned revenue	45,792,083	-	45,792,083
Derivative instrument at fair value	-	-	-
Compensated absences - due within one year	5,864,632	107,685	5,972,317
Claims liabilities - due within one year	13,576,850	-	13,576,850
Long-term debt - due within one year	7,963,619	7,346,782	15,310,401
Total current liabilities	<u>89,809,945</u>	<u>20,173,495</u>	<u>109,983,440</u>
Noncurrent liabilities:			
Unearned revenue	-	2,974,100	2,974,100
Compensated absences	5,771,611	137,490	5,909,101
Claims liabilities	36,104,836	-	36,104,836
Long-term debt	251,519,758	163,334,394	414,854,152
Net pension liability	362,596,831	7,016,373	369,613,204
Net OPEB liability	72,272,804	2,447,994	74,720,798
Total noncurrent liabilities	<u>728,265,840</u>	<u>175,910,351</u>	<u>904,176,191</u>
<b>Total liabilities</b>	<u>818,075,785</u>	<u>196,083,846</u>	<u>1,014,159,631</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	7,265,770	122,335	7,388,105
Deferred inflows of resources - OPEB	26,414,344	560,401	26,974,745
Deferred inflows of resources - leases	860,212	59,900,556	60,760,768
<b>Total deferred inflows of resources</b>	<u>34,540,326</u>	<u>60,583,292</u>	<u>95,123,618</u>
<b>NET POSITION</b>			
Net investment in capital assets	219,126,138	82,405,234	301,531,372
Restricted for:			
Capital projects	30,661,967	-	30,661,967
Debt service	317,316	879,457	1,196,773
Housing and redevelopment	12,868,141	-	12,868,141
Community development projects	95,839,671	-	95,839,671
Total restricted	<u>139,687,095</u>	<u>879,457</u>	<u>140,566,552</u>
Unrestricted	(421,110,978)	50,575,898	(370,535,080)
<b>Total net position</b>	<u>\$ (62,297,745)</u>	<u>\$ 133,860,589</u>	<u>\$ 71,562,844</u>

See accompanying Notes to Basic Financial Statements

		Component Units	
RHA Properties	RHA Housing Corporation	RHA RAD LLC	
\$ -	\$ 137,179	\$ -	
-	-	-	
-	-	-	
-	-	-	
-	-	15,510,000	
-	-	-	
-	-	-	
-	-	-	
-	137,179	15,510,000	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	137,179	15,510,000	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	9,742	-	
-	-	-	
-	66,407	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	76,149	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	76,149	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	61,030	15,510,000	
\$ -	\$ 61,030	\$ 15,510,000	

**City of Richmond**  
**Statement of Activities**  
**For the year ended June 30, 2023**

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	\$ 60,377,362	\$ 26,604,156	\$ 2,492,842	\$ -	\$ 29,096,998
Public safety	76,926,512	2,820,319	1,307,023	286,949	4,414,291
Public works	36,475,877	4,897,532	10,779,605	1,248,655	16,925,792
Community development	4,515,446	581,864	25,265,043	249,478	26,096,385
Cultural and recreational	9,263,762	758,252	304,425	-	1,062,677
Housing and redevelopment	3,234,605	-	(234,064)	-	(234,064)
Interest on long-term debt	4,841,105	-	-	-	-
Total governmental activities	195,634,669	35,662,123	39,914,874	1,785,082	77,362,079
<b>Business-type activities</b>					
Richmond Housing Authority	4,986,560	1,344,324	3,247,043	-	4,591,367
Port of Richmond	5,500,092	11,383,930	-	-	11,383,930
Municipal Sewer	20,762,028	30,312,526	-	-	30,312,526
Richmond Marina	217,343	541,632	-	-	541,632
Storm Sewer	1,803,217	2,052,546	1,094,049	-	3,146,595
Cable TV	735,080	1,037,515	-	-	1,037,515
Total business-type activities	34,004,320	46,672,473	4,341,092	-	51,013,565
<b>Total primary government</b>	<b>\$ 229,638,989</b>	<b>\$ 82,334,596</b>	<b>\$ 44,255,966</b>	<b>\$ 1,785,082</b>	<b>\$ 128,375,644</b>
<b>Component units:</b>					
RHA Properties	-	-	-	-	-
RHA Housing Corporation	17,240	-	-	-	-
RHA RAD LLC	-	-	-	-	-
<b>Total component units</b>	<b>\$ 17,240</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
\$ (31,280,364)	\$ -	\$ (31,280,364)			
(72,512,221)	-	(72,512,221)			
(19,550,085)	-	(19,550,085)			
21,580,939	-	21,580,939			
(8,201,085)	-	(8,201,085)			
(3,468,669)	-	(3,468,669)			
(4,841,105)	-	(4,841,105)			
<u>(118,272,590)</u>	<u>-</u>	<u>(118,272,590)</u>			
	(395,193)	(395,193)			
	5,883,838	5,883,838			
	9,550,498	9,550,498			
	324,289	324,289			
	1,343,378	1,343,378			
	302,435	302,435			
<u>-</u>	<u>17,009,245</u>	<u>17,009,245</u>			
<u>(118,272,590)</u>	<u>17,009,245</u>	<u>(101,263,345)</u>			
			-	-	-
			-	(17,240)	-
			-	-	-
			-	(17,240)	-
71,089,739	-	71,089,739	-	-	-
55,541,366	-	55,541,366	-	-	-
54,676,023	-	54,676,023	-	-	-
10,416,847	-	10,416,847	-	-	-
9,206,830	-	9,206,830	-	-	-
<u>200,930,805</u>	<u>-</u>	<u>200,930,805</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,744,324	-	8,744,324	-	-	-
5,516,787	2,083,188	7,599,975	-	-	-
20,207	-	20,207	-	-	-
1,993,535	-	1,993,535	-	-	-
(882,448)	882,448	-	-	-	-
<u>216,323,210</u>	<u>2,965,636</u>	<u>219,288,846</u>	<u>-</u>	<u>-</u>	<u>-</u>
98,050,620	19,974,881	118,025,501	-	(17,240)	-
<u>(160,348,365)</u>	<u>113,885,708</u>	<u>(46,462,657)</u>	<u>-</u>	<u>78,270</u>	<u>15,510,000</u>
<u>\$ (62,297,745)</u>	<u>\$ 133,860,589</u>	<u>\$ 71,562,844</u>	<u>\$ -</u>	<u>\$ 61,030</u>	<u>\$ 15,510,000</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.

*American Rescue Plan Act Fund* accounts for funding received from federal government in conjunction with the American Rescue Plan Act to provide resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

**City of Richmond**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General Fund	Community Development and Loan Programs	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 76,300,396	\$ 5,476,191	\$ 23,730,886	\$ 85,433,104	\$ 190,940,577
Restricted cash and investments	-	2,100,910	-	472,460	2,573,370
Receivables:					
Accounts, net	14,404,387	46,821	-	1,125,211	15,576,419
Interest	141,040	9,096	44,446	113,746	308,328
Grants	18,127	22,052	-	15,176,199	15,216,378
Loans	3,011,651	43,867,457	1,750,000	779,013	49,408,121
Leases	877,312	-	-	-	877,312
Due from other funds	856,012	-	-	-	856,012
Advances to other funds	12,485,370	-	-	-	12,485,370
Property held for resale	-	78,016	-	-	78,016
Prepays and supplies	682,075	-	-	150,000	832,075
<b>Total assets</b>	<b>108,776,370</b>	<b>51,600,543</b>	<b>25,525,332</b>	<b>103,249,733</b>	<b>289,151,978</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	8,589,405	27,820	111,219	4,615,612	13,344,056
Refundable deposits	311,619	-	-	691,755	1,003,374
Due to other funds	-	-	-	856,012	856,012
Unearned revenue	10,368,814	-	23,128,545	12,294,724	45,792,083
<b>Total liabilities</b>	<b>19,269,838</b>	<b>27,820</b>	<b>23,239,764</b>	<b>18,458,103</b>	<b>60,995,525</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	2,334,377	18,961,546	-	12,789,198	34,085,121
Leases related	860,212	-	-	-	860,212
<b>Total deferred inflows of resources</b>	<b>3,194,589</b>	<b>18,961,546</b>	<b>-</b>	<b>12,789,198</b>	<b>34,945,333</b>
<b>Fund Balances:</b>					
Nonspendable	13,867,445	-	-	-	13,867,445
Restricted	3,996,614	32,611,177	535,568	75,060,348	112,203,707
Committed	3,720,697	-	-	-	3,720,697
Assigned	9,530,225	-	1,750,000	-	11,280,225
Unassigned	55,196,962	-	-	(3,057,916)	52,139,046
<b>Total fund balances</b>	<b>86,311,943</b>	<b>32,611,177</b>	<b>2,285,568</b>	<b>72,002,432</b>	<b>193,211,120</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 108,776,370</b>	<b>\$ 51,600,543</b>	<b>\$ 25,525,332</b>	<b>\$ 103,249,733</b>	<b>\$ 289,151,978</b>

**City of Richmond**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2023**

**Total Fund Balances - Total Governmental Funds** \$ 193,211,120

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	\$ 71,080,883	\$ (149,394)	70,931,489
Depreciable, net	227,660,967	(9,342,556)	218,318,411
Total capital assets	<u>\$ 298,741,850</u>	<u>\$ (9,491,950)</u>	<u>289,249,900</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.

19,295,661

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.

34,085,121

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	101,340,567
Deferred outflows of resources related to OPEB	2,498,752
Deferred inflows of resources related to pension	(7,244,781)
Deferred inflows of resources related to OPEB	(26,290,636)

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	\$ (5,864,632)	\$ 28,641	\$ (5,835,991)
Interest payable	(742,454)	7,205	(735,249)
Long-term debt - due within one year	(7,963,619)	272,341	(7,691,278)
Compensated absences - due in more than one year	(5,771,611)	43,508	(5,728,103)
Long-term debt - due in more than one year	(251,519,758)	1,201,791	(250,317,967)
Deferred charge on refunding	30,245,958	-	30,245,958
Net pension liability/asset	(357,852,215)	1,203,807	(356,648,408)
Net OPEB liability	(72,272,804)	540,393	(71,732,411)
Total long-term liabilities	<u>\$ (671,741,135)</u>	<u>\$ 3,297,686</u>	<u>(668,443,449)</u>
<b>Net Position of Governmental Activities</b>			<u>\$ (62,297,745)</u>

**City of Richmond**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2023**

	General Fund	Community Development and Loan Programs	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Property taxes	\$ 51,919,490	\$ -	\$ -	\$ 27,795,779	\$ 79,715,269
Sales taxes	55,541,366	-	-	-	55,541,366
Utility user taxes	54,676,023	-	-	-	54,676,023
Other taxes	19,623,678	-	-	-	19,623,678
Licenses, permits and fees	16,256,765	583,526	-	14,598,857	31,439,148
Fines, forfeitures and penalties	255,225	-	-	3,810	259,035
Use of money and property	1,563,469	322,745	493,777	1,175,021	3,555,012
Intergovernmental	539,174	249,478	4,130,024	24,170,120	29,088,796
Charges for services	4,749,957	-	-	8,375,120	13,125,077
Rent	817,496	-	-	-	817,496
Other	697,502	1,041,130	-	336,009	2,074,641
<b>Total revenues</b>	<b>206,640,145</b>	<b>2,196,879</b>	<b>4,623,801</b>	<b>76,454,716</b>	<b>289,915,541</b>
<b>EXPENDITURES:</b>					
Current:					
General government	42,548,567	-	216,213	19,116,954	61,881,734
Public safety	92,441,016	-	-	1,558,024	93,999,040
Public works	27,689,138	-	1,440,797	9,787,035	38,916,970
Community development	-	601,777	-	5,884,917	6,486,694
Cultural and recreational	10,304,044	-	180,108	348,919	10,833,071
Housing and redevelopment	-	429,859	392,904	2,661,435	3,484,198
Capital outlay	2,986,140	-	150,000	7,724,310	10,860,450
Debt service:					
Principal	3,997,477	-	-	15,863,000	19,860,477
Debt defeasance using existing resources	-	-	-	2,163,313	2,163,313
Interest and fiscal charges	119,404	-	-	5,737,340	5,856,744
<b>Total expenditures</b>	<b>180,085,786</b>	<b>1,031,636</b>	<b>2,380,022</b>	<b>70,845,247</b>	<b>254,342,691</b>
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<b>26,554,359</b>	<b>1,165,243</b>	<b>2,243,779</b>	<b>5,609,469</b>	<b>35,572,850</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of property	1,264	18,943	-	-	20,207
Other financing sources - SBITAs	417,005	-	-	-	417,005
Payment to refunded bonds escrow agent	-	-	-	(152,904,036)	(152,904,036)
Issuance of refunding bonds	-	-	-	154,140,000	154,140,000
Transfers in	19,509,953	-	-	30,802,917	50,312,870
Transfers out	(30,634,407)	-	-	(21,038,929)	(51,673,336)
<b>Total other financing sources (uses)</b>	<b>(10,706,185)</b>	<b>18,943</b>	<b>-</b>	<b>10,999,952</b>	<b>312,710</b>
<b>Net change in fund balances</b>	<b>15,848,174</b>	<b>1,184,186</b>	<b>2,243,779</b>	<b>16,609,421</b>	<b>35,885,560</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of year	70,463,769	31,426,991	41,789	55,393,011	157,325,560
End of year	\$ 86,311,943	\$ 32,611,177	\$ 2,285,568	\$ 72,002,432	\$ 193,211,120

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, 2023**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 35,885,560

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.	12,140,484
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.	(13,637,801)
Gain on sale of assets are not recorded in the governmental funds since the assets are not recorded there but they are recorded in the government-wide	20,207
Proceed from sale assets are recorded in the governmental funds but the gain or loss is recorded in the government-wide	(20,207)
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.	(141,196)
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	174,927,826
Proceed from issuance of debt	(154,140,000)
Loss on extinguishment of debt	(58,313)
Amortization of bonds premium	863,438
Interest payable	273,305
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.	51,967,634
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.	(34,224,969)
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.	14,400,153
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.	2,239,076
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.	7,555,423
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 98,050,620</u></u>

## 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, 2023**

	Business-type Activities			
	Richmond Housing Authority	Port of Richmond	Municipal Sewer	Other Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 3,711,842	\$ 10,478,957	\$ 45,231,070	\$ 7,478,939
Restricted cash and investments	97,786	348,038	1,038,368	87,323
Receivables:				
Accounts, net	611,133	5,887,012	101,783	349,487
Interest	-	17,292	85,024	13,461
Grants	1,011,583	-	-	94,049
Leases	-	7,143,392	-	112,348
Total current assets	<u>5,432,344</u>	<u>23,874,691</u>	<u>46,456,245</u>	<u>8,135,607</u>
Noncurrent assets:				
Receivables:				
Due from developer	10,221,743	-	-	-
Lease receivables	-	49,064,738	-	5,230,205
Capital assets:				
Nondepreciable	1,708,686	4,937,160	86,496,310	4,792,370
Depreciable	44,836,474	87,500,286	191,344,030	35,585,405
Less accumulated depreciation	<u>(30,158,605)</u>	<u>(62,979,221)</u>	<u>(83,702,524)</u>	<u>(33,511,334)</u>
Net capital assets	<u>16,386,555</u>	<u>29,458,225</u>	<u>194,137,816</u>	<u>6,866,441</u>
Total noncurrent assets	<u>26,608,298</u>	<u>78,522,963</u>	<u>194,137,816</u>	<u>12,096,646</u>
<b>Total assets</b>	<u>32,040,642</u>	<u>102,397,654</u>	<u>240,594,061</u>	<u>20,232,253</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	678,518	230,352	681,922	542,874
Deferred outflows of resources - OPEB	10,597	3,532	27,023	20,136
Deferred charge on refunding	-	-	5,553,533	-
<b>Total deferred outflows of resources</b>	<u>689,115</u>	<u>233,884</u>	<u>6,262,478</u>	<u>563,010</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	2,260,882	153,193	7,057,878	464,815
Interest payable	-	33,833	2,209,625	87,820
Refundable deposits	120,688	238,423	-	91,871
Compensated absences - current	18,120	23,071	38,991	27,503
Claims payable - current	-	-	-	-
Long-term debt - current	-	4,060,000	3,086,203	200,579
Total current liabilities	<u>2,399,690</u>	<u>4,508,520</u>	<u>12,392,697</u>	<u>872,588</u>
Noncurrent liabilities:				
Advances from other funds	-	12,485,370	-	-
Unearned revenue	1,814,047	531,906	36,280	591,867
Compensated absences	49,134	-	53,175	35,181
Claims payable	-	-	-	-
Long-term debt	700,000	391,473	160,224,961	2,017,960
Net pension liability	2,231,248	757,492	2,242,442	1,785,191
Net OPEB liability	423,284	141,095	1,079,375	804,240
Total noncurrent liabilities	<u>5,217,713</u>	<u>14,307,336</u>	<u>163,636,233</u>	<u>5,234,439</u>
<b>Total liabilities</b>	<u>7,617,403</u>	<u>18,815,856</u>	<u>176,028,930</u>	<u>6,107,027</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	38,904	13,207	39,098	31,126
Deferred inflows of resources - OPEB	96,899	32,300	247,093	184,109
Deferred inflows of resources - leases	-	54,642,069	-	5,258,487
<b>Total deferred inflows of resources</b>	<u>135,803</u>	<u>54,687,576</u>	<u>286,191</u>	<u>5,473,722</u>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	15,686,555	25,006,752	36,974,457	4,737,470
Restricted for debt service	-	348,038	444,096	87,323
Unrestricted	9,289,996	3,773,316	33,122,865	4,389,721
<b>Total net position</b>	<u>\$ 24,976,551</u>	<u>\$ 29,128,106</u>	<u>\$ 70,541,418</u>	<u>\$ 9,214,514</u>

See accompanying Notes to Basic Financial Statements.

		Governmental Activities	
Total Enterprise Funds		Internal Service Funds	
\$	66,900,808	\$	61,434,056
	1,571,515		-
	6,949,415		-
	115,777		111,781
	1,105,632		2,525,216
	7,255,740		-
	<u>83,898,887</u>		<u>64,071,053</u>
	10,221,743		-
	54,294,943		-
	97,934,526		149,394
	359,266,195		31,829,641
	<u>(210,351,684)</u>		<u>(22,487,085)</u>
	<u>246,849,037</u>		<u>9,491,950</u>
	<u>311,365,723</u>		<u>9,491,950</u>
	<u>395,264,610</u>		<u>73,563,003</u>
	2,133,666		366,075
	61,288		13,529
	<u>5,553,533</u>		<u>-</u>
	<u>7,748,487</u>		<u>379,604</u>
	9,936,768		1,522,877
	2,331,278		7,205
	450,982		-
	107,685		28,641
	-		13,576,850
	<u>7,346,782</u>		<u>272,341</u>
	<u>20,173,495</u>		<u>15,407,914</u>
	12,485,370		-
	2,974,100		-
	137,490		43,508
	-		36,104,836
	163,334,394		1,201,791
	7,016,373		1,203,807
	2,447,994		540,393
	<u>188,395,721</u>		<u>39,094,335</u>
	<u>208,569,216</u>		<u>54,502,249</u>
	122,335		20,989
	560,401		123,708
	<u>59,900,556</u>		<u>-</u>
	<u>60,583,292</u>		<u>144,697</u>
	82,405,234		8,017,818
	879,457		-
	<u>50,575,898</u>		<u>11,277,843</u>
\$	<u>133,860,589</u>	\$	<u>19,295,661</u>

**City of Richmond**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2023**

	Business-type Activities			
	Richmond Housing Authority	Port of Richmond	Municipal Sewer	Other Enterprise Funds
<b>OPERATING REVENUES:</b>				
Rental	\$ 444,668	\$ 7,072,117	\$ -	\$ 168,642
Service charges	-	761,743	30,312,526	3,084,178
Lease income	-	3,053,820	-	378,873
Other	899,656	496,250	-	-
<b>Total operating revenues</b>	<b>1,344,324</b>	<b>11,383,930</b>	<b>30,312,526</b>	<b>3,631,693</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	1,502,890	146,522	354,625	343,226
General and administrative	1,854,523	1,677,526	11,773,187	2,024,574
Maintenance	1,618,986	135,509	30,852	17,957
Depreciation	-	3,503,066	3,898,106	260,646
Housing assistance	-	-	-	-
Claims losses	-	-	-	-
Other	10,161	42,256	8,803	13,035
<b>Total operating expenses</b>	<b>4,986,560</b>	<b>5,504,879</b>	<b>16,065,573</b>	<b>2,659,438</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,642,236)</b>	<b>5,879,051</b>	<b>14,246,953</b>	<b>972,255</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Gain (loss) from retirement of capital assets	-	-	-	-
Interest income	181	963,574	844,349	275,084
Grants	3,247,043	-	-	1,094,049
Interest expense	-	4,787	(4,696,455)	(96,202)
<b>Total nonoperating revenues (expenses)</b>	<b>3,247,224</b>	<b>968,361</b>	<b>(3,852,106)</b>	<b>1,272,931</b>
<b>Income (loss) before contributions and transfers</b>	<b>(395,012)</b>	<b>6,847,412</b>	<b>10,394,847</b>	<b>2,245,186</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>				
Capital contributions	-	-	-	-
Transfers in	969,226	-	-	-
Transfers out	-	-	-	(86,778)
<b>Total contributions and transfers</b>	<b>969,226</b>	<b>-</b>	<b>-</b>	<b>(86,778)</b>
<b>Change in net position</b>	<b>574,214</b>	<b>6,847,412</b>	<b>10,394,847</b>	<b>2,158,408</b>
<b>NET POSITION:</b>				
Beginning of year	24,361,493	22,280,694	60,146,571	7,063,096
Prior period adjustments	40,844	-	-	(6,990)
Beginning of year, as restated	24,402,337	22,280,694	60,146,571	7,056,106
End of year	<u>\$ 24,976,551</u>	<u>\$ 29,128,106</u>	<u>\$ 70,541,418</u>	<u>\$ 9,214,514</u>

See accompanying Notes to Basic Financial Statements.

Total Enterprise Funds	Governmental Activities	
	Internal Service Funds	
\$ 7,685,427	\$ -	
34,158,447	24,816,883	
3,432,693	-	
1,395,906	-	
<u>46,672,473</u>	<u>24,816,883</u>	
2,347,263	2,211,137	
17,329,810	1,203,037	
1,803,304	2,436,375	
7,661,818	1,916,668	
-	-	
-	12,302,386	
74,255	-	
<u>29,216,450</u>	<u>20,069,603</u>	
<u>17,456,023</u>	<u>4,747,280</u>	
-	-	
2,083,188	1,144,281	
4,341,092	1,248,635	
<u>(4,787,870)</u>	<u>(62,791)</u>	
<u>1,636,410</u>	<u>2,330,125</u>	
<u>19,092,433</u>	<u>7,077,405</u>	
-	-	
969,226	478,018	
<u>(86,778)</u>	<u>-</u>	
<u>882,448</u>	<u>478,018</u>	
19,974,881	7,555,423	
113,851,854	11,740,238	
33,854	-	
<u>113,885,708</u>	<u>11,740,238</u>	
<u>\$ 133,860,589</u>	<u>\$ 19,295,661</u>	

**City of Richmond**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2023**

	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	\$ 1,228,935	\$ 10,822,277	\$ 30,278,864	\$ 3,479,264
Payments to suppliers	(2,827,427)	(1,977,384)	(13,022,733)	(2,144,379)
Payments to employees	(1,151,883)	(308,814)	(1,343,138)	(896,388)
Insurance premiums and claims paid	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>(2,750,375)</b>	<b>8,536,079</b>	<b>15,912,993</b>	<b>438,497</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund receipts (payments)	-	(289,116)	-	-
Receipts from other governments	2,675,701	-	-	-
Transfers in	969,226	-	-	-
Transfers out	-	-	-	(86,778)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>3,644,927</b>	<b>(289,116)</b>	<b>-</b>	<b>(86,778)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Grant receipts	-	-	-	1,094,049
Acquisition of capital assets	-	-	(27,045,799)	(1,118,238)
Issuance of long-term debt	(301,530)	-	19,930,696	-
Principal payments on capital debt	-	(4,270,000)	(2,600,000)	(16,663)
Principal payments on lease	-	-	(252,838)	-
Interest paid	-	(422,270)	(5,393,712)	(100,584)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(301,530)</b>	<b>(4,692,270)</b>	<b>(15,361,653)</b>	<b>(141,436)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest	181	949,344	782,286	265,845
<b>Net cash provided by (used in) investing activities</b>	<b>181</b>	<b>949,344</b>	<b>782,286</b>	<b>265,845</b>
<b>Net cash flows</b>	<b>593,203</b>	<b>4,504,037</b>	<b>1,333,626</b>	<b>476,128</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>3,216,425</b>	<b>6,322,958</b>	<b>44,935,812</b>	<b>7,090,134</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 3,809,628</b>	<b>\$ 10,826,995</b>	<b>\$ 46,269,438</b>	<b>\$ 7,566,262</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (3,642,236)	\$ 5,879,051	\$ 14,246,953	\$ 972,255
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	3,503,066	3,898,106	260,646
Changes in assets and liabilities:				
Receivables, net	(115,389)	90,068	(33,662)	(93,176)
Accounts payable and accrued liabilities	677,422	(122,093)	(1,209,891)	(91,018)
Refundable deposits	(21,179)	-	-	2,205
Unearned revenue	-	-	-	-
Compensated absences payable	25,227	(15,332)	16,854	10,995
Claims payable	-	-	-	-
Net pension liability and deferred outflows/inflows	503,572	(87,696)	(551,996)	(226,352)
Net OPEB liability and deferred outflows/inflows	(177,792)	(59,264)	(453,371)	(337,805)
lease receivable and deferred outflows/inflows	-	(651,721)	-	(59,253)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (2,750,375)</b>	<b>\$ 8,536,079</b>	<b>\$ 15,912,993</b>	<b>\$ 438,497</b>

See accompanying Notes to Basic Financial Statements

Total Enterprise Funds	Governmental Activities	
	Internal Service Funds	
\$ 45,809,340	\$ 24,820,195	
(19,971,923)	(3,102,243)	
(3,700,223)	(3,175,805)	
-	(13,713,302)	
<u>22,137,194</u>	<u>4,828,845</u>	
(289,116)	-	
2,675,701	-	
969,226	478,018	
(86,778)	-	
<u>3,269,033</u>	<u>478,018</u>	
1,094,049	2,013,745	
(28,164,037)	(1,182,975)	
19,629,166	-	
(6,886,663)	(261,948)	
(252,838)	-	
(5,916,566)	(64,071)	
<u>(20,496,889)</u>	<u>504,751</u>	
1,997,656	1,064,575	
<u>1,997,656</u>	<u>1,064,575</u>	
6,906,994	6,876,189	
<u>61,565,329</u>	<u>54,557,867</u>	
<u>\$ 68,472,323</u>	<u>\$ 61,434,056</u>	
\$ 17,456,023	\$ 4,747,280	
7,661,818	1,916,668	
(152,159)	3,312	
(745,580)	537,169	
(18,974)	-	
-	-	
37,744	5,846	
-	(1,410,916)	
(362,472)	(743,532)	
(1,028,232)	(226,982)	
(710,974)	-	
<u>\$ 22,137,194</u>	<u>\$ 4,828,845</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, 2023**

	Pension Trust Funds	Private-Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 7,589,310	\$ 6,499,557
Restricted cash and investments	2,265,032	17,506,951	693,280
Pension and OPEB plan cash and investments:			
Mutual fund investments	8,773,122	-	-
Accounts receivable	-	1,439	-
Interest receivable	2,374	3,790	11,809
Prepays and other assets	-	5,245,489	-
<b>Total assets</b>	<b>11,040,528</b>	<b>30,346,979</b>	<b>7,204,646</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - deferred loss on refunding	-	346,198	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>346,198</b>	<b>-</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	-	206,657	529
Interest payable	-	518,874	-
Long-term debt:			
Due within one year	-	7,820,000	-
Due in more than one year	-	39,382,929	-
<b>Total liabilities</b>	<b>-</b>	<b>47,928,460</b>	<b>529</b>
<b>NET POSITION:</b>			
Restricted for employees' pension and OPEB benefits	11,040,528	-	-
Held in trust for other governments	-	(17,235,283)	-
Restricted for individuals, organizations, and other governments	-	-	7,204,117
<b>Total net position</b>	<b>\$ 11,040,528</b>	<b>\$ (17,235,283)</b>	<b>\$ 7,204,117</b>

**City of Richmond**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2023**

	Pension Trust Funds	Private-Purpose Trust Funds	Custodial Funds
<b>ADDITIONS:</b>			
Property taxes	\$ -	\$ 8,846,005	\$ 1,042,528
Contributions to trust - employers	165,305	-	235,841
Net investment income:			
Net increase (decrease) in fair value of investments	743,317	-	-
Interest income	298,907	540,699	141,305
Less investment management fees	(61,581)	-	-
Gain from sale of property	-	585,808	-
<b>Total additions</b>	<b>1,145,948</b>	<b>9,972,512</b>	<b>1,419,674</b>
<b>DEDUCTIONS:</b>			
Community development	-	1,322,336	-
Pension benefits	1,221,402	-	-
Payments in accordance with trust agreements	-	504,574	-
Interest and fiscal charges	-	1,832,049	980,395
Transfers to other funds	217,243	-	-
Other	-	-	206,488
<b>Total deductions</b>	<b>1,438,645</b>	<b>3,658,959</b>	<b>1,186,883</b>
<b>Change in net position</b>	<b>(292,697)</b>	<b>6,313,553</b>	<b>232,791</b>
<b>NET POSITION:</b>			
Beginning of year	11,333,225	(23,548,836)	6,971,326
End of year	\$ 11,040,528	\$ (17,235,283)	\$ 7,204,117

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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, 2023

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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, the Richmond Municipal Sewer District, and the Richmond Surplus Property Authority all of which are controlled by and dependent on the City. While these are separate legal entities, their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed "blended") with those of the primary government of the City in the accompanying financial statements.

##### **Blended Component Units**

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Financial Reporting Entity, Continued**

**Blended Component Units, Continued**

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

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

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

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Financial Reporting Entity, Continued**

**Blended Component Units, Continued**

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

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

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

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

**Discretely Presented Component Units**

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Financial Reporting Entity, Continued**

**Discretely Presented Component Units, Continued**

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

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

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

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**Government-Wide Financial Statements**

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

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

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

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

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**Governmental Fund Financial Statements**

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

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

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

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

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

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

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

American Plan Rescue Plan Act Fund – accounts for funding received from federal government in conjunction with the American Rescue Plan Act to provide resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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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 and equipment services and replacement, all of which are provided to other departments on a cost-reimbursement basis.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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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 17. The Successor Agency to the Richmond Community Redevelopment Agency Private-Purpose Trust Fund was established as of February 1, 2012 to account for the activities of the Successor Agency to the former Richmond Community Redevelopment Agency as discussed in Note 18. The financial activities of the Trust Funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

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

**C. Cash and Investments**

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

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

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**C. *Cash and Investments, Continued***

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid money market investments with maturities of one-year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City did not have any investments measured using Level 3 inputs as of June 30, 2023.

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

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

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

**D. *Prepays and Supplies***

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**E. Capital Assets**

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

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

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

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

**F. Property Held for Resale**

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

The City received five properties for resale in fiscal year 2013 with a book value of \$573,822 from the acceptance of a deed in lieu of foreclosure on the property related to developer defaults on prior loans under the Richmond Neighborhood Stabilization loan program discussed in Note 4. These properties were rehabilitated during fiscal years 2014 and 2015 increasing the carrying value by a total of \$749,716 and \$39,303, respectively. In fiscal year 2014, the City received an additional four properties with a carrying value of \$648,238. Six properties were sold in fiscal year 2016, the remaining two properties held for resale had a book value of \$671,255 as of June 30, 2017. In fiscal year 2018, one property was sold during the year, and the carrying value of the one remaining property held for resale was \$78,016 as of June 30, 2023.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**G. Property Taxes**

The State of California’s Constitution limits the combined maximum property tax rate on any given property to one percent (1%) 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 (2%) per year unless the property is modified, sold, or transferred. The State Legislature distributes property tax receipts from among the counties, cities, school districts, and other districts.

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

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

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

**H. Deferred Outflows/Inflows of Resources**

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**I. Net Position and Fund Balances**

**Net Position**

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

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

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

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

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

**Fund Balances**

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

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

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

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

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

**J. *Compensated Absences***

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

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

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

**L. *Pension***

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

**M. *Other Post Employment Benefits (OPEB)***

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*N. Use of Estimates*

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

**2. CASH AND INVESTMENTS**

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

The following is a summary of cash and investments at June 30, 2023:

	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	\$ 252,374,633	\$ 66,900,808	\$ 319,275,441	\$ 137,179	\$ 14,088,867	\$ 333,501,487
Restricted cash and investments	2,573,370	1,571,515	4,144,885	-	20,465,263	24,610,148
Total cash and investments	<u>\$ 254,948,003</u>	<u>\$ 68,472,323</u>	<u>\$ 323,420,326</u>	<u>\$ 137,179</u>	<u>\$ 34,554,130</u>	<u>\$ 358,111,635</u>

**A. Classification**

Cash and investments at June 30, 2023 consist of the following:

<i>Primary Government:</i>	
Local Agency Investment Funds (LAIF)	\$ 62,111,914
CalTrust Short-Term Fund	243,090,418
CalTrust Medium-Term Fund	87,323
Money Market Mutual Funds (U.S. Securities)	7,557,167
Held by Trustee:	
Money Market Mutual Funds (U.S. Securities)	15,932,156
Guaranteed Investment Contracts	625,001
Total investments	<u>329,403,979</u>
Cash in banks and on hand - Primary Government	28,570,477
Cash in banks - RHA	137,179
Total cash on hand and deposits	<u>28,707,656</u>
Total cash and investments	<u>\$ 358,111,635</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**2. CASH AND INVESTMENTS, Continued**

**B. Deposits**

The carrying amount of the City's cash deposit was \$25,164,481 at June 30, 2023. Bank balances before reconciling items were a positive amount of \$26,838,498 at June 30, 2023. The City's cash deposit was fully insured up to \$419,365 by the Federal Deposit Insurance Corporation (FDIC). The remaining amount was collateralized with securities held by pledging the financial institutions.

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

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

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

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

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

<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, 2023:

Interest income	\$ 6,918,130
Realized gain (loss) on investments	(1,477,876)
Total investment income	\$ 5,440,254

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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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, 2023 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, 2023, the City had \$62,111,914 invested in LAIF, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.88% in the previous year. The LAIF fair value factor of 0.98482850 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, 2023 the Short-Term Fund investments matured in an average of 317 days and the Medium-Term Fund investments matured in an average of 774 days.

Money market funds and mutual funds are available for withdrawal on demand and as of June 30, 2023 have an average maturity from 12 to 16 days.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**2. CASH AND INVESTMENTS, Continued**

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

**Prohibited Investments**

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

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). It is the City's policy not to invest in companies involved in the manufacturing of tobacco and tobacco-related products. The City will not investment any funds in international financial instruments that benefited from slavery, in Fossil Fuel companies, or in stocks, bonds, securities, or other obligations issued by provider of Data Broker or Extreme Vetting services to United States Immigration and Customs Enforcement (ICE).

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**2. CASH AND INVESTMENTS, Continued**

*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	Maximum 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%	None
Commercial Paper - select agencies	270 days	40%	Highest Rating
Commercial Paper - other agencies	270 days	25%	Highest Rating
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	30%	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, 2023**

**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, 2023, 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)	\$ 62,111,914	\$ -	\$ -	\$ -	\$ 62,111,914
CalTrust Short-Term Fund	243,090,418	-	-	-	243,090,418
CalTrust Medium-Term Fund	87,323	-	-	-	87,323
Money Market Mutual Funds (U.S. Securities)	7,557,167	-	-	-	7,557,167
<i>Held by Trustee:</i>					
Money Market Mutual Funds (U.S. Securities)	15,932,156	-	-	-	15,932,156
Guaranteed Investment Contracts	-	-	625,001	-	625,001
<b>Total Investments</b>	<b>\$328,778,978</b>	<b>\$ -</b>	<b>\$ 625,001</b>	<b>\$ -</b>	<b>329,403,979</b>
Cash in banks and on hand - Primary Government					28,570,477
Cash in banks - RHA Housing Corporation					137,179
<b>Total Cash and Investments</b>					<b>\$ 358,111,635</b>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**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, 2023 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)	\$ 15,932,156	\$ -	\$ -	\$ 15,932,156
CalTrust Short-Term Fund	-	243,090,418	-	243,090,418
CalTrust Medium-Term Fund	-	-	87,323	87,323
<b>Totals</b>	<b>\$ 15,932,156</b>	<b>\$ 243,090,418</b>	<b>\$ 87,323</b>	<b>259,109,897</b>
<i>Not Rated:</i>				
Local Agency Investment Funds (LAIF)				62,111,914
Guaranteed Investment Contracts				625,001
Money Market Mutual Funds (U.S. Securities)				7,557,167
<b>Total Investments</b>				<b>329,403,979</b>
Cash in Banks and On Hand - Primary Government				28,570,477
Cash in Banks - RHA Housing Corporation				137,179
<b>Total Cash and Investments</b>				<b>\$ 358,111,635</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, 2023**

**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, 2023:

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:				
Guaranteed Investment Contracts				625,001
Money Market Mutual Funds				15,932,156
<i>Investments not subject to levelling:</i>				
Local Agency Investment Funds (LAIF)				62,111,914
CalTrust Short-Term Fund				243,090,418
CalTrust Medium-Term Fund				87,323
Money Market Mutual Funds (U.S. Securities)				7,557,167
Total Investments				<u>\$ 329,403,979</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, 2023.

**3. INTERFUND TRANSACTIONS**

**A. Due To/From Other Funds**

Due to/from other fund balances arise in the normal course of business and represent short-term borrowings occurring as a result of expenditures which are paid prior to the receipt of revenues. These balances are expected to be repaid shortly after the end of the fiscal year when revenues are received. The amount for due from one fund to another at June 30, 2023 were as follows:

Due to Other Funds	Due from Other Funds	
	General Fund	Total
Nonmajor Governmental Funds	856,012	856,012
<b>Total</b>	<u>\$ 856,012</u>	<u>\$ 856,012</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**3. INTERFUND TRANSACTIONS, Continued**

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

At June 30, 2023 the funds below had made advances which were not expected to be repaid within the next year.

Advances from Other Funds	Advances to Other Funds	
	General Fund	Total
Port of Richmond	\$ 12,485,370	\$ 12,485,370
<b>Total</b>	<b>\$ 12,485,370</b>	<b>\$ 12,485,370</b>

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, 2023 is \$12,485,370.

**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 funding for capital projects and an annual subsidy to non-major governmental funds, as well fund debt service. Transfers between funds during the fiscal year ended June 30, 2023 were as follows:

Transfers Out	Transfers In				Total
	General Fund	Nonmajor Governmental Funds	Richmond Housing Authority	Internal Service Funds	
General Fund	\$ -	\$ 29,239,163	\$ 969,226	\$ 426,018	\$ 30,634,407
Nonmajor Governmental Funds	19,423,175	1,563,754	-	52,000	21,038,929
Nonmajor Enterprise Funds	86,778	-	-	-	86,778
<b>Total</b>	<b>\$ 19,509,953</b>	<b>\$ 30,802,917</b>	<b>\$ 969,226</b>	<b>\$ 478,018</b>	<b>\$ 51,760,114</b>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**3. INTERFUND TRANSACTIONS, Continued**

**C. Transfers In/Out, Continued**

None of these transfers were unusual or non-recurring in nature, except for the one-time transfer from the General Fund to the General Capital Fund in the amount of \$15,000,000 for the Main Library Renovation Project and the transfer from the Secured Pension Override Special Revenue Fund to the General Fund in the amount of \$19,423,175 to fund current year pension contributions CalPERS, which is included in transfers from Non-Major Governmental Funds.

**4. NOTES AND LOANS RECEIVABLE**

At June 30, 2023, notes and loans receivable consisted of the following:

	Balance at June 30, 2023
General Fund:	
RHA RAD Project Loan	\$ 759,510
Deferred Loans	221,335
Infill Phase II Loan	1,496,738
Nevin Court Homeowner Development Project	534,068
Subtotal - General Fund Loans	<u>3,011,651</u>
Richmond Neighborhood Stabilization Loans	<u>779,013</u>
Community Development Block Grant, Home Investment Partnership Program, EDA, CALHome Loans and City Loans	
Deferred Loans	3,072,997
Home Improvement Program Loans	740,153
Rental Rehabilitation Loans	371,102
The Carquinez Project	148,490
Creely Avenue Housing Rehabilitation Loan (Arbors)	2,576,621
Lillie Mae Jones Project Loan	988,460
Greater Richmond Interfaith Program	928,818
CALHome Program	2,262,443
Nevin Plaza	1,750,000
RHA RAD Project Loan	3,804,603
Subtotal - CDBG, HOME, EDA, CALHome Loans, City Loans	<u>16,643,687</u>
Housing Successor Loans:	
Rental Rehabilitation Loans	20,000
The Carquinez Project	1,152,510
Creely Avenue Housing Rehabilitation Loan (Arbors)	2,420,774
Lillie Mae Jones Project Loan	1,999,301
Miraflores Loan	3,500,388
MacDonald Place Senior Housing	3,124,543
Greater Richmond Interfaith Program	308,066
Silent Second Mortgage Loans	1,740,074
Deferred Loans	633,126
Chesley Avenue Mutual Housing Development	6,318,493
Easter Hill Project	4,824,108
RHA RAD Project Loan	1,182,387
Subtotal - Housing Successor Loans	<u>27,223,770</u>
American Rescue Plan Act Fund:	
Nevin Plaza	<u>\$ 1,750,000</u>
Total Notes and Loans Receivable	<u>\$ 49,408,121</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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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 17. Funding for the loan was revised in fiscal year 2018 and is as follows: \$700,000 from the City's General Fund, \$3,600,000 will come from housing-in-lieu funds and \$1,100,000 from the Housing Successor funds. The housing-in-lieu funds and Housing Successor Funds are included in the Community Development and Loan Programs Fund. RHA Housing Corporation assigned the loan agreement and associated obligations to RHA RAD Housing Partners L.P. on December 22, 2015 upon closing of the financing for the rehabilitation of the RAD projects. See Note 17 for additional information related to the RAD projects. The loan is secured by a leasehold deed of trust, assignment of rents and security agreement. The loan bears simple interest of 1% and the loan is repayable from residual receipts, as defined in the loan agreement, starting May 1 of the year after issuance of the Certificate of Completion, and unpaid principal and accrued interest is due December 1, 2070. As noted above, \$700,000 of the General Fund loan was disbursed in December 2014 and the balance at June 30, 2023, including accrued interest, was \$759,510. As of June 30, 2023, \$4,986,990 of the funds had been drawn down from the Housing Successor Community Development and Loan Programs Fund.

**Deferred Loans**

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

During fiscal year 2019, the City's General Fund purchased a portion of the deferred loans in the amount of \$353,335 and the loans were transferred to the General Fund. As of June 30, 2023, the outstanding loan amount is \$221,335. In addition, as of June 30, 2023, \$3,072,997 of the funds had been drawn down from the CDBG & Home Program Fund and \$633,126 from the Successor Housing Agency Fund.

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

The current funding was for predevelopment activities in conjunction with the construction and development of the townhomes. The loan is secured by a deed of trust on the property. The outstanding balance of the loan bears simple interest at the rate of 3% per year. The payment of principal and interest is deferred and due at the end of the term due September 30, 2065. As of June 30, 2023, \$1,496,738 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, 2023, \$534,068, which includes accrued interest of \$10,959, had been drawn down on the loan.

**Richmond Neighborhood Stabilization Loans**

The Richmond Neighborhood Stabilization Corporation (RNSC) operates a residential rehabilitation loan program financed by Department of Housing and Urban Development grants that have passed through the City under its Neighborhood Stabilization Program (NSP1) and additional allocation under the third round of funding referred to as (NSP3). The program provides affordable home ownership opportunities for households of low and moderate income by facilitating the development financing necessary for the purchase, rehabilitation, and resale of deed-restricted affordable ownership units. During fiscal year 2014, the City foreclosed on seven of the loans with a carrying value of \$780,153 and reacquired the properties which have been recorded as property held for resale as discussed in Note 2. As of June 30, 2023, 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, 2023**

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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, 2023**

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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, 2023, Lillie Mae Jones has drawn down \$2,987,761.

**Greater Richmond Interfaith Program**

The loan agreement date was on June 20, 2005. The borrower shall use the Loan funds for development and related soft costs that are eligible under the applicable CDBG and HOME regulations, and consistent with the approved development budget. In addition, the borrower shall submit to the City's Community and Economic Development Department a copy of the Construction Plans for the Development. As of June 30, 2023, Greater Richmond Interface Program has drawn down \$1,236,884.

**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, 2023**

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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, 2023, \$3,500,388 of the loan had been drawn down.

**MacDonald Place Senior Housing**

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

**Silent Second Mortgage Loans**

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

**Chesley Avenue Mutual Housing Development**

On December 1, 2003, the former Redevelopment Agency loaned Chesley Avenue Limited Partnership the amount of \$4,741,492, which includes accrued interest of \$1,272,798 to construct very low and low income housing units. The loan's principal is due in 2058; interest is payable starting May 1, 2006, at the rate of 2% per annum or in the amount of 95% of any residual receipts remaining from the prior year, whichever is less. As of June 30, 2023, \$6,318,493, which includes accrued interest of \$1,620,355, had been drawn down on the loan.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**Easter Hill Project**

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

**Nevin Plaza I, L.P.**

On March 1, 2023, the City entered into an agreement with Nevin Plaza I, L.P., in the amount of \$3,500,000, which includes \$1,750,000 to evidence developer's obligation to repay the portion of the loan funded with Coronavirus State and Local Fiscal Recovery Funds provided to the City through the American Rescue Plan Act of 2021 and \$1,750,000 with City Affordable Housing Impact Fee Funds. The loan bears interest of 3% per year, the entire outstanding principal balance of the loan together with accrued interest. The maturity date, which is the earlier of the 55<sup>th</sup> anniversary of the date upon which the city building department issue its sign off on its final inspection following completion of rehabilitation of the project and the 57<sup>th</sup> anniversary of the date of the notes.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**5. LEASES RECEIVABLE**

At June 30, 2023, leases receivable consisted of the following:

	Balance at June 30, 2023
Lease Receivable	
Alcatraz Cruises	\$ 2,294,889
California Oils	1,533,614
Garamendi	20,100
Foss Maritime	1,254,453
Watershed Nursery	51,230
Nematode	566,640
NRC	294,238
Point San Pablo	62,000
PRAM	3,833
Richmond Art Center	789,178
Richmond Bay Marina	5,291,322
Terminal Three Partners	39,307,637
Dutra	2,001,910
YWCA	64,204
AWC	8,892,747
Total Lease Receivable	<u>\$ 62,427,995</u>

**Alcatraz Cruises**

On October 15, 2021, the City entered into a lease as Lessor for the use of Basin 4 and half of Basin 3 at Point Potrero Marine Terminal and the lease end date was on October 14, 2036. An initial lease receivable was recorded in the amount of \$2,559,422 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$2,294,889. The lessee is required to make monthly fixed payments of \$15,000.00, with step payment increase to \$15,600 from October 15, 2026 to October 14, 2031 and 4% annual increase from October 15, 2031 to October 14, 2036. The lease has an interest rate of 1.2480%. The value of the deferred inflow of resources as of June 30, 2023 was \$2,267,458, and the City recognized lease revenue of \$170,628 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

**California Oils**

On July 1, 2016, the City entered into a lease as Lessor for the use of Terminal 2 at 1145 Harbour Way South and the lease end date was on June 30, 2026. An initial lease receivable was recorded in the amount of \$2,449,191 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$1,533,614. The lessee is required to make monthly fixed payments of \$38,868, with step payment increase to \$40,810.54 from July 1, 2022 to June 30, 2023 and 3% monthly increase from July 1, 2023 to June 30, 2026. The lease has an interest rate of 1.0590%. The value of the deferred inflow of resources as of June 30, 2023 was \$1,469,515 and the City recognized lease revenue of \$489,838 during the fiscal year.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**5. LEASES RECEIVABLE, Continued**

**DeSaulnier**

On January 3, 2019, the City entered into a lease as Lessor for the use of the office space located at 440 Civic Plaza and the lease end date was on January 2, 2023. An initial lease receivable was recorded in the amount of \$15,459 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$862. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of June 30, 2023 was \$0, and the City recognized lease revenue of \$5,191 during the fiscal year.

**Foss Maritime**

On October 1, 2012, the City entered into a lease as Lessor for the use of Basin 1 and Finger Pier 2 at Point Potrero Marine Terminal and the lease end date was on February 29, 2028. An initial lease receivable was recorded in the amount of \$2,806,842 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$1,254,453. The lessee is required to make monthly fixed payments of \$21,430 from March 1, 2023 to April 30, 2023, \$22,501 from May 1, 2023 to April 30, 2024, and 3% annual increase from May 1, 2024 to February 29, 2028. The lease has an interest rate of 2.6820%. The value of the deferred inflow of resources as of June 30, 2023 was \$1,244,733, and the City recognized lease revenue of \$88,910 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

**MSRC**

On July 1, 1993, the City entered into a lease as Lessor for the use of Finger Pier 1 at 1314 Canal Boulevard and the lease end date was on June 30, 2023. An initial lease receivable was recorded in the amount of \$750,849.26 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$30,976.25, with step payment increase to \$31,906 from July 1, 2022 to June 30, 2023. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of June 30, 2023 was \$0, and the City recognized lease revenue of \$375,425 during the fiscal year.

**Nematode**

On July 1, 2020, the City entered into a lease as Lessor for the use of Terminal 4 at 1950 Stenmark Drive and the lease end date was on June 30, 2023. An initial lease receivable was recorded in the amount of \$719,233. As of June 30, 2023, the value of the lease receivable is \$566,640. The lessee is required to make monthly fixed payments of \$6,816.50. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of June 30, 2023 was \$559,403, and the City recognized lease revenue of \$79,915 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

**NRC**

On October 1, 2017, the City entered into a lease as Lessor for the use of Basin 3 at 1337 Canal Boulevard and the lease end date was on September 30, 2027. An initial lease receivable was recorded in the amount of \$414,304 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$294,238. The lessee is required to make monthly fixed payments of \$5,000, with step payment increase to \$5,300 from October 1, 2022 to September 30, 2023 and 4% annual increase from October 1, 2023 to September 30, 2027. The lease has an interest rate of 0.3870%. The value of the deferred inflow of resources as of June 30, 2023 was \$281,727, and the City recognized lease revenue of \$66,289 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**5. LEASES RECEIVABLE, Continued**

**Point San Pablo**

On June 1, 2023, the City entered into a lease as Lessor for the use of Terminal 4 at 1950 Stenmark Drive and the lease end date was on May 31, 2029. An initial lease receivable was recorded in the amount of \$62,787 on June 1, 2023. As of June 30, 2023, the value of the lease receivable is \$62,000. The lessee is required to make monthly fixed payments of \$786, with step payment increase to \$842 from June 1, 2024 to May 31, 2025 and 7% annual increase from June 1, 2025 to May 31, 2029. The lease has an interest rate of 2.3260%. The value of the deferred inflow of resources as of June 30, 2023 was \$61,915, and the City recognized lease revenue of \$872 during the fiscal year. The lessee has 5 extension option(s), each for 12 months.

**PRAM**

On September 1, 2019, the City entered into a lease as Lessor for the use of The Washington Field House at 110 East Richmond Avenue and the lease end date was on August 31, 2024. An initial lease receivable was recorded in the amount of \$10,333.79 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$3,833. The lessee is required to make monthly fixed payments of \$275.00. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of June 30, 2023 was \$3,807, and the City recognized lease revenue of \$3,263 during the fiscal year.

**Richmond Art Center**

On July 1, 2017, the City entered into a lease as Lessor for the use of The Art Center buildings at 2540 and 2544 Barrett Avenue and the lease end date was on June 30, 2067. An initial lease receivable was recorded in the amount of \$807,820.53 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$789,178. The lessee is required to make monthly fixed payments of \$2,344, with step payment increase to \$2,503 from July 1, 2022 to June 30, 2067. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of June 30, 2023 was \$772,698, and the City recognized lease revenue of \$17,561 during the fiscal year.

**Richmond Bay Marina - Re - assigned to SHM MBYH LLC**

On July 1, 2000, the City entered into a lease as Lessor for the use of the land at 1340 Marina Way South and the lease end date was on June 30, 2055. An initial lease receivable was recorded in the amount of \$5,534,412.78 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$5,291,322. The lessee is required to make quarterly fixed payments of \$60,876. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of June 30, 2023 was \$5,208,859, and the City recognized lease revenue of \$162,777 during the fiscal year.

**Terminal Three Partners**

On December 15, 2020, the City entered into a lease as Lessor for the use of Terminal 3 at 1411 Harbour Way South and the lease end date was on December 14, 2086. An initial lease receivable was recorded in the amount of \$39,376,061.50 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$39,307,637. The lessee is required to make monthly fixed payments of \$36,667, with step payment increase to \$38,133 from July 1, 2022 to June 30, 2023 and 2% annual increase from July 1, 2023 to December 14, 2086. The lease has an interest rate of 1.1000%. The value of the deferred inflow of resources as of June 30, 2023 was \$38,172,923, and the City recognized lease revenue of \$601,569 during the fiscal year. The lessee has 4 extension option(s), each for 120 months.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**5. LEASES RECEIVABLE, Continued**

**Dutra**

On June 1, 2017, the City entered into a lease as Lessor for the use of Basin 2, Basin 3 and the structure at 1319 Canal Boulevard and the lease end date was on May 31, 2032. An initial lease receivable was recorded in the amount of \$2,393,510.09 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$2,001,910. The lessee is required to make monthly fixed payments of \$16,500.00, with step payment increase to \$17,160 from June 1, 2022 to May 31, 2023 and 2% annual increase from June 1, 2023 to May 31, 2032. The lease has an interest rate of 0.3160%. The value of the deferred inflow of resources as of June 30, 2023 was \$1,955,004 and the City recognized lease revenue of \$219,253 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

**YWCA**

On July 1, 2015, the City entered into a lease as Lessor for the use of the building at 3230 MacDonald Avenue and the lease end date was on June 30, 2025. An initial lease receivable was recorded in the amount of \$127,360.86 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$64,204. The lessee is required to make monthly fixed payments of \$2,700.00. The lease has an interest rate of 0.8930. The value of the deferred inflow of resources as of June 30, 2023 was \$63,680, and the City recognized lease revenue of \$31,840 during the fiscal year.

**AWC**

On May 1, 2009, the City entered into a lease as Lessor for the use of the land at 1311 Canal Boulevard and the lease end date was on December 31, 2024. An initial lease receivable was recorded in the amount of \$20,135,248.98 on July 1, 2021. As of June 30, 2023, the value of the lease receivable is \$8,892,747. The lessee is required to make annual fixed payments of \$5,718,800.00, with a fixed increase to \$5,833,350 from July 1, 2022 to June 30, 2023 and \$5,950,800 from July 1, 2023 to June 30, 2024. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of June 30, 2023 was \$8,629,392, and the City recognized lease revenue of \$5,752,928 during the fiscal year.

**Garamendi**

On January 3, 2023, the City entered into a lease as Lessor for the use of the office space located at 440 Civic Plaza and the lease end date was on January 2, 2025. An initial lease receivable was recorded in the amount of \$26,677 on January 3, 2023. As of June 30, 2023, the value of the lease receivable is \$20,100. The lessee is required to make monthly fixed payments of \$1,141. The lease has an interest rate of 2.7070%. The value of the deferred inflow of resources as of June 30, 2023 was \$20,026, and the City recognized lease revenue of \$6,651 during the fiscal year.

**Watershed Nursery**

On December 17, 2019, the City entered into a lease as Lessor for the use of 601 Canal Blvd Suite A and the lease end date was on December 18, 2031. An initial lease receivable was recorded in the amount of \$55,493 on July 1, 2022. As of June 30, 2023, the value of the lease receivable is \$51,230. The lessee is required to make monthly fixed payments of \$480. The lease has an interest rate of 2.8420%. The value of the deferred inflow of resources as of June 30, 2023 was \$49,628, and the City recognized lease revenue of \$5,865 during the fiscal year.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**5. LEASES RECEIVABLE, Continued**

The future revenue payments as of June 30, 2023, are as follows:

Year Ending June 30,	Alcatraz Cruises		California Oils		Garamendi		Foss Maritime		Watershed Nursery		Nematode		NRC		Point San Pablo	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 152,229	\$ 27,771	\$ 490,554	\$ 13,864	\$ 13,309	\$ 380	\$ 240,650	\$ 30,716	\$ 4,480	\$ 1,399	\$ 77,053	\$ 4,745	\$ 64,483	\$ 1,025	\$ 8,136	\$ 1,356
2025	154,139	25,861	510,980	8,571	6,791	54	255,426	24,081	4,847	1,267	77,744	4,054	67,358	771	8,999	1,158
2026	156,074	23,926	532,080	3,057	-	-	270,849	17,042	5,235	1,124	80,905	3,347	70,349	505	9,929	939
2027	163,455	21,945	-	-	-	-	286,947	9,582	5,643	970	81,630	2,622	73,461	227	10,931	697
2028	167,326	19,874	-	-	-	-	200,581	2,023	6,074	804	82,362	1,890	18,587	12	12,011	432
2029-2033	881,906	67,198	-	-	-	-	-	-	24,951	1,320	166,946	1,557	-	-	11,994	140
2034-2038	619,760	12,976	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039-2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044-2048	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2049-2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054-2058	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2059-2063	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2064-2068	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2069-2073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2074-2078	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2079-2083	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2084-2087	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$2,294,889</b>	<b>\$ 199,551</b>	<b>\$1,533,614</b>	<b>\$ 25,492</b>	<b>\$ 20,100</b>	<b>\$ 434</b>	<b>\$ 1,254,453</b>	<b>\$ 83,444</b>	<b>\$ 51,230</b>	<b>\$ 6,884</b>	<b>\$ 566,640</b>	<b>\$ 18,215</b>	<b>\$ 294,238</b>	<b>\$ 2,540</b>	<b>\$ 62,000</b>	<b>\$ 4,722</b>

Principal	Interest	PRAM		Richmond Art Center		Richmond Bay Marina		Terminal Three Partners		Dutra		YWCA		AWC		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 3,283	\$ 17	\$ 9,766	\$ 20,269	\$ 107,868	\$ 135,636	\$ 34,542	\$ 432,210	\$ 204,358	\$ 6,031	\$ 31,957	\$ 443	\$ 5,871,387	\$ 79,412	\$ 7,314,055	\$ 755,274		
550	1	10,022	20,014	110,682	132,822	44,306	431,781	209,218	5,378	32,247	156	3,021,360	13,490	4,514,669	669,459		
-	-	10,284	19,752	113,568	129,936	54,366	431,243	214,179	4,710	-	-	-	-	1,517,818	635,581		
-	-	10,552	19,483	116,530	126,974	64,728	430,593	219,240	4,026	-	-	-	-	1,033,117	617,119		
-	-	10,828	19,208	119,570	123,934	75,400	429,827	224,406	3,325	-	-	-	-	917,145	601,329		
-	-	58,537	91,642	646,285	571,235	548,447	2,133,361	930,509	5,964	-	-	-	-	3,269,575	2,872,417		
-	-	66,598	83,581	735,077	482,443	866,125	2,094,807	-	-	-	-	-	-	2,287,560	2,673,807		
-	-	75,769	74,410	836,069	381,451	1,231,595	2,037,514	-	-	-	-	-	-	2,143,433	2,493,375		
-	-	86,202	63,977	950,935	266,585	1,650,663	1,958,697	-	-	-	-	-	-	2,687,800	2,289,259		
-	-	98,073	52,106	1,081,582	135,938	2,129,786	1,855,239	-	-	-	-	-	-	3,309,441	2,043,283		
-	-	111,577	38,601	473,156	13,852	2,676,146	1,723,644	-	-	-	-	-	-	3,260,879	1,776,097		
-	-	126,942	23,237	-	-	3,297,720	1,560,004	-	-	-	-	-	-	3,424,662	1,583,241		
-	-	114,028	6,113	-	-	4,003,374	1,359,945	-	-	-	-	-	-	4,117,402	1,366,058		
-	-	-	-	-	-	4,802,956	1,118,582	-	-	-	-	-	-	4,802,956	1,118,582		
-	-	-	-	-	-	5,707,399	830,458	-	-	-	-	-	-	5,707,399	830,458		
-	-	-	-	-	-	6,728,839	489,483	-	-	-	-	-	-	6,728,839	489,483		
-	-	-	-	-	-	5,391,245	108,117	-	-	-	-	-	-	5,391,245	108,117		
<b>\$ 3,833</b>	<b>\$ 18</b>	<b>\$ 789,178</b>	<b>\$ 532,393</b>	<b>\$ 5,291,322</b>	<b>\$ 2,500,806</b>	<b>\$ 39,307,637</b>	<b>\$ 19,425,505</b>	<b>\$ 2,001,910</b>	<b>\$ 29,434</b>	<b>\$ 64,204</b>	<b>\$ 599</b>	<b>\$ 8,892,747</b>	<b>\$ 92,902</b>	<b>\$ 62,427,995</b>	<b>\$ 22,922,939</b>		

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**6. CAPITAL ASSETS**

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

	Balance at July 1, 2022 (as restated)	Additions	Retirements	Transfers	Adjustment	Balance at June 30, 2023
<i>Governmental Activities</i>						
Capital assets not being depreciated:						
Land	\$ 24,634,683	\$ -	\$ -	\$ -	\$ -	\$ 24,634,683
Construction in progress	34,549,467	11,896,733	-	-	-	46,446,200
Total capital assets not being depreciated	59,184,150	11,896,733	-	-	-	71,080,883
Capital assets being depreciated:						
Buildings and improvements	157,794,660	-	-	-	-	157,794,660
Machinery and equipment	55,945,913	1,395,916	(421,129)	-	3,352	56,924,052
Land improvements and infrastructure	547,534,722	-	-	-	-	547,534,722
Total capital assets being depreciated	761,275,295	1,395,916	(421,129)	-	3,352	762,253,434
Less accumulated depreciation for:						
Buildings and improvements	(55,047,802)	(3,641,894)	-	-	-	(58,689,696)
Machinery and equipment	(42,549,012)	(2,556,770)	421,129	-	(3,352)	(44,688,005)
Land improvements and infrastructure	(431,223,103)	(6,381,117)	-	-	-	(437,604,220)
Total accumulated depreciation	(528,819,917)	(12,579,781)	421,129	-	(3,352)	(540,981,921)
Capital asset being depreciated, net	232,455,378	(11,183,865)	-	-	-	221,271,513
Capital assets being amortized:						
Leased buildings and improvements	6,690,416	-	-	-	-	6,690,416
Subscription based I.T. agreements	4,168,268	417,005	-	-	-	4,585,273
Total capital assets being amortized	10,858,684	417,005	-	-	-	11,275,689
Less accumulated amortization for:						
Leased buildings and improvements	(1,911,547)	(1,911,547)	-	-	-	(3,823,094)
Subscription based I.T. agreements	-	(1,063,141)	-	-	-	(1,063,141)
Total accumulated amortization	(1,911,547)	(2,974,688)	-	-	-	(4,886,235)
Capital assets being amortized, net	8,947,137	(2,557,683)	-	-	-	6,389,454
Governmental activity capital assets, net	\$ 300,586,665	\$ (1,844,815)	\$ -	\$ -	\$ -	\$ 298,741,850

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**6. CAPITAL ASSETS, Continued**

Governmental activities depreciation expenses for capital assets and amortization expense for lease assets charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program for the year ended June 30, 2023 were as follows:

Governmental Activities	
Depreciation expense	
General Government	\$ 3,741,761
Public Safety	602,976
Public Services	6,067,937
Cultural and Recreational	180,524
Housing and Redevelopment	57,608
Community Development	12,307
Internal Service Funds	1,916,668
Total depreciation expense	<u>12,579,781</u>
Amortization expense	
General Government	418,008
Public Safety	2,556,680
Total amortization expense	<u>2,974,688</u>
Total Governmental Activities	<u>\$ 15,554,469</u>

**Lease Asset**

**Dicon Fiberoptics**

On January 1, 2020, the City entered into a lease as Lessee for the use of DiCon Fiberoptics' Building and the lease end date was on December 31, 2024. The City is required to make monthly fixed payments of \$152,298, with step payment increase to \$156,735 from January 1, 2022 to December 31, 2022 and 3% annual increase from January 1, 2023 to December 31, 2024. The lease has an interest rate of 0.3160%. The value of the right to use asset as of June 30, 2023 of \$6,690,416 with accumulated amortization of \$3,823,094. The City has 3 extension option(s), each for 12 months.

**Subscription Based Information Technology Arrangements**

**Cobalt**

On May 1, 2017, the City entered into a subscription for the use of Cobalt RMS Software and the lease end date was on June 30, 2027. The City is required to make annual fixed payments of \$360,000 until June 30, 2023, and \$200,000 from July 1, 2023 to June 30, 2027. The subscription has an interest rate of 2.5360%. The value of the right to use asset as of June 30, 2023 of \$1,111,743 with accumulated amortization of \$222,349. There are no options to extend the arrangement or purchase the software.

**eScribe**

On April 27, 2021, the City entered into a subscription for the use of eScribe and the lease end date was on April 26, 2026. The City is required to make annual fixed payments of \$47,242 with 5% annual increase. The subscription has an interest rate of 2.4450%. The value of the right to use asset as of June 30, 2023 of \$158,237 with accumulated amortization of \$41,399. The City has 1 extension option(s), each for 60 months.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**6. CAPITAL ASSETS, Continued**

**GovInvest**

On March 6, 2023, the City entered into a subscription for the use of GovInvest, Inc and the lease end date was on June 30, 2026. The City is required to make fixed payments of \$26,400 until June 30, 2023 and \$80,000 from July 1, 2023 to June 30, 2026. The subscription has an interest rate of 2.7960%. The value of the right to use asset as of June 30, 2023 of \$267,729 with accumulated amortization of \$25,765. The City has 1 extension option(s), each for 12 months.

**Public Safety Systems Data**

On November 1, 2021, the City entered into a subscription for the use of Public Safety Systems Data and the lease end date was on October 31, 2026. The City is required to make fixed payments of \$219,500. The subscription has an interest rate of 2.4450%. The value of the right to use asset as of June 30, 2023 of \$840,217 with accumulated amortization of \$193,896. There are no options to extend the arrangement or purchase the software.

**RippleWorx**

On January 1, 2023, the City entered into a 36-month subscription for the use of RippleWorx. The City is required to make annual fixed payments of \$50,000.00. The subscription has an interest rate of 2.7960%. The value of the right to use asset as of June 30, 2023 of \$149,276 with accumulated amortization of \$24,879. There are no options to extend the arrangement or purchase the software.

**ShotSpotter**

On July 1, 2021, the City entered into a subscription for the use of ShotSpotter Subscription and the lease end date was on June 30, 2026. The City is required to make fixed payments of \$203,907 until June 30, 2023 and \$214,101 from July 1, 2023 to June 30, 2026. The subscription has an interest rate of 2.4450%. The value of the right to use asset as of June 30, 2023 of \$816,036 with accumulated amortization of \$204,009. There are no options to extend the arrangement or purchase the software.

**Tyler Technologies**

On July 1, 2019, the City entered into a subscription for the use of Tyler Technologies and the lease end date was on June 30, 2024. The City is required to make fixed payments of \$120,000. The subscription has an interest rate of 2.1940%. The value of the right to use asset as of June 30, 2023 of \$237,424 with accumulated amortization of \$118,712. There are no options to extend the arrangement or purchase the software.

**Microsoft**

On September 29, 2020, the City entered into a subscription for the use of Microsoft and the lease end date was on October 28, 2026. the City is required to make fixed payments of \$140,021 until September 28, 2023 and \$227,425 from September 29, 2023 to October 28, 2026. The subscription has an interest rate of 1.8500%. The value of the right to use asset as of June 30, 2023 of \$1,004,611 with accumulated amortization of \$232,131. The City has 1 extension option(s), each for 36 months.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**6. CAPITAL ASSETS, Continued**

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

	Balance at July 1, 2022 (as restated)	Additions	Retirements	Transfers	Adjustments	Balance at June 30, 2023
<i>Business-type Activities</i>						
Capital assets not being depreciated:						
Land	\$ 7,195,986	\$ -	\$ -	\$ -	\$ -	\$ 7,195,986
Construction in progress	63,868,930	26,869,610	-	-	-	90,738,540
Total capital assets not being depreciated	71,064,916	26,869,610	-	-	-	97,934,526
Capital assets being depreciated:						
Buildings and improvements	79,908,481	-	-	-	-	79,908,481
Machinery and equipment	17,860,084	1,070,931	-	-	-	18,931,015
Infrastructure	259,038,020	-	-	-	-	259,038,020
Total capital assets being depreciated	356,806,585	1,070,931	-	-	-	357,877,516
Less accumulated depreciation for:						
Buildings and improvements	(56,982,640)	(740,263)	-	-	(796,271)	(58,519,174)
Machinery and equipment	(16,247,312)	(638,874)	-	-	796,271	(16,089,915)
Infrastructure	(129,199,431)	(5,892,294)	-	-	-	(135,091,725)
Total accumulated depreciation	(202,429,383)	(7,271,431)	-	-	-	(209,700,814)
Capital asset being depreciated, net	154,377,202	(6,200,500)	-	-	-	148,176,702
Capital assets being amortized:						
Leased land and improvements	1,172,173	-	-	-	-	1,172,173
Leased machinery and equipments	216,506	-	-	-	-	216,506
Total Capital assets being amortized	1,388,679	-	-	-	-	1,388,679
Less accumulated amortization for:						
Leased land and improvements	(260,483)	(260,483)	-	-	-	(520,966)
Leased machinery and equipments	-	(129,904)	-	-	-	(129,904)
Total accumulated amortization	(260,483)	(390,387)	-	-	-	(650,870)
Capital assets being amortized, net	1,128,196	(390,387)	-	-	-	737,809
Business-type activity capital assets, net	\$ 226,570,314	\$ 20,278,723	\$ -	\$ -	\$ -	\$ 246,849,037

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, 2023 has been uninhabitable for an extended period of time and as a result necessitates major rehabilitation. The property was appraised in July 2019 at \$6,290,000 "as is" and Mercy Housing is in negotiation with the City and the Housing Authority to acquire the improvements and to undertake significant renovation that would result in to 150 units, a fitness center and a library. The current site encompasses a total of 2.98 acres of land which is intended to be split into two parcels upon approval by HUD for which the currently improved portion of 1.941 acres will be subject to a ground lease to Mercy Housing and the remaining 1.043 acres will be retained by the City for future development.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**6. CAPITAL ASSETS, Continued**

Business-type activities depreciation expenses for capital assets allocated to each program for the year ended June 30, 2023 were as follows:

Business-Type Activities	
Depreciation expense	
Port of Richmond	\$ 3,503,066
Municipal Sewer	3,637,623
Richmond Marina	84,278
Storm Sewer	44,474
Cable TV	1,990
Total depreciation expense	<u>7,271,431</u>
Amortization expense	
Municipal Sewer	260,483
Storm Sewer	129,904
Total amortization expense	<u>390,387</u>
Total Business-Type Activities	<u>\$ 7,661,818</u>

**Lease Asset**

**West County Wastewater District**

On January 1, 2010, the City entered into a lease as Lessee for the use of West County Wastewater District's land and the lease end date was on December 31, 2025. The City is required to make annually fixed payments of \$153,000, with 3% annual increase from January 1, 2013 to December 31, 2017 and 6% annual increase from January 1, 2018 to December 31, 2025. The lease has an interest rate of 1.0590%. The value of the right to use asset as of June 30, 2023 of \$1,172,173 with accumulated amortization of \$520,966.

**Owen Equipment - Water Resource Rec Dept**

On March 1, 2022, the City entered into a lease as Lessee for the use of Owen Equipment and the lease end date was on February 29, 2024. The City is required to make monthly fixed payments of \$11,212. The lease has an interest rate of 0.3800%. The value of the right to use asset as of June 30, 2023 of \$256,921 with accumulated amortization of \$170,319.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**7. COMPENSATED ABSENCES PAYABLE**

Changes in compensated absence liabilities for the year ended June 30, 2023 were as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences payable	\$ 11,489,201	\$ 7,267,205	\$ (7,120,163)	\$ 11,636,243	\$ 5,864,632
<b>Business-Type Activities:</b>					
Compensated absences payable	207,431	162,326	(124,582)	245,175	107,685
	<u>\$ 11,696,632</u>	<u>\$ 7,429,531</u>	<u>\$ (7,244,745)</u>	<u>\$ 11,881,418</u>	<u>\$ 5,972,317</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.

**8. LONG-TERM DEBT**

**A. Governmental Activities**

Following is a summary of governmental activities long-term debt transactions during the fiscal year ended June 30, 2023:

	Balance at July 1, 2022 (as restated)	Additions (A)	Retirements	Balance at June 30, 2023	Due Within One Year	Due in More than One Year
Bonds payable:						
Bonds	\$ 101,965,012	\$ -	\$ (7,238,438) (B)	\$ 94,726,574	\$ 3,865,000	\$ 90,861,574
Bonds from direct placements	134,251,078	154,140,000	(134,251,078)	154,140,000	-	154,140,000
Loans payable from direct borrowings	887,622	-	(138,040)	749,582	140,511	609,071
Financed purchases from direct borrowings	4,581,187	-	(1,075,111)	3,506,076	911,735	2,594,341
Lease liability	4,852,956	-	(1,896,420)	2,956,536	1,959,774	996,762
Subscription based I.T. agreeemnts	4,152,458	402,005	(1,149,854)	3,404,609	1,086,599	2,318,010
Total	<u>\$ 250,690,313</u>	<u>\$ 154,542,005</u>	<u>\$ (145,748,941)</u>	<u>\$ 259,483,377</u>	<u>\$ 7,963,619</u>	<u>\$ 251,519,758</u>

**Bonds Payable**

Bonds payable at June 30, 2023 consisted of the following:

	Net
JPFA Lease Revenue Bonds - 2016	\$ 25,845,190
JPFA Lease Revenue Bonds - 2019A	68,881,384
Pension Funding Bond Series 2022 (Refunding)	154,140,000
Total	<u>\$ 248,866,574</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

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

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. On September 1, 2022, using funds on hand, net proceeds of \$2,368,563 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt services payments on the Series 1999 Bonds. As a result, the 1999 Bonds are considered defeasance and the liability for those bonds have been removed from the Statement of Net Position. As of June 30, 2023, the outstanding balance of the defeasance of bond was \$2,105,000.

**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%	n/a
2005B-2	6.5650%	-0.1000%	6.4650%	8/1/2034	41,403,173	8/1/2023	1 month LIBOR + 1.4%	n/a
					<u>\$ 114,995,133</u>			<u>n/a</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 (1%).

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

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

**Mandatory Index Rate Conversion** – On the respective Full Accretion Date, the Series 2005B-1 or 2005B-2 Bonds convert from Capital Appreciation Bonds to Index Rate Bonds. From that date forward, the Bonds bear interest at a rate based on the 1-month LIBOR index plus 1.4%. This rate fluctuates according to the market conditions and is limited to 17% 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% per year and a minimum of 80% 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. The combination of the variable rate bonds and a floating swap rate created a synthetic fixed-rate debt for the City. On September 1, 2022, the City issued Taxable Pension Refunding Bond, Series 2022 in the amount of \$154,140,000 to refund and terminate the swap agreement for the 2005B-1 and 2005B-2 Bonds.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

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

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

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

At June 30, 2023, the 2016 Bonds consisted of the following:

Bonds outstanding	\$ 24,895,000
Unamortized premium	950,190
Total	<u>\$ 25,845,190</u>

The annual debt service requirements are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 1,255,000	\$ 1,119,763	\$ 2,374,763
2025	1,365,000	1,047,713	2,412,713
2026	1,445,000	970,438	2,415,438
2027	1,510,000	889,175	2,399,175
2028	1,595,000	803,788	2,398,788
2029-2033	8,775,000	2,733,513	11,508,513
2034-2038	8,950,000	888,599	9,838,599
Total	<u>\$ 24,895,000</u>	<u>\$ 8,452,989</u>	<u>\$ 33,347,989</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

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

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

At June 30, 2023, the 2019A Bonds consisted of the following:

Bonds outstanding	\$ 56,880,000
Unamortized premium	12,001,384
Total	<u>\$ 68,881,384</u>

The annual debt service requirements are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 2,610,000	\$ 2,778,750	5,388,750
2025	2,745,000	2,644,875	5,389,875
2026	2,885,000	2,504,125	5,389,125
2027	3,035,000	2,356,125	5,391,125
2028	3,190,000	2,200,500	5,390,500
2029-2033	18,570,000	8,375,500	26,945,500
2034-2038	23,845,000	3,099,875	26,944,875
Total	<u>\$ 56,880,000</u>	<u>\$ 23,959,750</u>	<u>\$ 80,839,750</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

Interest Rate Swap and Swaption Agreements

On September 1, 2022, the City issued Series 2022 Bonds in the amount of \$154,140,000, and used a portion of the proceeds of the Series 2022 Bonds in the amount of \$21,991,660 to pay amounts due to Royal Bank of Canada as a result of the termination of the 2016 Swap Agreement. Upon payment of the Termination Fee, the City will no longer be a party to any interest rate swap agreement.

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".

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

Interest Rate Swap and Swaption Agreements, Continued

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.

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. On June 15, 2022, the City received an updated issuer credit rating from Moody's Investors Service upgrading the previous Baa2 issuer credit rating to a Baa3 issuer credit rating and its pension obligation bond (POB) to Baa3 from Ba1. On February 17, 2023, the City received an updated issuer credit rating from Moody's Investors Service upgrading the previous Baa2 issuer credit rating to an A3 issuer credit rating and its pension obligation bond (POB) to A3 from Baa3.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

**Pension Funding Bond Series 2022 (Refunding) – Amount \$154,140,000**

Taxable Pension Refunding Bonds, Series 2022 was issued under an Indenture, dated November 1, 2005, as supplemented by the First Supplemental Indenture, dated as of September 1, 2022 both by and between the City and U.S. Bank Trust Company, National Association, as trustee refund all of the City’s outstanding Taxable Pension Funding Bonds, Series 2005 B-1 Bonds and Taxable Pension Funding Bonds, Series 2005 B-2, pay interest rate swap termination fees as described herein, and pay the costs of issuance related to the Series 2022 Bonds.

The Series 2022 Bonds accrue interest from the date of delivery thereof and are payable semiannually on January 15 and July 15 of each year, commencing July 15, 2023. The refunding resulted in an overall debt service increase of \$35.3 million over the term of the debt. The net present value of the debt service savings is called an economic gain and amounted to approximately \$10.2 million.

The annual debt service requirements are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ -	\$ 11,398,165	\$ 11,398,165
2025	-	8,425,749	8,425,749
2026	2,980,000	8,425,749	11,405,749
2027	3,345,000	8,299,575	11,644,575
2028	3,730,000	8,154,603	11,884,603
2029-2033	25,555,000	37,718,595	63,273,595
2034-2038	40,565,000	29,716,448	70,281,448
2039-2043	62,220,000	15,946,505	78,166,505
2044	15,745,000	911,006	16,656,006
<b>Total</b>	<b>\$ 154,140,000</b>	<b>\$ 128,996,395</b>	<b>\$ 283,136,395</b>

**Loans Payable**

Loans payable from direct borrowing at June 30, 2023 consisted of the following:

<i>City Loans Payable</i>	
California Energy Commission Loan #1	\$ 145,057
California Energy Commission Loan #2	604,525
	<u>\$ 749,582</u>

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

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

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 56,725	\$ 3,940	\$ 60,665
2025	58,449	2,216	60,665
2026	29,883	449	30,332
Total	<u>\$ 145,057</u>	<u>\$ 6,605</u>	<u>\$ 151,662</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
2024	\$ 83,786	\$ 5,852	\$ 89,638
2025	84,641	4,997	89,638
2026	85,490	4,148	89,638
2027	86,347	3,291	89,638
2028	87,206	2,432	89,638
2029-2030	177,055	2,220	179,275
Total	<u>\$ 604,525</u>	<u>\$ 22,940</u>	<u>\$ 627,465</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

**Financed Purchases**

Financed purchases payable from direct borrowing at June 30, 2023 consisted of the following:

Qualified Energy Conservation	\$ 249,248
JPFA Recovery Zone Economic Development	270,415
Street Light	1,512,280
Holman Capital Corporation #5	<u>1,474,133</u>
Total	<u>\$ 3,506,076</u>

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

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

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 80,841	\$ 15,561	\$ 96,402
2025	83,063	10,035	93,098
2026	<u>85,344</u>	<u>4,356</u>	<u>89,700</u>
Total	<u>\$ 249,248</u>	<u>\$ 29,952</u>	<u>\$ 279,200</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

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

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

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 105,300	\$ 15,881	\$ 121,181
2025	109,098	8,975	118,073
2026	56,017	1,821	57,838
Total	<u>\$ 270,415</u>	<u>\$ 26,677</u>	<u>\$ 297,092</u>

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

On November 1, 2012 the City entered into a direct borrowing financed purchase agreement with Holman Capital Corporation in the amount of \$2,000,000 to finance improvements to the City’s West Contra Costa Family Justice Center. The purchase bears an interest rate of 3.17%. Principal and interest payments on the purchase are due semi-annually on each July 14 and January 14 commencing on July 14, 2013 through January 14, 2023. As of June 30, 2023, the agreement was paid off.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

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

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

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 453,254	\$ 35,726	\$ 488,980
2025	476,005	24,025	500,030
2026	499,675	11,738	511,413
2027	83,346	1,063	84,409
Total	<u>\$ 1,512,280</u>	<u>\$ 72,552</u>	<u>\$ 1,584,832</u>

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

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

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 272,341	\$ 53,678	\$ 326,019
2025	283,146	42,872	326,018
2026	294,381	31,638	326,019
2027	306,061	19,958	326,019
2028	318,204	7,814	326,018
Total	<u>\$ 1,474,133</u>	<u>\$ 155,960</u>	<u>\$ 1,630,093</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

**Lease Liability (Dicon Fiberoptics)**

On January 1, 2020, the City entered into a lease as Lessee for the use of Dicon Fiberoptics and the lease end date was on December 31, 2024. An initial lease liability was recorded in the amount of \$6,690,415.64 on July 1, 2021. As of June 30, 2023, the value of the lease liability is \$2,956,536. The City is required to make monthly fixed payments of \$152,298.00, with step payment increase to \$156,735 from January 1, 2022 to December 31, 2022 and 3% annual increase from January 1, 2023 to December 31, 2024. The lease has an interest rate of 0.3160%.

At June 30, 2023, the aggregate maturities of the governmental lease liability were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 1,959,774	\$ 6,529	\$ 1,966,303
2025	996,762	919	997,681
Total	<u>\$ 2,956,536</u>	<u>\$ 7,448</u>	<u>\$ 2,963,984</u>

**Subscription Based Information Technology Arrangements (SBITA)**

At June 30, 2023, SBITA liabilities consisted of the following:

	Balance at June 30, 2023
Cobalt	\$ 751,741
eScribe	98,049
GovInvest	232,610
Public Safety Systems Data	627,565
RippleWorx	95,957
ShotSpotter	612,128
Tyler Technologies	117,424
Microsoft	869,135
Total SBITA	<u>\$ 3,404,609</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

**Cobalt**

On May 1, 2017, the City entered into a subscription for the use of Cobalt RMS Software and the lease end date was on June 30, 2027. An initial subscription liability was recorded in the amount of \$1,111,743 on July 1, 2022. As of June 30, 2023, the value of the subscription liability is \$751,741. The City is required to make annual fixed payments of \$360,000 until June 30, 2023, and \$200,000 from July 1, 2023 to June 30, 2027. The subscription has an interest rate of 2.5360%.

At June 30, 2023, the aggregate maturities of the SBITA were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 180,935	\$ 19,064	\$ 199,999
2025	185,524	14,476	200,000
2026	190,229	9,771	200,000
2027	195,053	4,947	200,000
Total	<u>\$ 751,741</u>	<u>\$ 48,258</u>	<u>\$ 799,999</u>

**eScribe**

On April 27, 2021, the City entered into a subscription for the use of eScribe and the lease end date was on April 26, 2026. An initial subscription liability was recorded in the amount of \$142,427 on July 1, 2022. As of June 30, 2023, the value of the subscription liability is \$98,049. The City is required to make annual fixed payments of \$47,242 with 5% annual increase. The subscription has an interest rate of 2.4450%.

At June 30, 2023, the aggregate maturities of the SBITA were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 47,207	\$ 2,397	\$ 49,604
2025	50,842	1,243	52,085
Total	<u>\$ 98,049</u>	<u>\$ 3,640</u>	<u>\$ 101,689</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

**GovInvest**

On March 6, 2023, the City entered into a subscription for the use of GovInvest, Inc and the lease end date was on June 30, 2026. An initial subscription liability was recorded in the amount of \$257,729 on July 1, 2022. As of June 30, 2023, the value of the subscription liability is \$232,610. The City is required to make fixed payments of \$26,400 until June 30, 2023 and \$80,000 from July 1, 2023 to June 30, 2026. The subscription has an interest rate of 2.7960%.

At June 30, 2023, the aggregate maturities of the SBITA were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 79,079	\$ 921	\$ 80,000
2025	75,707	4,293	80,000
2026	77,824	2,176	80,000
Total	<u>\$ 232,610</u>	<u>\$ 7,390</u>	<u>\$ 240,000</u>

**Public Safety Systems Data**

On November 1, 2021, the City entered into a subscription for the use of Public Safety Systems Data and the lease end date was on October 31, 2026. An initial subscription liability was recorded in the amount of \$840,217 on July 1, 2022. As of June 30, 2023, the value of the subscription liability is \$627,565. The City is required to make fixed payments of \$219,500. The subscription has an interest rate of 2.4450%.

At June 30, 2023, the aggregate maturities of the SBITA were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 204,156	\$ 15,344	\$ 219,500
2025	209,148	10,352	219,500
2026	214,261	5,239	219,500
Total	<u>\$ 627,565</u>	<u>\$ 30,935</u>	<u>\$ 658,500</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

**RippleWorx**

On January 1, 2023, the City entered into a 36-month subscription for the use of RippleWorx. An initial subscription liability was recorded in the amount of \$144,276 on July 1, 2022. As of June 30, 2023, the value of the subscription liability is \$95,957. The City is required to make annual fixed payments of \$50,000.00. The subscription has an interest rate of 2.7960%.

At June 30, 2023, the aggregate maturities of the SBITA were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 47,317	\$ 2,683	\$ 50,000
2025	48,640	1,360	50,000
Total	<u>\$ 95,957</u>	<u>\$ 4,043</u>	<u>\$ 100,000</u>

**ShotSpotter**

On July 1, 2021, the City entered into a subscription for the use of ShotSpotter Subscription and the lease end date was on June 30, 2026. An initial subscription liability was recorded in the amount of \$816,036 on July 1, 2022. As of June 30, 2023, the value of the subscription liability is \$612,128. The City is required to make fixed payments of \$203,907 until June 30, 2023 and \$214,101 from July 1, 2023 to June 30, 2026. The subscription has an interest rate of 2.4450%.

At June 30, 2023, the aggregate maturities of the SBITA were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 199,134	\$ 14,967	\$ 214,101
2025	204,003	10,098	214,101
2026	208,991	5,110	214,101
Total	<u>\$ 612,128</u>	<u>\$ 30,175</u>	<u>\$ 642,303</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. Governmental Activities, Continued**

**Tyler Technologies**

On July 1, 2019, the City entered into a subscription for the use of Tyler Technologies and the lease end date was on June 30, 2024. An initial subscription liability was recorded in the amount of \$237,424 on July 1, 2022. As of June 30, 2023, the value of the subscription liability is \$117,424. The City is required to make fixed payments of \$120,000. The subscription has an interest rate of 2.1940%.

At June 30, 2023, the aggregate maturity of the SBITA was as follow:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 117,424	\$ 2,576	\$ 120,000
Total	\$ 117,424	\$ 2,576	\$ 120,000

**Microsoft**

On September 29, 2020, the City entered into a subscription for the use of Microsoft and the lease end date was on October 28, 2026. An initial subscription liability was recorded in the amount of \$1,004,611 on July 1, 2022. As of June 30, 2023, the value of the subscription liability is \$869,135. The City is required to make fixed payments of \$140,021 until September 28, 2023 and \$227,425 from September 29, 2023 to October 28, 2026. The subscription has an interest rate of 1.8500%.

At June 30, 2023, the aggregate maturities of the SBITA were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 211,347	\$ 16,079	\$ 227,426
2025	215,256	12,169	227,425
2026	219,238	8,187	227,425
2027	223,294	4,131	227,425
Total	\$ 869,135	\$ 40,566	\$ 909,701

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**B. Business-Type Activities**

The following is a summary of long-term debt of business-type activities during the fiscal year ended June 30, 2023:

	Balance at July 1, 2022 (as restated)	Additions	Retirements	Balance at June 30, 2023	Due Within One Year	Due in More than One Year
Bonds payable	\$ 143,529,126	\$ -	\$ (8,251,659) (A)	\$ 135,277,467	\$ 6,875,000	\$ 128,402,467
Notes and loans payable from direct borrowing	15,229,299	19,930,696 (B)	(407,761)	34,752,234	111,011	34,641,223
Lease liability	904,313	-	(252,838)	651,475	360,771	290,704
<b>Total</b>	<b>\$ 159,662,738</b>	<b>\$ 19,930,696</b>	<b>\$ (8,912,258)</b>	<b>\$ 170,681,176</b>	<b>\$ 7,346,782</b>	<b>\$ 163,334,394</b>

(A) Retirements of bonds payable include principal retirements in the amount of \$6,870,000 and amortization of bond premiums and discounts in the amount of \$1,381,659.

(B) California State Loan drawdown

Bonds payable at June 30, 2023 consisted of the following:

2019B Point Potrero Lease Revenue Bonds	\$ 4,451,473
Wastewater Revenue Bonds Series 2017A	31,695,902
Wastewater Revenue Bonds Series 2019A	24,835,193
Wastewater Revenue Bonds Series 2019B	74,294,899
<b>Total</b>	<b>\$ 135,277,467</b>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

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

At June 30, 2023 the 2019B Bonds consisted of the following:

Bonds outstanding	\$ 4,060,000
Unamortized premium	391,473
Net	<u>\$ 4,451,473</u>

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 4,060,000	\$ 203,000	\$ 4,263,000
Total	<u>\$ 4,060,000</u>	<u>\$ 203,000</u>	<u>\$ 4,263,000</u>

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

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

At June 30, 2023 the Series 2017A Bonds consisted of:

Bonds outstanding	\$ 26,955,000
Unamortized premium	4,740,902
Net	<u>\$ 31,695,902</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ -	\$ 1,396,600	1,396,600
2025	-	1,396,600	1,396,600
2026	-	1,396,600	1,396,600
2027	-	1,396,600	1,396,600
2028	-	1,396,600	1,396,600
2029-2033	-	6,983,000	6,983,000
2034-2038	-	6,983,000	6,983,000
2039-2043	7,415,000	6,511,875	13,926,875
2044-2048	19,540,000	2,671,988	22,211,988
Total	<u>\$ 26,955,000</u>	<u>\$ 30,132,863</u>	<u>\$ 57,087,863</u>

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

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

At June 30, 2023 the Series 2019A Bonds consisted of:

Bonds outstanding	\$ 22,510,000
Unamortized premium	2,325,193
Net	<u>\$ 24,835,193</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

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

For the Years Ending June 30,	Principal	Interest	Total
2024	-	\$ 973,900	973,900
2025	-	973,900	973,900
2026	-	973,900	973,900
2027	-	973,900	973,900
2028	-	973,900	973,900
2029-2033	-	4,869,500	4,869,500
2034-2038	-	4,869,500	4,869,500
2039-2043	5,320,000	4,168,000	9,488,000
2044-2048	5,435,000	2,934,050	8,369,050
2049-2050	11,755,000	474,900	12,229,900
<b>Total</b>	<b>\$ 22,510,000</b>	<b>\$ 22,185,450</b>	<b>\$ 44,695,450</b>

At June 30, 2023 the Series 2019B Bonds consisted of:

Bonds outstanding	\$ 63,790,000
Unamortized premium	10,504,899
<b>Net</b>	<b>\$ 74,294,899</b>

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 2,815,000	\$ 2,862,225	5,677,225
2025	2,930,000	2,718,600	5,648,600
2026	3,050,000	2,569,100	5,619,100
2027	3,175,000	2,413,475	5,588,475
2028	3,315,000	2,251,225	5,566,225
2029-2033	18,785,000	8,570,125	27,355,125
2034-2038	22,870,000	3,576,575	26,446,575
2039-2041	6,850,000	323,375	7,173,375
<b>Total</b>	<b>\$ 63,790,000</b>	<b>\$ 25,284,700</b>	<b>\$ 89,074,700</b>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**Pledge of Wastewater Revenues**

The City has pledged future wastewater customer revenues, net of specified operating expenses, to repay the 2017A, 2019A and 2019B Bonds through 2050. The Municipal Sewer Enterprise Fund's total principal and interest remaining to be paid on the bonds is \$190,858,013. The Municipal Sewer Enterprise Fund's principal and interest paid for the current year, and total customer net revenues were \$7,968,100 and \$17,984,041, respectively.

**Notes and Loans Payable - Direct Borrowing**

Notes and loans payable at June 30, 2023, consisted of the following:

California Department of Boating and Waterways	\$	2,128,971
RHA RAD Housing Partners L.P. Promissory Note		700,000
California State Loan		31,923,263
		<hr/>
Total	\$	<u>34,752,234</u>

**California Department of Boating and Waterways**

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, 2023 was \$2,128,971.

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 111,012	\$ 95,803	\$ 206,815
2025	116,007	90,808	206,815
2026	121,227	85,588	206,815
2027	126,682	80,133	206,815
2028	132,383	74,432	206,815
2029-2033	714,786	277,257	992,043
2034-2038	568,107	126,959	695,066
2039-2043	238,767	17,546	256,313
	<hr/>	<hr/>	<hr/>
Total	\$ 2,128,971	\$ 848,526	\$ 2,977,497

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**RHA RAD Housing Partners, LP Promissory Note**

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

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

**Contra Costa County Loan Payable**

On December 1, 2019, the Richmond Housing Authority entered into a loan agreement with the County of Contra Costa in the amount of \$401,523 to assist in the repair of the elevators at Nevin Plaza which is a 142 unit public housing development for senior and disabled residents. The loan repayment is deferred for 20 years unless a transfer or default occurs prior to the 20 years term. The loan bears no interest. The repayment schedule is not available. On March 16, 2023, the Richmond Housing Authority had no further obligation related to the CDBG loan and the original Promissory Note is being provided to the Richmond Housing Authority for its record.

**California State Loan**

Based on resolution Nos. 2019-0031 and 2019-0064, the City Council approved the California State Loan agreement between the City of Richmond and the California State Water Resources Control Board for a \$50 million loan for the Water Resource Recovery Facility Project. The principal is paid over 30 years and the applicable interest rate was set at 1.4%. As of June 30, 2023, the City had partially drawn down the loan and had an outstanding principal balance of \$31,923,263.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**California State Loan, Continued**

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ -	\$ -	\$ -
2025	1,307,946	612,111	1,920,057
2026	1,385,197	668,711	2,053,908
2027	1,391,613	662,296	2,053,909
2028	1,411,095	642,813	2,053,908
2029-2033	7,357,398	2,912,147	10,269,545
2034-2038	7,887,038	2,382,507	10,269,545
2039-2043	8,454,809	1,814,736	10,269,545
2044-2048	9,063,449	1,206,096	10,269,545
2049-2053	9,715,906	553,638	10,269,544
2054	2,025,549	28,357	2,053,906
Total	<u>\$ 50,000,000</u>	<u>\$ 11,483,412</u>	<u>\$ 61,483,412</u>

**Lease Liability**

At June 30, 2023 Lease Liabilities consisted of the following:

West County Wastewater District	Balance at June 30, 2023
Owen Equipment	\$ 570,937
Total Lease Liability	89,696
	<u>\$ 660,633</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**West County Wastewater District**

On January 1, 2010, the City entered into a lease as Lessee for the use of West County Wastewater District and the lease end date was on December 31, 2025. An initial lease liability was recorded in the amount of \$1,172,173 on July 1, 2021. As of June 30, 2023, the value of the lease liability is \$561,907. The city is required to make annually fixed payments of \$153,000, with 3% annual increase from January 1, 2013 to December 31, 2017 and 6% annual increase from January 1, 2018 to December 31, 2025. The lease has an interest rate of 1.0590%.

At June 30, 2023, the maturities of the lease liability were as follows:

For the Years			
Ending June 30,	Principal	Interest	Total
2024	\$ 271,203	\$ 5,951	\$ 277,154
2025	290,704	3,079	293,783
Total	<u>\$ 561,907</u>	<u>\$ 9,030</u>	<u>\$ 570,937</u>

**Owen Equipment**

On March 1, 2022, the City entered into a lease as Lessee for the use of Owen Equipment and the lease end date was on February 29, 2024. An initial lease liability was recorded in the amount of \$223,496 on July 1, 2022. As of June 30, 2023, the value of the lease liability is \$89,568. The City is required to make monthly fixed payments of \$11,212. The lease has an interest rate of 0.3800%.

At June 30, 2023, the maturities of the lease liability were as follows:

For the Years			
Ending June 30,	Principal	Interest	Total
2024	\$ 89,568	\$ 128	\$ 89,696
Total	<u>\$ 89,568</u>	<u>\$ 128</u>	<u>\$ 89,696</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

	Events of default with finance-related consequences	Termination events with finance-related consequences	Subjective acceleration clauses
<i>Governmental Activities</i>			
<b>Bonds Payable</b>			
Series 2022 Taxable Pension Refunding Bonds	(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)
California State Loan	(L)	(L)	(L)
<b>Capital Leases</b>			
Qualified Energy Conservation Lease	(D)	(D)	N/A
JPFA Recovery Zone Economic Development Lease	(E)	(E)	N/A
Street Light Capital Lease	(G)	(G)	N/A
Holman Capital Corporation Lease #5	(H)	(H)	N/A
<i>Business-Type Activities</i>			
<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)

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

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

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

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

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

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

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

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

**D. *Special Assessment Debt Without City Commitment***

Special assessment districts have been established in various parts of the City to provide improvements to properties located in those districts. Properties in these districts are assessed for the cost of improvements; these assessments are payable solely by property owners over the term of the debt issued to finance these improvements. The City is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties in these special assessment districts, nor is it obligated to advance City funds to repay these debts in the event of default by any of these districts. At June 30, 2023, the balances of these Districts' outstanding debt were as follows:

Richmond JPFA Reassessment Revenue Refunding Bonds, Series 2016 (Country Club Vista) \$3,995,000

**E. *Conduit Debt***

The City has assisted private-sector entities by sponsoring their issuance of debt for purposes the City deems to be in the public interest. These debt issues are secured solely by the property financed by the debt. The City is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties secured by these debts, nor is it obligated to advance City funds to repay these debts in the event of default by any of these issuers. At June 30, 2023, the balance of this issuers' outstanding debt was as follows:

Richmond Community Foundation, Richmond Housing Rehabilitation  
Program, Social Impact Bonds, Taxable Series 2015A

\$3,000,000

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**9. UNAVAILABLE AND UNEARNED REVENUE**

At June 30, 2023, 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	\$ 2,329,778	\$ 4,599	\$ 2,334,377
Community Development and Loan Programs Special Revenue Fund	18,961,546	-	18,961,546
Non-Major Governmental Funds	779,013	12,010,185	12,789,198
Total	<u>\$ 22,070,337</u>	<u>\$ 12,014,784</u>	<u>\$ 34,085,121</u>

At June 30, 2023, the following unearned revenues were recorded in the City-wide financial statements on the Statement of Net Position:

	Prepaid Rent	Miscellaneous Receipts, Grants, and Deposits	Total
General Fund	\$ 2,934,381	\$ 7,434,433	\$ 10,368,814
American Rescue Plan Act Fund	-	23,128,545	23,128,545
Non-Major Governmental Funds	2,311,108	9,983,616	12,294,724
Richmond Housing Authority Enterprise Fund	-	1,814,047	1,814,047
Port of Richmond Enterprise Fund	-	531,906	531,906
Municipal Sewer Enterprise Fund	-	36,280	36,280
Storm Sewer Fund	-	591,867	591,867
Total	<u>\$ 5,245,489</u>	<u>\$ 43,520,694</u>	<u>\$ 48,766,183</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**10. FUND BALANCE AND NET POSITION**

**A. Fund Balance Classification**

Detailed classifications of the City's fund balances, as of June 30, 2023, are below:

Fund Balance Classifications	General Fund	Community Development and Loan Program Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>					
Items not in spendable form:					
Prepays, supplies and other assets	\$ 682,075	\$ -	\$ -	\$ -	\$ 682,075
Loans receivable	700,000	-	-	-	700,000
Advances to other funds	12,485,370	-	-	-	12,485,370
<b>Total Nonspendable Fund Balances</b>	<b>13,867,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,867,445</b>
<b>Restricted for:</b>					
Street Improvement Projects	-	-	-	5,375,930	5,375,930
Public Safety Grant Programs (Police and Fire)	-	-	-	260,994	260,994
Lighting and Landscaping	-	-	-	1,004,855	1,004,855
Housing and Community Development	-	32,611,177	-	1,352,714	33,963,891
Debt Service	-	-	-	317,316	317,316
Community Development Projects	-	-	-	40,169,762	40,169,762
Kids First Initiative	3,996,614	-	-	-	3,996,614
Employment and Training	-	-	-	1,292,740	1,292,740
Other Capital Projects	-	-	535,568	25,286,037	25,821,605
<b>Total Restricted Fund Balances</b>	<b>3,996,614</b>	<b>32,611,177</b>	<b>535,568</b>	<b>75,060,348</b>	<b>112,203,707</b>
<b>Committed to:</b>					
Appropriation Authority	1,049,375	-	-	-	1,049,375
Pension Policy (estimated)	1,335,661	-	-	-	1,335,661
OPEB Policy (estimated)	1,335,661	-	-	-	1,335,661
<b>Total Committed Fund Balances</b>	<b>3,720,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,720,697</b>
<b>Assigned to:</b>					
Other Capital Projects	9,520,218	-	-	-	9,520,218
Other Contracts	10,007	-	1,750,000	-	1,760,007
<b>Total Assigned Fund Balances</b>	<b>9,530,225</b>	<b>-</b>	<b>1,750,000</b>	<b>-</b>	<b>11,280,225</b>
<b>Unassigned:</b>					
General Fund	55,196,962	-	-	-	55,196,962
Other Governmental Fund Deficit Residuals	-	-	-	(3,057,916)	(3,057,916)
<b>Total Unassigned Fund Balances</b>	<b>55,196,962</b>	<b>-</b>	<b>-</b>	<b>(3,057,916)</b>	<b>52,139,046</b>
<b>Total Fund Balances (Deficits)</b>	<b>\$ 86,311,943</b>	<b>\$ 32,611,177</b>	<b>\$ 2,285,568</b>	<b>\$ 72,002,432</b>	<b>\$ 193,211,120</b>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**B. Contingency Reserve Policy**

In fiscal year 2023, the City Council updated the fund balance policy to require the City to maintain a year-end contingency reserve balance of a minimum of 21% of the next year’s budgeted General Fund expenditures including transfer out. 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. A policy based upon percentage assures that the reserve will remain a prudent cushion as the City’s budgets grow over time.

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 expenditures. 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 and approved by City Council.

The City’s cash reserve as of June 30, 2023, which is a component of unassigned fund balance of the General Fund, is \$55,196,962, which is approximately 24.49% of fiscal year 2023-24 budgeted General Fund expenditures including transfers out. As the City experiences net revenue gains in future years, the reserve balance must continue to be maintained at a minimum of 21% 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 with minimal to no impact to City services.

**C. Deficit Fund Balances and Accumulated Deficits**

At June 30, 2023, 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>	
Paratransit Operations Fund	(837,776)
Civic Center Debt Service Fund	(2,220,140)
<b>Nonmajor Enterprise Funds:</b>	
Cable TV Fund	(1,292,088)

**D. Restatement of Net Position**

During fiscal year 2023, the City continued to reconcile the activities of the Richmond Housing Authority. As a result, beginning net position in the Richmond Housing Authority Enterprise Fund has been restated to correct the adjustment for settlement account and bank deposit. In addition, there was an accrued expense adjustment for RHA reimbursement, operating, and capital fund subsidy drawdown.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**D. Restatement of Net Position, Continued**

For Storm Sewer Fund, the adjustment was related to the restatement for recording Owen Equipment lease.

	Government-wide		
	Financial Statements	Fund Statements	
	Business-type Activities	Richmond Housing Authority Fund	Storm Sewer Fund
<b>Net Position as previously reported at June 30, 2022</b>	\$ 29,294,785	\$ 24,361,493	\$ 4,933,292
Prior Period Adjustments:			
Cash	33,346	33,346	-
Accrued Expense	7,498	7,498	-
Lease pay/leased assets	(6,990)	-	(6,990)
<b>Net Position as restated at June 30, 2022</b>	\$ 29,328,639	\$ 24,402,337	\$ 4,926,302

**11. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The following funds incurred departmental expenditures in excess of appropriations.

Fund/Department	Excess of Expenditures over Appropriations
Paratransit Operations Fund	
General Government	\$ 7,465
Lighting and Landscaping Districts Fund	
Public works	62,576
Richmond Neighborhood Stabilization Corporation Fund	
Housing and development	2,797
General Debt Service Fund	
Debt defeasance using existing resources	2,163,313
Civic Center Debt Service Fund	
Interest and fiscal charges	13,768
2005 Pension Obligation Bonds Fund	
Interest and fiscal charges	54,014
Secured Pension Override Fund	
General Government	820
American Rescue Plan Act Fund	
Cultural and recreational	30,108
General Fund	
General Government	11,419,668
Principal	3,046,273
Interest and fiscal charges	33,599

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**12. DEFINED BENEFIT PENSION PLANS**

The following is a summary of the City’s pension plan amounts for the year ended June 30, 2023:

	Deferred Outflow of Resources	Net Pension Liability (Asset)	Deferred Inflow of Resources	Pension Expense (Revenue)
California Public Employees' Retirement System:				
Miscellaneous	\$ 41,232,989	\$ 135,591,079	\$ 2,364,090	\$ 12,485,977
Safety	62,496,360	234,022,125	5,024,015	24,416,615
Police and Firemen's Pension Plan	109,757	(4,340,761)	-	(1,565,400)
General Pension Plan	1,202	(403,855)	-	(607,527)
Garfield Pension Plan	-	-	-	(45,683)
Totals	<u>\$ 103,840,308</u>	<u>\$ 364,868,588</u>	<u>\$ 7,388,105</u>	<u>\$ 34,683,982</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, 2023**

**12. 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, 2023, are summarized as follows:

	Miscellaneous				
	Prior to January 1, 2013	On or after January 1, 2013	Safety - Police	Safety - Fire	Safety - Police and Fire
Hire date			Prior to January 1, 2013	Prior to January 1, 2013	On or after January 01, 2013
Benefit formula	2.7% @ 55	2.0% @ 62	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	8.00%	7.25%	9.00%*	9.00%*	12.50%
Required employer contribution rates	12.58%	12.58%	21.07%	21.07%	21.07%
Required UAL Contribution	\$ 10,923,369		\$ 17,310,526		

\* Effective July 1, 2015, Safety (Police and Fire) employees hired prior to January 1, 2013 pay 3% of the employer's required contribution. Therefore, the required employer contribution rate is 18.07% and required employee contribution rate is 12%.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

Beginning in fiscal year 2016, CalPERS collects employer contributions for each Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or can be prepaid in advance before July 31<sup>st</sup> to receive a savings of approximately 3%. In fiscal year 2022, the City started to prepay the unfunded liability on an annual basis. The City's required contributions for the unfunded liability in the Miscellaneous and Safety Plans were \$10,923,369 and \$17,310,526 respectively, as noted in the tables above.

*Employees Covered* - As of the June 30, 2021 actuarial valuation date and the June 30, 2022 measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous		Safety	
	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022
Inactive employees or beneficiaries currently receiving benefits	1,005	1,005	543	543
Inactive employees entitled to but not yet receiving benefits	559	559	81	81
Active employees	383	383	224	224
<b>Total</b>	<b>1,947</b>	<b>1,947</b>	<b>848</b>	<b>848</b>

As of June 30, 2023, the City had 434 active employees in the Miscellaneous Plan and 186 active employees in the Safety Plan.

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

Contributions for the measurement period were \$14,802,460 for the Miscellaneous Plan and \$21,911,673 for the Safety Plan.

**II. Net Pension Liability**

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**II. Net Pension Liability, Continued**

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liabilities were determined by the June 30, 2021 total pension liability. The June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous (1)	Safety (1)
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
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	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of 2021 actuarial experience study for the period 2001 to 2019. 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 6.90%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**II. Net Pension Liability, Continued**

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

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

Asset Class (1)	Assumed Asset Allocation	Real Return (1),(2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
<b>Total</b>	<b>100.0%</b>	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**II. Net Pension Liability, Continued**

The changes in the Net Pension Liability as of the June 30, 2022 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, 2021 Measurement Date	\$ 519,300,516	\$ 449,273,857	\$ 70,026,659
Changes in the year:			
Service cost	6,682,973	-	6,682,973
Interest on the total pension liability	35,458,653	-	35,458,653
Differences between actual and expected experience	(5,319,202)	-	(5,319,202)
Changes in assumptions	12,173,403	-	12,173,403
Net Plan to plan resource movement	-	-	-
Contribution - employer	-	14,802,460	(14,802,460)
Contribution - employees	-	2,518,762	(2,518,762)
Net investment income	-	(33,609,940)	33,609,940
Administrative expenses	-	(279,875)	279,875
Benefit payments, including refunds of employee contributions	(31,205,396)	(31,205,396)	-
Net changes	17,790,431	(47,773,989)	65,564,420
Balance at June 30, 2022 Measurement Date	\$ 537,090,947	\$ 401,499,868	\$ 135,591,079
<b>Safety Plan:</b>			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 Measurement Date	\$ 709,482,081	\$ 565,662,471	\$ 143,819,610
Changes in the year:			
Service cost	10,872,256	-	10,872,256
Interest on the total pension liability	48,797,968	-	48,797,968
Differences between actual and expected experience	(6,331,832)	-	(6,331,832)
Changes in assumptions	19,873,614	-	19,873,614
Net Plan to plan resource movement	-	21,911,673	(21,911,673)
Contribution - employer	-	3,884,791	(3,884,791)
Contribution - employees	-	(42,434,599)	42,434,599
Net investment income	-	-	-
Administrative expenses	-	(352,374)	352,374
Benefit payments, including refunds of employee contributions	(42,486,153)	(42,486,153)	-
Net changes	30,725,853	(59,476,662)	90,202,515
Balance at June 30, 2022 Measurement Date	\$ 740,207,934	\$ 506,185,809	\$ 234,022,125
Totals - Miscellaneous and Safety Plans	\$ 1,277,298,881	\$ 907,685,677	\$ 369,613,204

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**II. Net Pension Liability, Continued**

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

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 200,284,409	\$ 329,689,856
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 135,591,079	\$ 234,022,125
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 81,789,788	\$ 155,397,727

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

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

For the year ended June 30, 2023, the City recognized pension expense of \$36,902,592. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 15,187,940	\$ -
Differences between Expected and Actual Experience	-	(2,364,090)
Changes of Assumptions	5,410,401	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	20,634,648	-
Total	\$ 41,232,989	\$ (2,364,090)

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**III. 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	\$ 22,756,233	\$ -
Differences between Expected and Actual Experience		(5,024,015)
Changes of Assumptions	13,462,771	-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	26,277,356	-
Total	<u>\$ 62,496,360</u>	<u>\$ (5,024,015)</u>
Total Both Plans	<u>\$ 103,729,349</u>	<u>\$ (7,388,105)</u>

\$37,944,173 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Annual Amortization		
	Miscellaneous	Safety	Total
2023	\$ 6,460,892	\$ 8,148,114	\$ 14,609,006
2024	2,996,422	8,120,204	11,116,626
2025	1,405,221	2,277,133	3,682,354
2026	12,818,424	16,170,661	28,989,085
Thereafter	-	-	-
Total	<u>\$ 23,680,959</u>	<u>\$ 34,716,112</u>	<u>\$ 58,397,071</u>

**IV. Pension Funding Policy & Section 115 Trust**

In an effort to reduce Unfunded Actuarially Accrued Liabilities of the City's pension plan, the City Council approved to establish a 115 Trust account on July 19, 2022. On June 27, 2023, the City adopted a Pension funding policy to place 10 percent of each year-end operating surplus (Total Actual Revenues minus Total Actual Expenditures, including Transfers In and Transfers Out) in the General Fund in excess of the City's Cash Reserve Policy into the Trust. The primary objectives of the policy are to: 1)Address the increasing annual employer required UAL contributions due to variance in actual experience versus CalPERS actuarial assumptions including investment returns. 2)Prefunding the Trust Fund account can help the City improve its UAL funding ratio faster. 3)Provide budgetary flexibility during challenging budget years or to "smooth" payment spikes that could cause financial stress on the City.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**12. 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 three 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 twelve 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, 2023 was \$26,010,577 and the City used the funds to pay General Pension Plan contributions of \$820.

**Police and Firemen's Pension Plan** - Funding for the Plan is provided from the Secured Pension Override Special Revenue Fund. Employees were vested after five years of service. Members of the Plan are allowed normal retirement benefits after 25 or more continuous years of service. The City is required under its charter to contribute the remaining amounts necessary to fund the Plan using the entry age-normal actuarial method as specified by Ordinance. Management of the Plan is vested in the Pension Board which consists of seven members: the Mayor, City Manager, Director of Finance, two members appointed by the Mayor, with the concurrence of four members of the City Council, each of whom shall be and remain a resident of the City in order to be a member of the Board and serve a term of five years, one representative of the Police Department and one representative of the Fire Department. The Plan is closed to new members. Retirement benefits for Plan members are calculated as one-half of the annual salary attached to the rank or position held by the retiree one year prior to the date of retirement. Surviving spouses receive 100% of the retiree's pension. Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are an increase each year for changes in the salary attached to the retiree's rank in the year before retirement.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**12. 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. As of June 30, 2023, Mr. Garfield’s spouse passed away. As such, remaining Plan assets reverted back to the City and there is no pension liability as of the end of the measurement year.

**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, 2023**

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

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

**III. Pension Plan Assets**

At June 30, 2023 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	\$ 2,265,032
Wellington Trust Company Mutual Fund (Police and Firemen's Plan)	8,773,122
Interest receivable	<u>2,374</u>
Assets available for benefits at June 30, 2023	<u><u>\$ 11,040,528</u></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 (25%) of the total amount invested pursuant to this section.
  - (3) The total amount invested in the common and preferred stocks of any one company shall not exceed at cost of the time of purchase two percent (2%) of the total amount invested pursuant to this section and shall not exceed five percent (5%) of the outstanding preferred or common stock of that company.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**III. Pension Plan Assets, Continued**

(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 (25%) 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, 2023, the investments in the Pension Trust Funds were not rated.

**Rate of Return**

For the year ended June 30, 2023, 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 9.93%, 2.38% and 2.76%, respectively. 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**  
**For the Year Ended June 30, 2023**

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

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

**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, 2023 was determined based on June 30, 2023 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	5.50%	3.25%	N/A
Expected return on plan assets	5.50%	3.25%	N/A
Inflation rate (short-term)	2.50%	2.50%	N/A
Inflation rate (long-term)	2.50%	2.50%	N/A
Cost-of-living increases	2% per year	5% per year	N/A
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 2021 experience study (based on CalPERS 2000-2019 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 5.50%, 3.25%, and N/A, respectively, as of June 30, 2023 and 3.50%, 1.00%, and 1.00%, respectively, as of June 2022.

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, 2023) after the projected asset depletion. Based on these parameters, plan assets are projected to be sufficient to pay all future benefits until a de minimis amount of estimated future benefits remain. Therefore, the Plan’s long-term expected rate of return of 5.50% was used as the discount rate.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

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, 2023) after the projected asset depletion. Based on these parameters, each of the Plan's assets are projected to be sufficient to pay all future benefits until a de minimis amount of estimated future benefits remain. Therefore, the long-term expected rate of return of 3.25% 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, 2023**

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

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

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

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

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Police and Firemen's Plan:			
Domestic Equity	55%	4.35%	6.85%
International Equity	0%	4.94%	7.44%
Fixed Income	35%	2.16%	4.66%
Real Estate and Alternatives	0%	3.40%	5.90%
Cash and Equivalents	10%	0.83%	3.33%
Total	<u>100%</u>		6.09%
Reduced for assumed investment expense			<u>-0.60%</u>
Total (weighted avg, rounded to 1/4%)			<u>5.50%</u>
General Pension Plan:			
Domestic Equity	0%	4.35%	6.85%
International Equity	0%	4.94%	7.44%
Fixed Income	0%	2.16%	4.66%
Real Estate and Alternatives	0%	3.40%	5.90%
Cash and Equivalents	100%	0.83%	3.33%
Total	<u>100%</u>		3.33%
Reduced for assumed investment expense			<u>0.00%</u>
Total (weighted avg, rounded to 1/4%)			<u>3.25%</u>

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

The net pension liability of each Plan is measured as of June 30, 2023 as follows:

**Police and Firemen's Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2022	\$ 7,839,576	\$ 10,057,651	\$ (2,218,075)
Changes in the year:			
Interest on the total pension liability	257,381	-	257,381
Differences between actual and expected experience	(515,830)	-	(515,830)
Changes in assumptions Changes in benefit terms	(912,308)	-	(912,308)
Contribution - City	-	-	-
Contribution - employer	-	-	-
Contribution - employees	-	-	-
Net investment income	-	954,475	(954,475)
Other deductions	-	(2,546)	2,546
Benefit payments, including member contribution refunds	(971,644)	(971,644)	-
Net changes	(2,142,401)	(19,715)	(2,122,686)
Balance at June 30, 2023	\$ 5,697,175	\$ 10,037,936	\$ (4,340,761)
Plan fiduciary net position as a percentage of the total pension liability			176.19%

**General Pension Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2022	\$ 1,452,567	\$ 1,070,264	\$ 382,303
Changes in the year:			
Interest on the total pension liability	13,321	-	13,321
Differences between actual and expected experience	(528,328)	-	(528,328)
Changes in assumptions Changes in benefit terms	(91,811)	-	(91,811)
Contribution - City	-	152,897	(152,897)
Contribution - employer	-	-	-
Contribution - employees	-	-	-
Net investment income	-	26,443	(26,443)
Benefit payments, including refunds of employee contributions	(240,913)	(240,913)	-
Net changes	(847,731)	(61,573)	(786,158)
Balance at June 30, 2023	\$ 604,836	\$ 1,008,691	\$ (403,855)
Plan fiduciary net position as a percentage of the total pension liability			166.77%

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

**Garfield Pension Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2022	\$ 272,057	\$ 207,855	\$ 64,202
Changes in the year:			
Interest on the total pension liability	2,676	-	2,676
Differences between actual and expected experience	(265,888)	-	(265,888)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contributions - City	-	12,408	(12,408)
Contribution - employees	-	-	-
Net investment income	-	5,825	(5,825)
Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(8,845)	(8,845)	-
Other deductions		(217,243)	217,243
Net changes	(272,057)	(207,855)	(64,202)
Balance at June 30, 2023	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of the total pension liability			N/A
Total - Net Pension Liability/ (Asset)	\$ 6,302,011	\$ 11,046,627	\$ (4,744,616)

*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
1% Decrease	4.50%	2.25%
Net Pension Liability (Asset)	\$ (4,069,110)	\$ (385,289)
Current Discount Rate	5.50%	3.25%
Net Pension Liability (Asset)	\$ (4,340,761)	\$ (403,855)
1% Increase	6.50%	4.25%
Net Pension Liability (Asset)	\$ (4,589,438)	\$ (421,184)

**VI. Actuarially Determined Contributions**

As of the June 30, 2023, actuarial valuations used to calculate the actuarially determined contributions (ADC) for each Plan, the ADC's were determined using the entry-age normal cost method and the assumptions in Note 12B above.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*B. Other City Pension Plans, Continued*

**VI. Actuarially Determined Contributions, Continued**

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

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

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

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

The Actuarially Determined Contribution and the actual contributions for each Plan for the year ended June 30, 2023 are presented below:

	Actuarially Determined Contribution	Amount Contributed	Percent Contributed
Police and Firemen's Pension Plan	\$ -	\$ -	n/a
General Pension Plan	152,897	152,897	100%
Garfield Pension Plan	12,408	12,408	100%

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

For the year ended June 30, 2023, the City recognized pension expense for each of the Plans as follows:

	Pension Expense
Police and Firemen's Plan	\$ (1,565,400)
General Pension Plan	(607,527)
Garfield Pension Plan	(45,683)
Total	<u>\$ (2,218,610)</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

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

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for these Plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Net Differences between Projected and Actual Investment Earnings	\$ 110,959	\$ -
Changes of Assumptions	-	-
Plan Investments	-	-
Total	<u>\$ 110,959</u>	<u>\$ -</u>

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

Year Ended June 30,	Annual Amortization
<u>                    </u>	<u>                    </u>
2024	\$ (61,973)
2025	(50,953)
2026	350,551
2027	(126,666)
2028	-
Thereafter	-

**VIII. Plan Financial Statements**

The Statement of Net Position for the Plans at June 30, 2023 follows:

	Police and Firemen's Pension	General Pension
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Pension plan cash and investments:		
City of Richmond Investment Pool	\$ 1,263,174	\$ 1,001,858
Local Agency Investment Fund	-	-
Mutual Fund Investments	8,773,122	-
Accounts receivable	453	1,921
Total Assets	<u>10,036,749</u>	<u>1,003,779</u>
<b>NET POSITION</b>		
Restricted for employees' pension benefits	<u>\$ 10,036,749</u>	<u>\$ 1,003,779</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

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

**VIII. Plan Financial Statements, Continued**

The Statement of Changes in Plan Net Position for the year ended June 30, 2023 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	\$ 747,345	\$ (6,394)	\$ 2,366
Interest income	267,524	27,924	3,459
Investment management fees	(61,581)	-	-
Contribution from the City	-	152,897	12,408
<b>Total Additions</b>	<b>953,288</b>	<b>174,427</b>	<b>18,233</b>
<b>DEDUCTIONS</b>			
Pension benefits	971,644	240,913	8,845
Transfer to other funds	-	-	217,243
<b>Total Deductions</b>	<b>971,644</b>	<b>240,913</b>	<b>226,088</b>
<b>Net Increase (Decrease)</b>	<b>(18,356)</b>	<b>(66,486)</b>	<b>(207,855)</b>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
Beginning of year	10,055,105	1,070,265	207,855
End of year	\$ 10,036,749	\$ 1,003,779	\$ -

**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 \$27,619 and the employees' required contributions of \$131,640 were made during the fiscal year ended June 30, 2023.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS**

The following is a summary of the City’s OPEB amounts for the year ended June 30, 2023:

	Deferred Outflow of Resources	Net OPEB Liability	Deferred Inflow of Resources	OPEB Expense (Revenue)
City OPEB Plan	\$ 1,674,379	\$ 66,878,939	\$ 15,310,059	\$ (14,573,142)
RPOA OPEB Plan	899,190	7,841,859	11,664,686	(390,700)
	<u>\$ 2,573,569</u>	<u>\$ 74,720,798</u>	<u>\$ 26,974,745</u>	<u>\$ (14,963,842)</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, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

A summary of the City OPEB Plan provisions follows:

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

Plan Provisions for Current Retirees (Continued)		
Classification	Subgroup	Monthly Premium Reimbursement Before/After Medicare Eligibility
Police Management and Police Executive Management	Retired on or after 7/1/2008	Same as future retirees
	Retired between 1/1/1995 <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, 2023**

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**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

For retirees eligible to continue health benefits, but failing to meet the criterion in the tables above, the City pays the Public Employees Medical and Hospital Care Act (PEMHCA) minimum, which is \$151 in 2023.

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

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

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

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

**B. Funding Policy and Actuarial Assumptions**

**City OPEB Plan**

*Funding Policy* – During the year ended June 30, 2008, the City joined the Public Agencies Post-Retirement Health Care Defined Benefit Plan, an agent multiple employer trust administered by Public Agency Retirement Services (PARS). The balance in the City's PARS trust account as of June 30, 2023 was \$41,321,443.

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 an effort to pay down the unfunded liability, in January 2022, the City adopted funding policy that requires the City to contribute 50 percent of any one-time General Fund revenues and 50 percent of year-end General Fund surplus in excess of the City's minimum required reserve level into the 115. Per the adopted policy, the City made a onetime contribution from the FY2022 year surplus into the 115 trust accounts totaling \$6,102,459 in Fiscal Year 2023. In June 2023, the City updated the funding policy for additional contributions. Per the current policy the City shall place 10 percent of year-end operating surplus in the General Fund more than the City's Cash Reserve Policy into the Trust accounts.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

**RPOA OPEB Plan**

A new Richmond Police Officers Association (RPOA) contract was implemented on January 17, 2017. The new RPOA plan includes members who were actively employed as of the January 17, 2017 contract date. The RPOA members were transferred from the OPEB Plan to the new RPOA OPEB Plan during fiscal year 2023.

*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 \$9,746,155 as of June 30, 2023.

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

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

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

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

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

B. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions in A. are not met. The municipal bond rate source used as of June 30, 2023 the Fidelity 20-Year General Obligation AA Municipal Bond Index.

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

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

**City OPEB Plan**

*Rate of Return* – For the year ended June 30, 2023, 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 9.03%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

Investments of the City OPEB Trust Fund at June 30, 2023 consisted of \$31,123,971 invested in mutual funds.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

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

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

**RPOA OPEB Plan**

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

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

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

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

**C. Changes in Net OPEB Liability**

The changes in the net OPEB liability for the City OPEB Plan is as follows:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2022	\$ 106,956,742	\$ 31,123,971	\$ 75,832,771
Changes Recognized for the Measurement Period:			
Service Cost	1,756,058	-	1,756,058
Interest on the total OPEB liability	6,314,835	-	6,314,835
Differences between expected and actual experience (1)	103,835	-	103,835
Changes of assumptions	-	-	-
Contributions from the employer	-	13,518,089	(13,518,089)
Contributions from the employee	-	585,950	(585,950)
Net investment income	-	3,089,068	(3,089,068)
Administrative expenses	-	(64,547)	64,547
Benefit payments (2)	(6,931,088)	(6,931,088)	-
Net changes	1,243,640	10,197,472	(8,953,832)
Balance at June 30, 2023 (Measurement Date)	\$ 108,200,382	\$ 41,321,443	\$ 66,878,939

(1) Due to the difference between expected and actual benefit payments during the measurement period ending 6/30/2023.

(2) Benefit payments equal \$4,734,537 explicit subsidy payments to retirees and \$2,196,551 implicit subsidy costs incurred during the measurement period ending 6/30/2023.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

**C. Changes in Net OPEB Liability, Continued**

The changes in the net OPEB liability for the RPOA OPEB Plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net OPEB	Net Position Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2022	\$ 16,137,379	\$ 7,446,621	\$ 8,690,758
Changes Recognized for the Measurement Period:			
Service Cost	751,175		751,175
Interest on the total OPEB liability	962,027		962,027
Differences between expected and actual experience (1)	52,738		52,738
Changes of assumptions	-		-
Contributions from the employer	-	1,952,362	(1,952,362)
Contributions from the employee	-	344,550	(344,550)
Net investment income	-	321,979	(321,979)
Benefit payments (2)	(315,302)	(315,302)	-
Administrative expense	-	(4,052)	4,052
Net changes	1,450,638	2,299,537	(848,899)
Balance at June 30, 2023 (Measurement Date)	\$ 17,588,017	\$ 9,746,158	\$ 7,841,859

(1) Due to the difference between expected and actual benefit payments during the measurement period ending 6/30/2023.

(2) Benefit payments equal \$339,848 explicit subsidy payments to retirees and-\$24,546 implicit subsidy costs incurred during the measurement period ending 6/30/2023.

**D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates**

The following presents the net OPEB liability of both plans, as well as what the net OPEB liabilities would be if it were calculated using the discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

**City OPEB Plan**

Net OPEB Liability/(Asset)		
Current		
Discount Rate -1%	Discount Rate	Discount Rate +1%
5.00%	6.00%	7.00%
\$ 78,811,548	\$ 66,878,939	\$ 56,819,800

**RPOA OPEB Plan**

Net OPEB Liability/(Asset)		
Current		
Discount Rate -1%	Discount Rate	Discount Rate +1%
4.75%	5.75%	6.75%
\$ 10,509,941	\$ 7,841,859	\$ 5,652,126

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

**D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates, Continued**

The following presents the net OPEB liability of both Plans, as well as what the net OPEB liabilities would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<i>City OPEB Plan</i>					
Net OPEB Liability/(Asset)					
Current Healthcare Cost Trend Rates Various - see assumptions above					
1% Decrease		1% Increase			
\$	56,481,539	\$	66,878,939	\$	79,148,184

<i>RPOA OPEB Plan</i>					
Net OPEB Liability/(Asset) Healthcare Cost Trend					
Current Healthcare Cost Trend Rates Various - see assumptions above					
1% Decrease		1% Increase			
\$	6,264,489	\$	7,841,859	\$	9,852,805

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

For the year ended June 30, 2023, the City recognized OPEB expense on the City OPEB Plan and RPOA OPEB Plan of (\$14,573,142) and (\$390,700), respectively. At June 30, 2023, 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	\$ 79,288	\$ 8,671,594	\$ 55,006	\$ 4,811,780
Changes of assumptions	364,066	6,638,465	254,759	6,852,906
Net differences between projected and actual earnings on plan investments	1,231,025	-	589,425	-
Contributions between measurement date and reporting date	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$ 1,674,379</b>	<b>\$ 15,310,059</b>	<b>\$ 899,190</b>	<b>\$ 11,664,686</b>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**13. OTHER POSTEMPLOYMENT BENEFITS, Continued**

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the City OPEB Plan and RPOA OPEB Plan will be recognized as part of OPEB expense as follows:

<i>City OPEB Plan</i>	
Year	Annual
Ended June 30,	Amortization
2024	\$ (9,503,578)
2025	(4,067,549)
2026	136,963
2027	(201,516)
2028	-
Thereafter	-
Total	(13,635,680)

<i>RPOA OPEB Plan</i>	
Year	Annual
Ended June 30,	Amortization
2024	\$ (1,290,566)
2025	(1,299,374)
2026	(1,170,678)
2027	(1,409,785)
2028	(1,439,957)
Thereafter	(4,155,136)
Total	(10,765,496)

**14. DEFERRED COMPENSATION PLAN**

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

**15. RISK MANAGEMENT**

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; general liability; errors and omissions; injuries to employees; natural disasters; and inverse condemnation. The City began self-insuring its workers' compensation in 1976. In July 2009 the City joined the California Joint Powers Risk Management Authority (CJPRMA) for general liability and employment practices coverage. In April 2009 the City joined the California State Association of Counties Excess Insurance Authority (CSAC EIA) for worker's compensation insurance. The City has chosen to establish a risk financing internal service fund where assets are accumulated for claim settlements and expenses associated with the above risks of loss up to certain limits.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**15. RISK MANAGEMENT, Continued**

Excess coverage for the risk categories excluding inverse condemnation is provided by policies with various commercial insurance carriers. Self-insurance and insurance company limits are as follows:

Type of Coverage	Self-Insurance / Deductible	Coverage Limit	Insurance Carrier
Difference in Conditions	Earthquake: 5% of total insured value of each building; minimum \$100,000 All others: \$25,000	\$50,000,000 inclusive of deductible	Various
Crime / Employee Dishonesty	\$2,500 per claim	\$15,000,000 inclusive of deductible	National Union Fire Insurance Company
Property	\$100,000 per claim; except flood zones A&V that have a deductible of \$250,000	\$400,000,000 inclusive of deductible \$100,000,000 limit for flood all zones, except zones A & V, which have a limit of \$50,000,000	Various
Boiler and Machinery	\$100,000 per claim	\$100,000,000 inclusive of deductible	Various
Port Liability	\$25,000 per claim	\$50,000,000 inclusive of deductible	Various
Watercraft	\$1,000 per claim	\$500,000 inclusive of deductible	Various
Excess Workers' Compensation	\$750,000 per claim	Statutory limit	Various
Student Volunteer	N/A	\$50,000 limit	Ace American
Pollution Liability - Policy 1	\$250,000 per claim	\$20,000,000 inclusive of deductible	ACE - Illinois Union
Pollution Liability - Policy 2	\$250,000 per claim	\$3,000,000 limit	Ironshore Specialty Insurance
Cyber Liability	\$100,000 per claim	\$2,000,000 limit	Lloyds of London
Special Events Program	N/A	\$1,000,000 per occurrence; \$2,000,000 aggregate	Evansion Insurance

**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 (\$750,000)	\$ 5,000,000
Liability (\$750,000)	40,000,000
Employment Practices (\$750,000)	5,000,000

Once the self-insured retention is exhausted on each claim, CJPRMA becomes responsible for payment of future expenses related to the claim. The City paid contributions of \$2,658,116 for the year ended June 30, 2023. 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 \$567,040 for the year ended June 30, 2023. 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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**15. RISK MANAGEMENT, Continued**

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.

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

Property	Annual Premium	Deductible
Nevin Plaza (#1)	\$ 35,444	\$ 25,000
Nystrom Village	21,286	25,000
Administration Office	2,198	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, 2023, the estimated claims payable of \$49,681,686 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 \$53,444,000 at June 30, 2023. Changes in the claims liabilities for the years ended June 30, 2023 and 2022 were as follows:

	2023	2022
Claims liabilities, beginning of year	\$ 51,092,602	\$ 44,392,339
Current year claims	14,147,000	11,420,000
Change in prior year claims	(4,797,758)	7,978,722
Claim payments	(7,788,065)	(7,625,469)
Legal, administrative and other expenses	(2,972,093)	(5,072,990)
Claims liabilities, end of year	<u>\$ 49,681,686</u>	<u>\$ 51,092,602</u>
Claims liabilities, due in one year	<u>\$ 13,576,850</u>	<u>\$ 14,606,071</u>

For the years ended June 30, 2023, 2022 and 2021 the amount of settlements did not exceed insurance coverage.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City's non-major enterprise funds include the following:

- Richmond Marina Fund - Marina operations and maintenance, including berth rentals and use of marina facilities.
- Storm Sewer Fund - Storm sewer management and urban runoff control.
- Cable TV Fund - Administration and enforcement of the franchise agreements with two cable television systems, management of a municipal cable channel, departmental video services, media and public information, and telecommunications planning.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS, Continued**

Fiscal 2023 condensed financial information for the Richmond Marina Enterprise Fund is as follows:

**Condensed Statement of Net Position**

Assets:	
Current assets	\$ 5,080,811
Lease receivables	5,291,323
Capital assets	1,349,149
Total assets	<u>11,721,283</u>
Liabilities:	
Current liabilities	289,502
Long-term liabilities	2,017,960
Total liabilities	<u>2,307,462</u>
Deferred inflows of resources:	
Deferred inflows of resources - leases	<u>5,208,859</u>
Net position:	
Net investment in capital assets	(779,822)
Restricted for debt service	87,323
Unrestricted	4,897,461
Total net position	<u>\$ 4,204,962</u>

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

Operating revenues:	
Rental	\$ 162,777
Lease income	378,855
Operating expenses:	
General and administrative	(36,863)
Depreciation	(84,278)
Operating income	<u>420,491</u>
Nonoperating revenues (expenses):	
Interest income	230,219
Interest expense	(96,202)
Income (Loss) Before Contributions and Transfers	<u>554,508</u>
Transfers out	(86,778)
Change in net position	<u>467,730</u>
Beginning net position	<u>3,737,232</u>
Ending net position	<u>\$ 4,204,962</u>

**Condensed Statement of Cash Flows**

Net cash provided (used) by:	
Operating activities	\$ 426,904
Noncapital and related financing activities	(86,778)
Capital and related financing activities	(206,815)
Investing activities	<u>224,007</u>
Net increase	357,318
Beginning cash and investments	<u>4,621,483</u>
Ending cash and investments	<u>\$ 4,978,801</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**17. COMMITMENTS AND CONTINGENCIES**

**A. Construction Commitments**

The City's future commitments under construction and other projects totaled approximately \$138.2 million at June 30, 2023 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, except for what is noted below:

In March 2012, a developer and Native American Tribe (collectively, "Developer") 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 Point Molate for a specific use. The Developer seeks 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 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 obtained judgement in the matter under which the City will pay no monetary damages to the Developer. Under the terms of the judgment, amended in August 2019, future proceeds from the sale of the property will be shared equally between the City and the Developer.

Under the amended judgment, the City was required to and did engage a new developer for Point Molate. After the City approved the CEQA-required EIR for development, environmental rights groups challenged and appealed the certification of EIR. In November 2023, the appellate court set aside the EIR and all "project related approvals" impacting two pending actions.

First, the federal court continues to oversee the 2012 lawsuit involving the Developer. The Developer claims after the CEQA ruling that the City is obligated to cure the EIR deficiencies in order to maximize the value of the property (now being marketed and sold by the Developer under the amended judgment). The City denies the claim, however, if an application is filed in federal court, the court could find a breach of implied covenant and the City may be negatively impacted. However, any such impact cannot be determined at this time.

Second, the new developer that the City secured under the amended judgment filed a separate legal action against the City, asserting the City interfered with the Point Molate project and development. While the subject contracts were set aside based on the CEQA ruling, and therefore the agreements at issue were invalidated, the new developer continues to press litigation claiming over \$70 million in damages which the City denies. The City no longer owns the property; the Developer above obtained title in 2022 under the amended judgment. The City may be negatively impacted should the court rule in favor of the new developer in the second suit, however, any such impact cannot be determined at this time, especially given the CEQA ruling.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**17. 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, 2023 is \$10,221,743.

In 2002, the Authority chose the development team of McCormack Baron Salazar, Inc. and Em Johnson Interest, Inc. to develop the site. Em Johnson Interest has developed the 82 homeownership units affordable to low, moderate and market rate buyers. McCormack Baron was charged with the development of 300 rental units, affordable to households 60% or below the area median income for Contra Costa County.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**17. 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. 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, 2023, 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, 2023**

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**17. COMMITMENTS AND CONTINGENCIES, Continued**

**F. 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 \$106 million were received under the settlement agreements in fiscal years 2011 through 2023.

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 2023, the City received \$6 million that is restricted for use on pre-approved projects, and the City has received \$5 million of Guaranteed Payments and \$71 million of Contingent Payments to date.

**G. Housing Authority Rental Assistance Demonstration**

RHA Rental Assistance Demonstration ("RAD") Program conversion of the Friendship Manor and Triangle Court public housing sites occurred during the 2016 calendar year (includes both the 2015 and 2016 fiscal years). The RAD project consists of 156 units of Public Housing will that were converted to non-profit ownership with Section 8-Project Based Voucher rental subsidy on the two separate properties; all 156 units, except for three units (two are reserved for onsite managers and one for a manager's office), will be used to house low-income residents.

On October 8, 2015, the Department of Housing and Urban Development (HUD) issued and executed the RAD Conversion Commitment (RCC) which represents the agreed upon and approved terms of the RAD conversion transaction.

On November 18, 2015, California Tax Credit Allocation Committee made a preliminary reservation of federal tax credits in the amount of \$1,228,999 accommodated upon executing Tax-Exempt Bond Project to raise funding in the amount of \$36.7 million, the approximate estimated cost of the RAD project; of which \$16.5 million shall be provided by a third-party Tax Credit investor.

The Authority has partnered with the John Stewart Company and The Richman Group to form a Limited Partnership, RHA RAD Housing Partners L.P., that will complete the conversion, manage the property and own the buildings. The Authority will relinquish the land via a long term ground lease.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**17. COMMITMENTS AND CONTINGENCIES, Continued**

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

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 3.5%.

**H. *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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**17. COMMITMENTS AND CONTINGENCIES, Continued**

**H. Marina Bay - Pollution Remediation, Continued**

The RAP was subsequently amended in 2008 to address Area T, one of the Nine Deed Restricted Properties. The amended RAP subjects the site to groundwater sampling and analysis. The approximate annual costs for the existing groundwater sampling and analysis program is approximately \$26,000. The known pollution at this site are petroleum hydrocarbons dissolved in groundwater. Active remediation was conducted from September 2008 through June 2020 by the former Redevelopment Agency and the Successor Agency and the active remediation has been successful at removing a layer of petroleum hydrocarbons on the groundwater. However, the groundwater impacted with dissolved petroleum hydrocarbons is located in close proximity to the Marina Bay harbor. It is anticipated that DTSC will request that the Successor Agency submit a work plan describing the methods to petroleum hydrocarbons at Area T. Groundwater impacted by dissolved petroleum hydrocarbons is anticipated to be required by DTSC. The Successor Agency requested that its consultant prepare a feasibility study and cost analysis to conduct such remediation. The preliminary cost estimate to implement the groundwater remediation program is estimated at \$120,000. A plan to maintain the cap on Area T will be prepared and the cost for this plan is \$7,500. This preliminary estimate has not been accrued as a liability in the City's Statement of Net Position. This estimate is also subject to change from price increases or reductions, technology, and changes in applicable laws or regulations.

A Covenant to Restrict Use of Property for Area FM, also one of the Nine Deed Restricted Properties, was recorded on March 21, 2005. As described in the deed restriction, the remedial alternative for Area FM includes installing and maintaining a temporary 1-foot-thick soil cap over the property as an interim measure; the final cap will consist of hardscape including commercial buildings, roadways, and parking areas. The deed restriction also requires the preparation of an O&M Plan. According to a DTSC-approved Remedial Design and Implementation Plan (RDIP) for Area FM, the proposed permanent cap will be implemented during site redevelopment activities and will consist of building foundations and slabs, paved walkways and parking areas, landscaping and other features constructed over the site. Site redevelopment has yet to occur, the interim temporary cap has not been implemented, and the O&M Plan has yet to be prepared for Area FM. DTSC is requiring the City to construct the temporary cap on Area FM. The City is preparing to construct a temporary asphalt cap to minimize surface water runoff and reduce routine maintenance and prepared a Work Plan Amendment for Construction of Temporary Asphalt Cap. Upon approval by DTSC, the City will install the temporary cap. The cost to prepare the planning documents, conduct observation, documentation, and reporting of the cap installation, as well as preparation of an O&M Plan is \$96,200. The estimate cost to construct the temporary cap can't be made.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**17. COMMITMENTS AND CONTINGENCIES, Continued**

**I. Other Commitments and Contingencies**

The Authority and its component units RHA Housing Corporation and RHA RAD LLC entered into several arrangements including a Co-Guarantor Contribution Agreement with third parties as participants in a tax credit bonds project to accommodate the required funding to convert two properties from a conventional public housing project to a rental assistance demonstration program, as discussed in Note 17.G.

**J. 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, 2023 were as listed below:

	Amount
General Fund	\$ 10,007
Community Development and Loan Programs	
Special Revenue Fund	25,843
American Rescue Plan Act Fund	371,043
Non-Major Governmental Funds	13,650,307
	\$ 14,057,200

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**

**A. *Redevelopment Dissolution***

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibit all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

ABx1 26 and AB1484 created three regulatory authorities, the Successor Agency Oversight Board, State Controller and Department of Finance (DOF), to review former Agency's asset transfers, obligation payments and wind down activities. ABx1 26 specifically directs the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the Redevelopment Agency or, on or after February 1, 2012, to the Successor Agency. The State Controller's Office completed its asset transfer review in November 2013 and the State ordered the return of certain assets to the Successor Agency to the Redevelopment Agency. The City complied with certain aspects of the State's order during fiscal year 2013 by returning applicable capital assets to the Successor Agency and the Oversight Board retroactively approved other prior transfers to the City and the State has indicated that no further action is necessary. The State also ordered the return of assets previously transferred to the City as Housing Successor totaling \$16,460,848, because the transfer of the housing assets had not been approved by the Oversight Board. The Oversight Board adopted a Resolution on February 25, 2014 retroactively approving the transfer of the loans to the Housing Successor.

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and the remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Low and Moderate Income Housing Fund which is included in the Community Development and Loan Programs Special Revenue Fund. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Asset Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**A. *Redevelopment Dissolution, Continued***

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in April 2012. As of July 1, 2018, Contra Costa County has formed a county-wide Oversight Board to oversee the activities of all Successor Agencies within the County, including Richmond. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

AB1484 required the Successor Agency to complete two due diligence reviews – one for the low and moderate income housing assets of the Successor Agency (Housing DDR), and a second for all other balances of the Successor Agency (Non-housing DDR). The due diligence reviews were to calculate the balance of unencumbered balances as of June 30, 2012 available to be remitted to the County for disbursement to taxing entities. The Successor Agency submitted both due diligence reviews to the State Department of Finance for review and approval. The Department of Finance approved the Housing DDR, after making an adjustment, and the Successor Agency remitted the unencumbered balance of \$4,067,242 to the County in November 2014. The Department of Finance approved the Non-housing DDR in December 2014, and no funds were required to be remitted to the County. The Successor Agency received a Finding of Completion on December 9, 2014.

The activities of the Successor Agency are reported in the Successor Agency to the Richmond Community Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Cash and investments of the Successor Agency as of June 30, 2023 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, 2023.

**B. *Loans Receivable***

The Successor Agency assumed non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage economic development. Under these programs, grants or loans were provided under favorable terms to developers who agreed to expend these funds in accordance with the Agency's terms.

**Ford Assembly Building Loan**

Under a loan agreement dated November 22, 2004 between the Redevelopment Agency and Ford Point LLC, the Redevelopment Agency agreed to loan \$3,000,000 to fund improvements to the Ford Assembly Building, collateralized by a Deed of Trust. After a period of variable interest rates, the loan has converted to a fixed 5% interest rate. Interest and principal payments are due semi-annually through 2025. The loan was paid-off as of June 30, 2023.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

**C. Capital Assets**

The Successor Agency assumed the non-housing capital assets of the Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

**D. Long-term Obligations**

The following is a summary of long-term debt transactions during the year ended June 30, 2023:

	Balance July 1, 2022	Additions (A)	Retirements	Balance June 30, 2023	Due Within One Year	Due in More than One Year
Bonds Payable	\$40,393,648	\$ 159,281	\$ (4,965,000)	\$ 35,587,929	\$ 6,190,000	\$ 29,397,929
Loans payable from direct borrowing	13,240,000	-	(1,625,000)	11,615,000	1,630,000	9,985,000
Total	\$53,633,648	\$ 159,281	\$ (6,590,000)	\$ 47,202,929	\$ 7,820,000	\$ 39,382,929

(A) Includes bond accretion for capital appreciation bonds totaling \$688,161.

**Bonds Payable**

Bonds payable at June 30, 2023 consisted of the following:

	Net
Harbour Tax Allocation Refunding Bonds - 1998 Series A	\$ 1,150,000
Subordinate Tax Allocation Bonds - 2007 Series B	10,013,929
Successor Agency of RCRA Refunding Bonds - 2014 Series A & B	6,742,272
Successor Agency of RCRA Refunding Bonds - 2021 Series A & B	15,950,000
Successor Agency 2021A Bond Premium	1,731,728
Total	\$ 35,587,929

**1998 Harbour Redevelopment Project Tax Allocation Refunding Bonds Series A - Original Issue \$21,862,779**

The bonds were issued by the Agency to refinance a portion of the 1991 Harbour Redevelopment Project Tax Allocation Refunding Bonds, refinance certain loans from the City to the Agency, which were used by the City to finance certain publicly owned capital projects, finance certain redevelopment activities within the Harbour Redevelopment Project Area, fund a reserve account and pay certain costs of issuance of the 1998 bonds. The bonds mature annually through 2023, in amounts ranging from \$50,000 to \$1,130,000. Interest rates vary from 3.5% to a maximum of 5.2% and are payable semiannually on January 1 and July 1. The bonds are secured by a pledge of tax revenues derived from taxable property within the Harbour Project Area. On March 27, 2014, the Agency issued the Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B which resulted in the defeasance of the outstanding balance of the current interest portion of the bonds in the amount of \$9,180,000, as discussed below.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*D. Long-term Obligations, Continued*

**1998 Harbour Redevelopment Project Tax Allocation Refunding Bonds Series A - Original Issue \$21,862,779, Continued**

At June 30, 2023, the Bonds consisted of the following:

	Value	Accretion / Amortization	Unamortized Premium (Discount)	Net
Capital appreciation bonds	\$ 1,150,000	\$ 57,551	\$ (57,551)	\$ 1,150,000

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

For the Years Ending June 30,	Principal
2024	\$ 1,150,000
Total	\$ 1,150,000

**Richmond Community Redevelopment Agency Subordinate Tax Allocation Bonds Series 2007A and Series B - Original Issue Series A \$65,400,000, Series B \$9,772,622**

On July 12, 2007 the Redevelopment Agency issued Series 2007A Subordinate Tax Allocation Bonds in the amount of \$65,400,000. The proceeds from the Bonds were used to pay the amount of \$22,000,000 to the City to assist with the financing of the Civic Center Project, and to fund other Redevelopment Agency projects.

The 2007A Subordinate Tax Allocation Bonds were issued as variable auction rate bonds with interest calculated every thirty-five days, however, the Agency entered into a 29-year interest rate swap agreement for the entire amount of its 2007A Subordinate Tax Allocation Bonds. In fiscal year 2010 the Agency experienced a significant decline in tax increment revenue. In order to bring debt service in line with current revenues and maintain compliance with the required 1.4:1 tax increment to debt service coverage ratio, the Agency suspended a number of projects originally funded by the 2007A Bonds and applied approximately \$36 million of the unspent 2007A proceeds and other available funds along with the proceeds from the issuance of the Subordinate Tax Allocation Refunding Bonds, Series 2010A to refund the outstanding balance of the 2007A Bonds. As part of the issuance of the 2010A Bonds, the interest rate swap agreement associated with the 2007A Bonds was amended and restated as discussed with the Series 2010A Bonds below.

On July 12, 2007 the Redevelopment Agency issued Series 2007B Housing Set-Aside Subordinate Tax Allocation Capital Appreciation Bonds in the amount of \$9,772,622 at interest rates ranging from 5.57% to 6.40%. The proceeds from the 2007B Bonds will be used to finance certain low and moderate income housing activities of the Redevelopment Agency. The 2007B Bonds mature annually through 2037, in amounts ranging from \$465,000 to \$2,020,000. The 2007B Bonds are secured by a pledge of subordinated housing and non-housing tax revenues.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*D. Long-term Obligations, Continued*

**Richmond Community Redevelopment Agency Subordinate Tax Allocation Bonds Series 2007A and Series B - Original Issue Series A \$65,400,000, Series B \$9,772,622, Continued**

At June 30, 2023, the 2007B Bonds consisted of the following:

	Value	Accretion / Amortization	Unamortized Premium (Discount)	Net
Capital appreciation bonds	\$ 14,360,000	\$ 630,610	\$ (4,976,681)	\$ 10,013,929

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

For the Years Ending June 30,	Principal
2024	1,145,000
2025	1,175,000
2026	1,230,000
2027	1,285,000
2028	2,020,000
2029-2033	4,165,000
2034-2037	3,340,000
Total	<u>\$ 14,360,000</u>

**Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B - Original Issue Amounts \$25,795,000 and \$1,655,000, respectively**

The 2014 A & B Bonds were issued on March 27, 2014 by the Successor Agency to the Richmond Community Redevelopment Agency. The proceeds of the Bonds, together with other available funds, were used to refund and defease the outstanding balance of the current interest portion of the 1998 Harbour Redevelopment Project Tax Allocation Refunding Bonds Series A, and the outstanding balances of the Richmond Joint Powers Financing Authority Tax Allocation Revenue Bonds Series 2000 A & B and Richmond Joint Powers Financing Authority Tax Allocation Revenue Bonds Series 2003A. Interest rates range from 1.40% to 5.00% and is payable semiannually on March 1 and September 1. The 2014A Bonds mature annually on each September 1 through 2025 while the 2014B Bonds mature annually on each September 1 through 2018. Both Bonds are secured by a pledge of Redevelopment Property Tax Trust Fund revenues. The outstanding balances of the defeased debt as of June 30, 2023 were as follows:

Harbour Tax Allocation Refunding Bonds - 1998 Series A	\$ 2,280,000
Total	<u>\$ 2,280,000</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*D. Long-term Obligations, Continued*

**Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B - Original Issue Amounts \$25,795,000 and \$1,655,000, respectively, Continued**

At June 30, 2023, the 2014 A & B Bonds consisted of the following:

Bonds outstanding	\$ 6,570,000
Unamortized premium	172,272
	<hr/>
Net	<u>\$ 6,742,272</u>

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

For the Years Ending June 30,	Principal	Interest	Total
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>\$ 6,570,000</u>	<u>\$ 490,000</u>	<u>\$ 7,060,000</u>

**Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2021 Series A & B - Original Issue Amounts \$15,070,000 and \$2,665,000, respectively**

On December 18, 2020, the Redevelopment Agency issued Series 2020A&B Community Redevelopment Agency Refunding Bonds. The proceeds was used to repay a portion of the obligations of the Successor Agency under a Loan Agreement (Housing), dated as of October 1, 2004, by and between the Former Agency and the Richmond Joint Powers Financing Authority that secures payment of the Richmond Joint Powers Financing Authority Housing Set-Aside Tax Allocation Revenue Bonds, Series 2004B (Tax-Exempt) in the outstanding principal amount of \$720,000, and refund the \$21,625,000 outstanding principal amount of Richmond Community Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (Merged Project Areas), 2010 Series A (the "2010A Bonds" and, together with the 2004 Loan Agreement, the "Prior Obligations")

The Series 2021 Refunding Bonds will each be issued as fully registered Bonds and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2021 Refunding Bonds, as more fully described in APPENDIX G. The Series 2021 Refunding Bonds will be dated the date of delivery and issued in registered form in denominations of \$5,000 or any integral multiple of \$5,000 and will mature on September 1 of each year in the amounts as set forth on the inside cover page. Interest on the Series 2021 Refunding Bonds will be payable on each March 1 and September 1, commencing September 1, 2021.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*D. Long-term Obligations, Continued*

**Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2021 Series A & B - Original Issue Amounts \$15,070,000 and \$2,665,000, respectively, Continued**

At June 30, 2023, the bond premium consisted of the following:

	Value	Accretion / Amortization	Unamortized Premium (Discount)	Net
Successor Agency Bond 2021A & B	\$ 15,950,000	\$ -	\$ 1,731,728	\$ 17,681,728

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

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 1,800,000	\$ 556,980	\$ 2,356,980
2025	1,185,000	525,500	1,710,500
2026	2,155,000	458,700	2,613,700
2027	2,045,000	374,700	2,419,700
2028	6,075,000	212,300	6,287,300
2029-2033	1,520,000	309,600	1,829,600
2034-2037	1,170,000	47,400	1,217,400
Total	\$ 15,950,000	\$ 2,485,180	\$ 18,435,180

**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, 2023 came from the Bond issues listed below:

JPFA Tax Allocation Revenue Bonds - 2003 Series B	\$ 4,245,000
JPFA Tax Allocation Revenue Bonds - 2004 Series A & B	7,370,000
Total	<u>\$ 11,615,000</u>

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*D. Long-term Obligations, Continued*

**Loan from the Authority dated August 1, 2003**

In 2003, the Authority issued 2003 Tax Allocation Revenue Bonds Series A and Series B in the original amount of \$28,580,000. The net proceeds of the bond issue were loaned to the Agency to provide funding for certain capital improvements and to repay the City of Richmond \$18,000,000 in partial payment of prior obligations. Under the terms of the loan agreement between the Agency and the Authority dated August 1, 2003, repayment of the loan is being made from certain tax increment revenues derived from taxable property within the Post-2004 Limit Area pledged by the Agency for the purpose of loan repayment. On March 27, 2014, the Agency issued the Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B which resulted in the refunding and defeasance of the outstanding balance of the 2003 Series A Bonds in the amount of \$12,910,000, as discussed above.

At issuance, the Bonds were insured by MBIA Insurance Corporation (which was reinsured by National Public Finance Guarantee Corporation (“NPFGC”). On December 5, 2017, Kroll Bond Rating Agency downgraded its insurance financial strength rating for NPFGC from ‘AA+’ to ‘AA’ and subsequently withdrew the rating citing business reasons. On January 17, 2018, Moody’s Investors Service (“Moody’s”) downgraded its insurance financial strength rating on NPFGC from ‘A3’ to ‘Baa2’. As a result of the foregoing, Moody’s downgraded its Insured Rating on the Bonds from ‘A3’ to ‘Baa2’. On February 13, 2019, S&P Global Ratings (formerly Standard and Poor’s Ratings Services) upgraded its Local Currency Long-Term and Underlying Ratings on the Bonds from ‘A+’ to ‘AA-’.

The annual debt service requirements on the 2003 Series B loan as of June 30, 2023 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
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>\$ 4,245,000</u>	<u>\$ 449,348</u>	<u>\$ 4,694,348</u>

**Loan from the Authority dated October 1, 2004**

In 2004, the Authority issued the 2004 Tax Allocation Revenue Bonds Series A and Series B in the original amounts of \$15,000,000 and \$2,000,000, respectively. The net proceeds of the bond issue were loaned to the Agency to provide funding for certain capital improvements, low/moderate income housing and to repay the City of Richmond \$6,367,031 in prior obligations. Under the terms of the loan agreement between the Agency and the Authority dated August 1, 2003, repayment of the loan is being made from certain subordinate housing and non-housing tax increment revenues derived from the taxable property within the Merged Project Area pledged by the Agency for the purpose of loan repayment.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*D. Long-term Obligations, Continued*

**Loan from the Authority dated October 1, 2004, Continued**

The annual debt service requirements for these loans as of June 30, 2023 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
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	\$ 7,370,000	\$ 1,172,592	\$ 8,542,592

**Pledge of Redevelopment Tax Increment Revenues**

The Bond issues and loans payable to the Authority discussed above consist of senior and parity obligations secured by future tax increment revenues. The pledge of all future tax increment revenues (housing and non-housing revenue) ends upon repayment of \$54,618,772 remaining debt service on the Bonds and loans which is scheduled to occur in 2037.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2023 calculated by the County Auditor–Controller were \$51,791,076. The total received by the Successor Agency for fiscal year 2023 debt service and other enforceable obligations was \$8,846,005, which the Successor Agency used along with cash on-hand to pay debt service of \$8,440,704.

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 \$1,560,000 at June 30, 2023.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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

*D. Long-term Obligations, Continued*

**Conduit Debt**

The Agency has assisted private-sector entities by sponsoring their issuance of debt for purposes the Agency deems to be in the public interest. These debt issues are secured solely by the property financed by the debt. The Agency is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties secured by these debts, nor is it obligated to advance Agency funds to repay these debts in the event of default by any of these issuers. At June 30, 2023, the balances of these issuers' outstanding debts were as follows:

Baycliff Apartment Project, 2004 Revenue Bonds	\$	-
Crescent Park Apartment Project, 2007 Series A & Series A-T Revenue Bonds		15,154,750

*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.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**19. NEW ACCOUNTING STANDARDS**

**Accounting Standards Adopted**

- GASB Statement 91, Conduit Debt Obligations – The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement did not apply to the City for the current fiscal year.
- GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement did not apply to the City for the current fiscal year.
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements – The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The City recognized intangible assets and SBITA liabilities as part of implementation of this statement.
- GASB Statement No. 93, Replacement of Interbank Offered Rates – Statement No. 93 requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument’s variable payment. In addition, in accordance with Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The provisions of Statement No. 93 has multiple effective dates. The city has implemented GASB99 to allow the continued use of LIBOR as an appropriate benchmark through the extended period of June 30, 2023.
- GASB Statement No. 99, Omnibus 2022 – The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement applies to the City for the current fiscal year.

**City of Richmond**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**19. NEW ACCOUNTING STANDARDS, Continued**

**New Accounting Standards**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- GASB Statement No. 100, Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62 - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the City's year ending June 30, 2024.
- GASB Statement No. 101, Compensated Absences - The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the City's year ending June 30, 2025.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 46,056,962	\$ 48,608,929	\$ 51,919,490	\$ 3,310,561
Sales taxes	55,282,200	55,554,137	55,541,366	(12,771)
Utility user taxes	49,963,589	50,861,279	54,676,023	3,814,744
Other taxes	21,638,449	22,452,187	19,623,678	(2,828,509)
Licenses, permits and fees	8,122,600	8,123,394	16,256,765	8,133,371
Fines, forfeitures and penalties	475,275	465,275	255,225	(210,050)
Use of money and property	236,079	1,021,047	1,563,469	542,422
Intergovernmental	553,569	563,569	539,174	(24,395)
Charges for services	6,578,094	6,526,354	4,749,957	(1,776,397)
Rent	874,506	874,506	817,496	(57,010)
Other	187,500	231,945	697,502	465,557
<b>Total revenues</b>	<b>189,968,823</b>	<b>195,282,622</b>	<b>206,640,145</b>	<b>11,357,523</b>
<b>EXPENDITURES:</b>				
Current:				
General government	46,716,108	31,128,899	42,548,567	(11,419,668)
Public safety	108,543,739	107,039,445	92,441,016	14,598,429
Public works	29,892,191	29,972,191	27,689,138	2,283,053
Cultural and recreational	11,322,954	11,461,124	10,304,044	1,157,080
Capital outlay	1,178,000	3,542,791	2,986,140	556,651
Debt service:				
Principal	951,204	951,204	3,997,477	(3,046,273)
Interest and fiscal charges	85,805	85,805	119,404	(33,599)
<b>Total expenditures</b>	<b>198,690,001</b>	<b>184,181,459</b>	<b>180,085,786</b>	<b>4,095,673</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(8,721,178)</b>	<b>11,101,163</b>	<b>26,554,359</b>	<b>15,453,196</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	100,000	100,000	1,264	(98,736)
Other financing sources - SBITAs	-	-	417,005	417,005
Transfers in	20,500,320	23,657,314	19,509,953	(4,147,361)
Transfers out	(11,877,605)	(34,893,588)	(30,634,407)	4,259,181
<b>Total other financing sources (uses)</b>	<b>8,722,715</b>	<b>(11,136,274)</b>	<b>(10,706,185)</b>	<b>430,089</b>
<b>Net change in fund balances</b>	<b>\$ 1,537</b>	<b>\$ (35,111)</b>	<b>15,848,174</b>	<b>\$ 15,883,285</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			70,463,769	
End of year			<b>\$ 86,311,943</b>	

# 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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 568,000	\$ 591,150	\$ 583,526	\$ (7,624)
Use of money and property	63,005	63,005	322,745	259,740
Intergovernmental	466,432	466,432	249,478	(216,954)
Other	915,170	935,245	1,041,130	105,885
<b>Total revenues</b>	<b>2,012,607</b>	<b>2,055,832</b>	<b>2,196,879</b>	<b>141,047</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	2,522,706	2,522,706	601,777	1,920,929
Housing and redevelopment	1,292,148	1,338,462	429,859	908,603
Capital outlay	1,150,000	1,150,000	-	1,150,000
<b>Total expenditures</b>	<b>4,964,854</b>	<b>5,011,168</b>	<b>1,031,636</b>	<b>3,979,532</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,952,247)</b>	<b>(2,955,336)</b>	<b>1,165,243</b>	<b>4,120,579</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	133,664	152,607	18,943	(133,664)
Transfers out	(480,000)	(480,000)	-	480,000
<b>Total other financing sources (uses)</b>	<b>(346,336)</b>	<b>(327,393)</b>	<b>18,943</b>	<b>346,336</b>
<b>Net change in fund balances</b>	<b>\$ (3,298,583)</b>	<b>\$ (3,282,729)</b>	<b>1,184,186</b>	<b>\$ 4,466,915</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			31,426,991	
End of year			<u>\$ 32,611,177</u>	

# City of Richmond

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### American Rescue Plan Act Special Revenue Fund

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 493,777	\$ 493,777
Intergovernmental	2,770,400	2,770,400	4,130,024	1,359,624
<b>Total revenues</b>	<b>2,770,400</b>	<b>2,770,400</b>	<b>4,623,801</b>	<b>1,853,401</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	296,330	216,213	80,117
Public works	-	2,800,000	1,440,797	1,359,203
Cultural and recreational	150,000	150,000	180,108	(30,108)
Housing and redevelopment	800,000	1,253,109	392,904	860,205
Capital outlay	1,820,400	5,626,890	150,000	5,476,890
<b>Total expenditures</b>	<b>2,770,400</b>	<b>10,126,329</b>	<b>2,380,022</b>	<b>7,746,307</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (7,355,929)</b>	<b>2,243,779</b>	<b>\$ 9,599,708</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			41,789	
End of year			\$ 2,285,568	

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
<b>Total Pension Liability</b>				
Service cost	\$ 6,682,973	\$ 6,902,037	\$ 7,529,439	\$ 7,652,864
Interest	35,458,653	35,423,024	34,974,846	34,315,542
Differences between actual and expected experience	(5,319,202)	(6,412,719)	(4,393,691)	(331,531)
Changes in assumptions	12,173,403	-	-	-
Benefit payments, including refunds of employee contributions	(31,205,396)	(30,000,846)	(29,018,486)	(27,565,398)
<b>Net change in the total pension liability</b>	<b>17,790,431</b>	<b>5,911,496</b>	<b>9,092,108</b>	<b>14,071,477</b>
<b>Total pension liability - beginning</b>	<b>519,300,516</b>	<b>513,389,020</b>	<b>504,296,912</b>	<b>490,225,435</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 537,090,947</b>	<b>\$ 519,300,516</b>	<b>\$ 513,389,020</b>	<b>\$ 504,296,912</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 14,802,460	\$ 14,612,575	\$ 13,778,755	\$ 12,156,723
Contributions - employee	2,518,762	2,657,439	2,749,990	2,843,043
Net investment income	(33,609,940)	83,636,340	18,237,576	23,350,283
Plan to plan resource movement	-	(4,882)	-	-
Administrative expense	(279,875)	(378,350)	(526,586)	(259,047)
Benefit payments, including refunds of employee contributions	(31,205,396)	(30,000,846)	(29,018,486)	(27,565,398)
Other miscellaneous income (expense)	-	-	-	842
<b>Net change in plan fiduciary net position</b>	<b>(47,773,989)</b>	<b>70,522,276</b>	<b>5,221,249</b>	<b>10,526,446</b>
<b>Plan fiduciary net position - beginning</b>	<b>449,273,857</b>	<b>378,751,581</b>	<b>373,530,332</b>	<b>363,003,886</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 401,499,868</b>	<b>\$ 449,273,857</b>	<b>\$ 378,751,581</b>	<b>\$ 373,530,332</b>
Net pension liability - ending (a) - (b)	\$ 135,591,079	\$ 70,026,659	\$ 134,637,439	\$ 130,766,580
Plan fiduciary net position as a percentage of the total pension liability	74.75%	86.52%	73.77%	74.07%
Covered payroll	\$ 31,565,766	\$ 32,686,024	\$ 35,129,597	\$ 36,295,759
Net pension liability as a percentage of covered payroll	429.55%	214.24%	383.26%	360.28%

**Notes to the schedule:**

**Benefit Changes:** The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

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

<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 7,637,812	\$ 8,053,459	\$ 7,200,571	\$ 7,446,410	\$ 7,816,868
33,323,855	32,804,753	32,305,003	31,414,256	30,597,498
(4,642,948)	(4,464,966)	(3,484,064)	(5,280,549)	-
(3,224,832)	25,548,824	-	(7,116,200)	-
(25,970,450)	(25,074,448)	(23,917,069)	(23,302,793)	(23,007,539)
7,123,437	36,867,622	12,104,441	3,161,124	15,406,827
483,101,998	446,234,376	434,129,935	430,968,811	415,561,984
<u>\$ 490,225,435</u>	<u>\$ 483,101,998</u>	<u>\$ 446,234,376</u>	<u>\$ 434,129,935</u>	<u>\$ 430,968,811</u>
\$ 10,489,795	\$ 8,860,295	\$ 8,093,834	\$ 7,189,716	\$ 6,661,038
2,894,841	2,996,354	3,087,656	3,141,565	3,195,699
28,880,923	35,805,938	1,630,388	7,502,958	51,867,728
(842)	(50,018)	(4,762)	(6,885)	-
(542,721)	(481,651)	(205,714)	(379,925)	-
(25,970,450)	(25,074,448)	(23,917,069)	(23,302,793)	(23,007,539)
(1,030,636)	-	-	-	-
14,720,910	22,056,470	(11,315,667)	(5,855,364)	38,716,926
348,282,976	326,226,506	337,542,173	343,397,537	304,680,611
<u>\$ 363,003,886</u>	<u>\$ 348,282,976</u>	<u>\$ 326,226,506</u>	<u>\$ 337,542,173</u>	<u>\$ 343,397,537</u>
<u>\$ 127,221,549</u>	<u>\$ 134,819,022</u>	<u>\$ 120,007,870</u>	<u>\$ 96,587,762</u>	<u>\$ 87,571,274</u>
74.05%	72.09%	73.11%	77.75%	79.68%
\$ 35,725,311	\$ 35,964,798	\$ 36,638,889	\$ 36,151,102	\$ 37,210,225
356.11%	374.86%	327.54%	267.18%	235.34%

**Changes in Assumptions:** None in 2019,2020 or 2021. In 2022, the accounting discount rate was reduced from 7.15% to 6.90%. 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% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Contributions - Last 10 Years\**

<b>Fiscal Year Ended:</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Actuarially determined contribution	\$ 14,802,460	\$ 14,466,499	\$ 14,438,844	\$ 13,783,427
Contributions in relation to actuarially determined contributions	(14,802,460)	(14,466,499)	(14,438,844)	(13,783,427)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 33,889,757	\$ 31,565,766	\$ 32,686,024	\$ 35,129,597
Contributions as a percentage of covered payroll	43.68%	45.83%	44.17%	39.24%

**Notes to the schedule:**

Valuation date: 6/30/2021 6/30/2020 6/30/2019 6/30/2017

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Actuarial cost method	Entry age normal
Amortization method	For details, see June 30, 2019 CalPERS Funding Valuation
Asset valuation method	For details, see June 30, 2019 CalPERS Funding Valuation Report
Inflation	2.500%
Payroll growth	2.750%
Salary increases	Varies by Entry Age and Service.
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, and 7.00% for 2021 & 2022 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>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
\$ 12,150,650	\$ 10,436,250	\$ 8,867,763	\$ 8,084,584	\$ 7,178,549
<u>(12,150,650)</u>	<u>(10,436,250)</u>	<u>(8,867,763)</u>	<u>(8,084,584)</u>	<u>(7,178,549)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 36,295,759	\$ 35,725,311	\$ 35,964,798	\$ 36,638,889	\$ 36,151,102
33.48%	29.21%	24.66%	22.07%	19.86%
6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
<b>Total Pension Liability</b>				
Service cost	\$ 10,872,256	\$ 10,261,858	\$ 10,958,278	\$ 11,313,128
Interest	48,797,968	48,387,109	47,218,257	46,009,128
Differences between actual and expected experience	(6,331,832)	(1,211,011)	(2,189,929)	433,759
Changes in assumptions	19,873,614	-	-	-
Benefit payments, including refunds of employee contributions	(42,486,153)	(41,557,485)	(38,982,005)	(37,105,985)
<b>Net change in the total pension liability</b>	<b>30,725,853</b>	<b>15,880,471</b>	<b>17,004,601</b>	<b>20,650,030</b>
<b>Total pension liability - beginning</b>	<b>709,482,081</b>	<b>693,601,610</b>	<b>676,597,009</b>	<b>655,946,979</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 740,207,934</b>	<b>\$ 709,482,081</b>	<b>\$ 693,601,610</b>	<b>\$ 676,597,009</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 21,911,673	\$ 21,598,699	\$ 19,362,087	\$ 16,658,515
Contributions - employee	3,884,791	4,314,111	4,232,707	4,238,132
Net investment income	(42,434,599)	105,126,083	22,875,702	29,333,974
Plan to plan resource movement	-	4,881	-	-
Administrative expense	(352,374)	(476,147)	(662,340)	(326,144)
Benefit payments, including refunds of employee contributions	(42,486,153)	(41,557,485)	(38,982,005)	(37,105,985)
Other miscellaneous income (expense)	-	-	-	1,062
<b>Net change in plan fiduciary net position</b>	<b>(59,476,662)</b>	<b>89,010,142</b>	<b>6,826,151</b>	<b>12,799,554</b>
<b>Plan fiduciary net position - beginning</b>	<b>565,662,471</b>	<b>476,652,329</b>	<b>469,826,178</b>	<b>457,026,624</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 506,185,809</b>	<b>\$ 565,662,471</b>	<b>\$ 476,652,329</b>	<b>\$ 469,826,178</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 234,022,125</b>	<b>\$ 143,819,610</b>	<b>\$ 216,949,281</b>	<b>\$ 206,770,831</b>
Plan fiduciary net position as a percentage of the total pension liability	68.38%	79.73%	68.72%	69.44%
Covered payroll	\$ 30,325,691	\$ 33,272,769	\$ 34,316,884	\$ 35,870,534
Net pension liability as a percentage of covered payroll	771.70%	432.24%	632.19%	576.44%

**Notes to the schedule:**

**Benefit Changes:** The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

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

<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 11,391,456	\$ 11,650,927	\$ 10,297,536	\$ 10,142,245	\$ 10,167,167
44,562,419	43,264,626	41,950,593	40,142,006	38,254,517
413,272	797,969	2,950,295	3,799,388	-
(2,676,340)	35,109,898	-	(9,563,090)	-
(35,123,568)	(33,620,000)	(30,593,589)	(28,747,508)	(27,199,743)
18,567,239	57,203,420	24,604,835	15,773,041	21,221,941
637,379,740	580,176,320	555,571,485	539,798,444	518,576,503
<u>\$ 655,946,979</u>	<u>\$ 637,379,740</u>	<u>\$ 580,176,320</u>	<u>\$ 555,571,485</u>	<u>\$ 539,798,444</u>
\$ 14,016,085	\$ 12,699,049	\$ 11,488,714	\$ 10,652,641	\$ 9,352,438
4,226,345	4,471,008	4,607,993	3,797,568	3,348,408
36,380,672	45,166,243	2,062,417	9,408,186	64,842,562
(1,062)	50,018	4,762	3,476	-
(684,883)	(607,337)	(258,432)	(477,249)	-
(35,123,568)	(33,620,000)	(30,593,589)	(28,747,508)	(27,199,743)
(1,300,605)	-	-	-	-
17,512,984	28,158,981	(12,688,135)	(5,362,886)	50,343,665
439,513,640	411,354,659	424,042,794	429,405,680	379,062,015
<u>\$ 457,026,624</u>	<u>\$ 439,513,640</u>	<u>\$ 411,354,659</u>	<u>\$ 424,042,794</u>	<u>\$ 429,405,680</u>
<u>\$ 198,920,355</u>	<u>\$ 197,866,100</u>	<u>\$ 168,821,661</u>	<u>\$ 131,528,691</u>	<u>\$ 110,392,764</u>
69.67%	68.96%	70.90%	76.33%	79.55%
\$ 34,439,607	\$ 37,273,957	\$ 37,352,212	\$ 36,161,966	\$ 35,479,947
577.59%	530.84%	451.97%	363.72%	311.14%

**Changes in Assumptions:** None in 2019, 2020 or 2021. In 2022, the accounting discount rate was reduced from 7.15% to 6.90%. 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% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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Safety Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Contributions - Last 10 Years\**

Fiscal Year Ended:	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Actuarially determined contribution	\$ 21,911,673	\$ 21,603,382	\$ 21,315,231	\$ 19,355,578
Contributions in relation to actuarially determined contributions	(21,911,673)	(21,603,382)	(21,315,231)	(19,355,578)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 28,453,678	\$ 30,325,691	\$ 33,272,769	\$ 34,316,884
Contributions as a percentage of covered payroll	77.01%	71.24%	64.06%	56.40%

**Notes to the schedule:**

Valuation date:	6/30/2021	6/30/2020	6/30/2019	6/30/2017
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The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry age normal
Amortization method	For details, see June 30, 2019 CalPERS Funding Valuation Report
Asset valuation method	For details, see June 30, 2019 CalPERS Funding Valuation Report
Inflation	2.50%
Payroll growth	2.750%
Salary increases	Varies by Entry Age and Service.
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, and 7.00% for 2021 & 2022 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>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
\$ 16,363,802	\$ 14,013,858	\$ 12,696,582	\$ 11,492,798	\$ 10,650,057
<u>(16,363,802)</u>	<u>(14,013,858)</u>	<u>(12,696,582)</u>	<u>(11,492,798)</u>	<u>(10,650,057)</u>
<u>\$ -</u>				
\$ 35,870,534	\$ 34,439,607	\$ 37,273,957	\$ 37,352,212	\$ 36,151,966
45.62%	40.69%	34.06%	30.77%	29.46%
6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

General Pension Plan

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

<b>Fiscal Year Ended:</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
<b>Total Pension Liability</b>				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	13,321	16,222	35,526	57,712
Differences between actual and expected experience	(528,328)	-	106,639	-
Changes in assumptions	(91,811)	-	72,660	66,443
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(240,913)	(371,727)	(401,991)	(424,760)
<b>Net change in the total pension liability</b>	<b>(847,731)</b>	<b>(355,505)</b>	<b>(187,166)</b>	<b>(300,605)</b>
<b>Total pension liability - beginning</b>	<b>1,452,567</b>	<b>1,808,072</b>	<b>1,995,238</b>	<b>2,295,843</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 604,836</b>	<b>\$ 1,452,567</b>	<b>\$ 1,808,072</b>	<b>\$ 1,995,238</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 152,897	\$ 345,348	\$ 319,025	\$ 503,714
Contributions - donations and other income	-	-	-	-
Contributions - member	-	-	-	-
Net investment income	26,443	3,617	5,501	23,724
Other additions	-	-	-	-
Benefit payments, including member contribution refunds	(240,913)	(371,727)	(401,991)	(424,760)
Administrative expenses	-	-	-	-
Other deductibles	-	-	-	-
<b>Net change in the total pension liability</b>	<b>(61,573)</b>	<b>(22,762)</b>	<b>(77,465)</b>	<b>102,678</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,070,264</b>	<b>1,093,026</b>	<b>1,170,491</b>	<b>1,067,813</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,008,691</b>	<b>\$ 1,070,264</b>	<b>\$ 1,093,026</b>	<b>\$ 1,170,491</b>
Net pension liability - ending (a) - (b)	\$ (403,855)	\$ 382,303	\$ 715,046	\$ 824,747
Plan fiduciary net position as a percentage of the total pension liability	166.8%	73.7%	60.5%	58.7%
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>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70,585	80,100	92,742	107,632	128,954	147,247
150,123	-	40,459	-	345,786	-
102,792	(20,669)	-	-	322,312	-
-	-	-	-	-	-
(494,605)	(524,939)	(584,272)	(623,662)	(672,546)	(592,105)
(171,105)	(465,508)	(451,071)	(516,030)	124,506	(444,858)
2,466,948	2,932,456	3,383,527	3,899,557	3,775,051	4,219,909
<u>\$ 2,295,843</u>	<u>\$ 2,466,948</u>	<u>\$ 2,932,456</u>	<u>\$ 3,383,527</u>	<u>\$ 3,899,557</u>	<u>\$ 3,775,051</u>
\$ 812,561	\$ 814,594	\$ 73,592	\$ 602,970	\$ 602,970	\$ 602,970
-	-	-	-	-	-
-	-	-	-	-	-
8,124	2,207	3,351	2,255	2,017	(837)
-	-	-	-	-	-
(494,605)	(524,939)	(584,272)	(623,662)	(672,546)	(592,105)
-	-	-	-	-	-
-	-	-	-	-	-
326,080	291,862	(507,329)	(18,437)	(67,559)	10,028
741,733	449,871	957,200	975,637	1,043,196	1,033,168
<u>\$ 1,067,813</u>	<u>\$ 741,733</u>	<u>\$ 449,871</u>	<u>\$ 957,200</u>	<u>\$ 975,637</u>	<u>\$ 1,043,196</u>
<u>\$ 1,228,030</u>	<u>\$ 1,725,215</u>	<u>\$ 2,482,585</u>	<u>\$ 2,426,327</u>	<u>\$ 2,923,920</u>	<u>\$ 2,731,855</u>
46.5%	30.1%	15.3%	28.3%	25.0%	27.6%
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
<b>Total Pension Liability</b>				
Interest	\$ 257,381	\$ 283,996	\$ 561,163	\$ 606,022
Differences between actual and expected experience	(515,830)	-	(3,680,825)	-
Changes in assumptions	(912,308)	-	28,483	-
Benefit payments, including refunds of employee contributions	(971,644)	(1,117,194)	(1,412,673)	(1,793,082)
<b>Net change in the total pension liability</b>	<b>(2,142,401)</b>	<b>(833,198)</b>	<b>(4,503,852)</b>	<b>(1,187,060)</b>
<b>Total pension liability - beginning</b>	<b>7,839,576</b>	<b>8,672,774</b>	<b>13,176,626</b>	<b>14,363,686</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 5,697,175</b>	<b>\$ 7,839,576</b>	<b>\$ 8,672,774</b>	<b>\$ 13,176,626</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ -	\$ -	\$ 937,004	\$ 937,004
Net investment income	954,475	(1,939,002)	2,527,138	584,954
Benefit payments, including member contribution refunds	(971,644)	(1,117,194)	(1,412,673)	(1,793,082)
Other deductibles	(2,546)	-	-	-
<b>Net change in the total pension liability</b>	<b>(19,715)</b>	<b>(3,056,196)</b>	<b>2,051,469</b>	<b>(271,124)</b>
<b>Plan fiduciary net position - beginning</b>	<b>10,057,651</b>	<b>13,113,847</b>	<b>11,062,378</b>	<b>11,333,502</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 10,037,936</b>	<b>\$ 10,057,651</b>	<b>\$ 13,113,847</b>	<b>\$ 11,062,378</b>
Net pension liability - ending (a) - (b)	\$ (4,340,761)	\$ (2,218,075)	\$ (4,441,073)	\$ 2,114,248
Plan fiduciary net position as a percentage of the total pension liability	176.2%	128.3%	151.2%	84.0%
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>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 952,312	\$ 1,031,753	\$ 1,111,386	\$ 1,214,089	\$ 1,464,746	\$ 1,579,762
(3,103,425)	-	261,891	-	(323,462)	-
1,037,914	-	-	-	1,380,854	-
<u>(2,170,136)</u>	<u>(2,656,508)</u>	<u>(2,859,902)</u>	<u>(3,140,552)</u>	<u>(3,074,421)</u>	<u>(3,436,887)</u>
(3,283,335)	(1,624,755)	(1,486,625)	(1,926,463)	(552,283)	(1,857,125)
17,647,021	19,271,776	20,758,401	22,684,864	23,237,147	25,094,272
<u>\$ 14,363,686</u>	<u>\$ 17,647,021</u>	<u>\$ 19,271,776</u>	<u>\$ 20,758,401</u>	<u>\$ 22,684,864</u>	<u>\$ 23,237,147</u>
\$ 1,270,466	\$ 1,270,466	\$ 1,270,466	\$ 1,222,197	\$ 740,235	\$ 740,235
645,593	589,027	1,340,997	(165,490)	369,240	2,968,492
(2,170,136)	(2,656,508)	(2,859,902)	(3,140,552)	(3,074,421)	(3,436,887)
-	-	-	-	-	(3,424,568)
<u>(254,077)</u>	<u>(797,015)</u>	<u>(248,439)</u>	<u>(2,083,845)</u>	<u>(1,964,946)</u>	<u>(3,152,728)</u>
11,587,579	12,384,594	12,633,033	14,716,878	16,681,824	19,834,552
<u>\$ 11,333,502</u>	<u>\$ 11,587,579</u>	<u>\$ 12,384,594</u>	<u>\$ 12,633,033</u>	<u>\$ 14,716,878</u>	<u>\$ 16,681,824</u>
<u>\$ 3,030,184</u>	<u>\$ 6,059,442</u>	<u>\$ 6,887,182</u>	<u>\$ 8,125,368</u>	<u>\$ 7,967,986</u>	<u>\$ 6,555,323</u>
78.9%	65.7%	64.3%	60.9%	64.9%	71.8%
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

Garfield Pension Plan

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

<b>Fiscal Year Ended:</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
<b>Total Pension Liability</b>				
Interest	\$ 2,676	\$ 2,950	\$ 4,877	\$ 7,756
Differences between actual and expected experience	(265,888)	-	51,995	-
Changes in assumptions	-	-	10,397	10,225
Benefit payments, including refunds of employee contributions	(8,845)	(51,807)	(50,048)	(49,067)
<b>Net change in the total pension liability</b>	<b>(272,057)</b>	<b>(48,857)</b>	<b>17,221</b>	<b>(31,086)</b>
<b>Total pension liability - beginning</b>	<b>272,057</b>	<b>320,914</b>	<b>303,693</b>	<b>334,779</b>
<b>Total pension liability - ending (a)</b>	<b>\$ -</b>	<b>\$ 272,057</b>	<b>\$ 320,914</b>	<b>\$ 303,693</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 12,408	\$ 12,408	\$ -	\$ -
Net investment income	5,825	(1,751)	1,984	6,914
Other deductions	(217,243)	-	-	-
Benefit payments, including member contribution refunds	(8,845)	(51,807)	(50,048)	(49,067)
<b>Net change in the total pension liability</b>	<b>(207,855)</b>	<b>(41,150)</b>	<b>(48,064)</b>	<b>(42,153)</b>
<b>Plan fiduciary net position - beginning</b>	<b>207,855</b>	<b>249,005</b>	<b>297,069</b>	<b>339,222</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ 207,855</b>	<b>\$ 249,005</b>	<b>\$ 297,069</b>
Net pension liability - ending (a) - (b)	\$ -	\$ 64,202	\$ 71,909	\$ 6,624
Plan fiduciary net position as a percentage of the total pension liability	n/a	76.4%	77.6%	97.8%
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>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 17,334	\$ 19,334	\$ 19,517	\$ 21,615	\$ 28,597	\$ 30,759
(220,079)	-	67,810	-	(45,458)	-
(1,426)	-	-	-	64,544	-
(77,703)	(94,323)	(92,474)	(90,660)	(88,883)	(87,140)
(281,874)	(74,989)	(5,147)	(69,045)	(41,200)	(56,381)
616,653	691,642	696,789	765,834	807,034	863,415
<u>\$ 334,779</u>	<u>\$ 616,653</u>	<u>\$ 691,642</u>	<u>\$ 696,789</u>	<u>\$ 765,834</u>	<u>\$ 807,034</u>
\$ 102,140	\$ 102,140	\$ 102,140	\$ 102,140	\$ 102,140	\$ 102,140
7,024	2,627	1,517	933	577	227
-	-	-	-	-	-
(77,703)	(94,323)	(92,474)	(90,660)	(88,883)	(87,141)
31,461	10,444	11,183	12,413	13,834	15,226
307,761	297,317	286,134	273,721	259,887	244,661
<u>\$ 339,222</u>	<u>\$ 307,761</u>	<u>\$ 297,317</u>	<u>\$ 286,134</u>	<u>\$ 273,721</u>	<u>\$ 259,887</u>
<u>\$ (4,443)</u>	<u>\$ 308,892</u>	<u>\$ 394,325</u>	<u>\$ 410,655</u>	<u>\$ 492,113</u>	<u>\$ 547,147</u>
101.3%	49.9%	43.0%	41.1%	35.7%	32.2%
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

*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
June 30, 2022	345,348	345,348	-	n/a	n/a
June 30, 2023	152,897	152,897	-	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
June 30, 2022	-	-	-	n/a	n/a
June 30, 2023	-	-	-	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
June 30, 2022	12,408	12,408	-	n/a	n/a
June 30, 2023	12,408	12,408	-	n/a	n/a

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

*Schedule of Contributions - Last 10 Years, Continued*

**Notes to Schedule:**

	<b>Police and Firemen's Plan</b>	<b>General Pension Plan</b>	<b>Garfield Pension Plan</b>
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)	2.50%	2.50%	n/a
Salary increases used to estimate future increases to pensions	n/a	n/a	n/a
Discount rate, net of investment expenses	3.50%	3.25%	n/a
Retirement age	Closed to new members	Closed to new members	Closed to new members
Mortality	California PERS Mortality Table in its 2017 experience study (based on CalPERS 1997 - 2015 experience)		

(A) There is no amortization of unfunded liability if the plan is more than 100% funded.

*Schedule of Investment Returns - Last 10 Years\**

Annual money- weighted rate of return, net of investment expense	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Pension Plan</b>	2.38%	0.36%	0.44%	1.54%	0.64%	1.00%	0.50%	0.30%	0.30%	0.10%
<b>Police and Firemen's Pension Plan</b>	9.93%	-15.40%	22.61%	5.11%	5.51%	4.90%	11.80%	-1.20%	2.40%	3.90%
<b>Garfield Pension Plan</b>	2.76%	-0.77%	0.72%	2.18%	1.93%	1.00%	0.60%	0.40%	0.30%	0.40%

\* Fiscal year 2014 was the 1st year of implementation.

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

**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\**

<b>For the Measurement Period Ended:</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
<b>Total OPEB Liability</b>				
Service cost	\$ 1,756,058	\$ 2,088,997	\$ 2,072,961	\$ 4,292,499
Interest	6,314,835	6,997,592	6,846,932	7,222,766
Changes in benefit terms	-	-	-	-
Differences between actual and expected experience	103,835	(11,982,490)	(140,135)	(28,723,614)
Changes in assumptions	-	(6,119,213)	1,173,106	(42,412,472)
Benefit payments	(6,931,088)	(7,272,797)	(7,011,178)	(7,753,129)
<b>Net change in the total OPEB liability</b>	<b>1,243,640</b>	<b>(16,287,911)</b>	<b>2,941,686</b>	<b>(67,373,950)</b>
<b>Total OPEB liability - beginning</b>	<b>106,956,742</b>	<b>123,244,653</b>	<b>120,302,967</b>	<b>187,676,917</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 108,200,382</b>	<b>\$ 106,956,742</b>	<b>\$ 123,244,653</b>	<b>\$ 120,302,967</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 13,518,089	\$ 10,042,891	\$ 9,515,699	\$ 12,720,085
Contributions - employee	585,950	589,125	623,088	642,475
Net investment income	3,089,068	(4,613,857)	6,562,745	709,908
Administrative expense	(64,547)	(61,195)	(111,868)	(89,764)
Benefit payments	(6,931,088)	(7,272,797)	(7,011,178)	(7,753,129)
Plan to Plan transfer (1)	-	-	-	-
<b>Net change in the total OPEB liability</b>	<b>10,197,472</b>	<b>(1,315,833)</b>	<b>9,578,486</b>	<b>6,229,575</b>
<b>Plan fiduciary net position - beginning</b>	<b>31,123,971</b>	<b>32,439,804</b>	<b>22,861,318</b>	<b>16,631,743</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 41,321,443</b>	<b>\$ 31,123,971</b>	<b>\$ 32,439,804</b>	<b>\$ 22,861,318</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 66,878,939</b>	<b>\$ 75,832,771</b>	<b>\$ 90,804,849</b>	<b>\$ 97,441,649</b>
Plan fiduciary net position as a percentage percentage of the total OPEB liability	38.19%	29.10%	26.32%	19.00%
Covered employee payroll	\$ 47,613,516	\$ 45,133,662	\$ 46,698,024	\$ 50,016,647
Net OPEB liability as a percentage of covered employee payroll	140.46%	168.02%	194.45%	194.82%

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

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

6/30/2019	6/30/2018	6/30/2017
\$ 3,452,679	\$ 6,730,397	\$ 7,558,987
7,625,498	7,927,217	7,064,307
(19,910,800)	-	-
-	(2,816,969)	-
(1,409,953)	8,715,168	(15,340,529)
(7,247,073)	(6,861,529)	(6,497,645)
(17,489,649)	13,694,284	(7,214,880)
205,166,566	191,472,282	198,687,162
<u>\$ 187,676,917</u>	<u>\$ 205,166,566</u>	<u>\$ 191,472,282</u>

\$ 6,714,785	\$ 13,599,120	\$ 13,218,475
532,288	765,475	278,850
1,170,454	632,089	227,394
(81,950)	(49,169)	(11,250)
(7,247,073)	(6,861,529)	(6,497,645)
(1,879,640)	-	-
(791,136)	8,085,986	7,215,824
17,422,879	9,336,893	2,121,069
<u>\$ 16,631,743</u>	<u>\$ 17,422,879</u>	<u>\$ 9,336,893</u>
<u>\$ 171,045,174</u>	<u>\$ 187,743,687</u>	<u>\$ 182,135,389</u>

8.86%	8.49%	4.88%
\$ 49,511,523	\$ 65,359,713	\$ 66,774,795
345.47%	287.25%	272.76%

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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

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

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

<b>Fiscal Year Ended:</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Contractually required contributions (CRC) (1)/ Actuarially determined employer contribution (ADEC)	\$ 8,107,624	\$ 9,525,000	\$ 12,641,000	\$ 7,753,129
Contributions in relation to the CRC/ ADEC	<u>(13,518,089)</u>	<u>(10,042,891)</u>	<u>(9,515,697)</u>	<u>(7,753,129)</u>
Contribution deficiency (excess)	<u>\$ (5,410,465)</u>	<u>\$ (517,891)</u>	<u>\$ 3,125,303</u>	<u>\$ -</u>

**Notes:**

(1) Before FY2021, the City does not calculate an Actuarially Determined Contribution, but the City's agreements with its bargaining units provide for various benefit levels as discussed in the Notes to the Financial Statements. Contributions reported include the implicit subsidy.

*Schedule of Investment Returns - Last 10 Years\**

<b>Fiscal Year Ended:</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
Annual money weighted rate of return, net of investment expense	9.03%	-13.92%	26.66%	3.48%

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

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<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 7,247,073	\$ 6,861,529	\$ 6,497,645
<u>(7,247,073)</u>	<u>(6,861,529)</u>	<u>(6,497,645)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
6.74%	6.30%	10.75%

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

**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:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
<b>Total OPEB Liability</b>					
Service cost	\$ 751,175	\$ 1,027,120	\$ 1,871,012	\$ 2,053,367	\$ 1,939,517
Interest	962,027	1,107,706	800,939	850,944	764,597
Changes in benefit terms	-	-	-	-	21,995,467
Differences between actual and expected experience	52,738	(4,595,658)	10,367	(1,784,304)	-
Changes in assumptions	-	(323,325)	(9,082,375)	401,383	-
Benefit payments	(315,302)	(382,892)	(277,277)	(156,536)	(82,673)
<b>Net change in the total OPEB liability</b>	<b>1,450,638</b>	<b>(3,167,049)</b>	<b>(6,677,334)</b>	<b>1,364,854</b>	<b>24,616,908</b>
<b>Total OPEB liability - beginning</b>	<b>16,137,379</b>	<b>19,304,428</b>	<b>25,981,762</b>	<b>24,616,908</b>	<b>-</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 17,588,017</b>	<b>\$ 16,137,379</b>	<b>\$ 19,304,428</b>	<b>\$ 25,981,762</b>	<b>\$ 24,616,908</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 1,952,362	\$ 1,955,147	\$ 1,028,868	\$ 1,851,964	\$ -
Contributions - employee	344,550	403,650	453,163	425,213	82,673
Net investment income	321,979	(833,976)	935,134	170,322	-
Plan to Plan transfer (1)	-	-	-	-	1,879,640
Benefit payments	(315,302)	(382,892)	(277,277)	(156,536)	(82,673)
Administrative expense	(4,052)	(3,187)	(2,612)	-	-
<b>Net change in the total OPEB liability</b>	<b>2,299,537</b>	<b>1,138,742</b>	<b>2,137,276</b>	<b>2,290,963</b>	<b>1,879,640</b>
<b>Plan fiduciary net position - beginning</b>	<b>7,446,621</b>	<b>6,307,879</b>	<b>4,170,603</b>	<b>1,879,640</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 9,746,158</b>	<b>\$ 7,446,621</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>\$ 7,841,859</b>	<b>\$ 8,690,758</b>	<b>\$ 12,996,549</b>	<b>\$ 21,811,159</b>	<b>\$ 22,737,268</b>
Plan fiduciary net position as a percentage of the total OPEB liability	55.41%	46.15%	32.68%	16.05%	7.64%
Covered employee payroll	\$ 12,167,295	\$ 13,527,611	\$ 16,100,126	\$ 16,699,113	\$ 17,404,407
Net OPEB liability as a percentage of covered employee payroll	64.45%	64.24%	80.72%	130.61%	130.64%

(1) Transferred from the OPEB Plan.

\* Fiscal year 2019 was the 1st year of implementation.

**City of Richmond**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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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:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Contractually required(CRC)					
/ Actuarially determined					
employer contributions (ADEC) (1)	\$ 1,107,178	\$ 1,627,000	\$ 1,878,000	\$ 1,851,964	\$ 82,673
Contributions in relation to the CRC/ADEC	(1,952,362)	(1,955,147)	(1,028,868)	(1,851,964)	(82,673)
Contribution deficiency (excess)	\$ (845,184)	\$ (328,147)	\$ 849,132	\$ -	\$ -

**Notes:**

- (1) Before FY2021 the City does not calculate an Actuarially Determined Contribution, but the City's agreements with its bargaining units provide for various benefit levels as discussed in the Notes to the Financial Statements. Contributions reported include the implicit subsidy.

\* Fiscal year 2019 was the 1st year of implementation.

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# SUPPLEMENTARY INFORMATION

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## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

*State Gas Tax Fund* accounts for the subventions received from state gas taxes under the provision of the Streets and Highways Code. State gas taxes are restricted for street construction activities including location of underground utilities, geotechnical work relating to identification of soil and groundwater contamination, materials sampling, and testing.

*General Purpose Fund* accounts for other restricted monies that are to be used for the specific purposes for which the funds were set up.

*Paratransit Operations Fund* accounts for monies used to provide subsidized, accessible transportation to the seniors and disabled residents of the City of Richmond and the adjacent unincorporated areas of West Contra Costa County.

*Employment & Training Fund* is a fund set up to plan, administer and operate job training programs for the adult and youth residents of Richmond.

*Public Safety Fund* records the receipt and use of grant monies under the Local Law Enforcements Block Grant Program, Office of Traffic Safety Grants, OES Grants, FEMA Grants, and various other grants.

*Lighting and Landscaping Districts Fund* was set up to account for maintenance services in the nature of landscaping, lighting, cleaning provided to the Hilltop parking lot area, the Marina Way Development area, and the Marina Bay area.

*Developer Impact Fees Fund* is used to account for monies received from fees levied by the City on new commercial and residential projects. These funds will be used to mitigate the additional public safety and infrastructure costs resulting from these development projects.

*Secured Pension Override Fund* records the receipt of Pension Tax override collected through property taxes for payment of pension contributions.

*Richmond Neighborhood Stabilization Corporation Fund* accounts for the activities of the Corporation.

*Rent Control Fund* is used to account for fees paid by landlords to fund the operation of Richmond's Fair Rent, Just Cause for Eviction, and Homeowner Protection programs.

*Cost Recovery Fund* is used to record the receipt and use of monies for services provided to the public and developers.

*Environmental and Community Investment Agreement (ECIA) Fund* accounts for funding received from Chevron in conjunction with the Chevron Modernization Project Environmental and Community Investment Agreement to fund various projects and programs within the City of Richmond.

## 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 (0.5%) sales and use tax. Twenty percent (20%) 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, 2023**

	Special Revenue Funds			
	State Gas Tax Fund	General Purpose Fund	Paratransit Operations Fund	Employment and Training Fund
<b>ASSETS</b>				
Cash and investments	\$ 3,141,866	\$ 9,781,322	\$ -	\$ 868,088
Restricted cash and investments	-	-	-	17,504
Receivables:				
Accounts, net	487,838	12,503	50	46,076
Interest	5,394	12,438	-	-
Grants	-	4,953,517	35,903	1,641,524
Loans	-	-	-	-
Prepays, supplies and other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 3,635,098</b>	<b>\$ 14,759,780</b>	<b>\$ 35,953</b>	<b>\$ 2,573,192</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 162,089	\$ 1,105,874	\$ 36,593	\$ 506,756
Refundable deposits	-	-	-	-
Due to other funds	-	-	801,233	-
Unearned revenue	-	7,514,244	-	118,149
<b>Total liabilities</b>	<b>162,089</b>	<b>8,620,118</b>	<b>837,826</b>	<b>624,905</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	4,461,890	35,903	655,547
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>4,461,890</b>	<b>35,903</b>	<b>655,547</b>
<b>Fund Balances:</b>				
Restricted	3,473,009	1,677,772	-	1,292,740
Unassigned	-	-	(837,776)	-
<b>Total fund balances</b>	<b>3,473,009</b>	<b>1,677,772</b>	<b>(837,776)</b>	<b>1,292,740</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,635,098</b>	<b>\$ 14,759,780</b>	<b>\$ 35,953</b>	<b>\$ 2,573,192</b>

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
\$ 306,072	\$ 1,241,713	\$ 11,252,378	\$ 5,805,054	\$ -	\$ 1,318,685
-	-	-	-	124,772	-
-	1,496	-	-	-	3,911
564	2,401	20,757	6,739	-	3,196
-	-	-	-	-	-
-	-	-	-	779,013	-
-	-	-	-	-	-
<u>\$ 306,636</u>	<u>\$ 1,245,610</u>	<u>\$ 11,273,135</u>	<u>\$ 5,811,793</u>	<u>\$ 903,785</u>	<u>\$ 1,325,792</u>
\$ 45,642	\$ 239,259	\$ 94,998	\$ -	\$ 2,797	\$ 34,475
-	-	-	-	-	-
-	-	-	-	54,779	-
-	-	-	-	-	5,799
<u>45,642</u>	<u>239,259</u>	<u>94,998</u>	<u>-</u>	<u>57,576</u>	<u>40,274</u>
-	1,496	-	-	779,013	-
-	1,496	-	-	779,013	-
260,994	1,004,855	11,178,137	5,811,793	67,196	1,285,518
-	-	-	-	-	-
<u>260,994</u>	<u>1,004,855</u>	<u>11,178,137</u>	<u>5,811,793</u>	<u>67,196</u>	<u>1,285,518</u>
<u>\$ 306,636</u>	<u>\$ 1,245,610</u>	<u>\$ 11,273,135</u>	<u>\$ 5,811,793</u>	<u>\$ 903,785</u>	<u>\$ 1,325,792</u>

**City of Richmond**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	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	\$ 8,765,947	\$ 17,932,914	\$ 1,984	\$ 80,526
Restricted cash and investments	-	-	234,805	-
Receivables:				
Accounts, net	573,337	-	-	-
Interest	27,684	31,930	1	-
Grants	6,606,374	-	-	-
Loans	-	-	-	-
Prepays, supplies and other assets	150,000	-	-	-
<b>Total assets</b>	<b>\$ 16,123,342</b>	<b>\$ 17,964,844</b>	<b>\$ 236,790</b>	<b>\$ 80,526</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,857,957	\$ 163,342	\$ -	\$ -
Refundable deposits	691,755	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	2,345,424	-	-	-
<b>Total liabilities</b>	<b>4,895,136</b>	<b>163,342</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	5,896,406	-	-	-
<b>Total deferred inflows of resources</b>	<b>5,896,406</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	5,331,800	17,801,502	236,790	80,526
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>5,331,800</b>	<b>17,801,502</b>	<b>236,790</b>	<b>80,526</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,123,342</b>	<b>\$ 17,964,844</b>	<b>\$ 236,790</b>	<b>\$ 80,526</b>

Debt Service Fund	Capital Projects Funds				
Civic Center Debt Service Fund	General Capital Improvement Fund	Measure C/J Fund	Harbor Navigation Fund	Total Nonmajor Governmental Funds	
\$ 88,196	\$ 23,730,045	\$ 1,071,870	\$ 46,444	\$	85,433,104
2,772	92,607	-	-		472,460
-	-	-	-		1,125,211
-	-	2,556	86		113,746
-	-	1,938,881	-		15,176,199
-	-	-	-		779,013
-	-	-	-		150,000
<u>\$ 90,968</u>	<u>\$ 23,822,652</u>	<u>\$ 3,013,307</u>	<u>\$ 46,530</u>	<u>\$</u>	<u>103,249,733</u>
\$ -	\$ 214,387	\$ 151,443	\$ -	\$	4,615,612
-	-	-	-		691,755
-	-	-	-		856,012
2,311,108	-	-	-		12,294,724
<u>2,311,108</u>	<u>214,387</u>	<u>151,443</u>	<u>-</u>		<u>18,458,103</u>
-	-	958,943	-		12,789,198
-	-	958,943	-		12,789,198
-	23,608,265	1,902,921	46,530		75,060,348
(2,220,140)	-	-	-		(3,057,916)
<u>(2,220,140)</u>	<u>23,608,265</u>	<u>1,902,921</u>	<u>46,530</u>		<u>72,002,432</u>
<u>\$ 90,968</u>	<u>\$ 23,822,652</u>	<u>\$ 3,013,307</u>	<u>\$ 46,530</u>	<u>\$</u>	<u>103,249,733</u>

**City of Richmond**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2023**

	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	-	438,638	-	-
Fines, forfeitures and penalties	-	3,810	-	-
Use of money and property	67,483	93,460	-	-
Intergovernmental	5,475,775	2,675,055	(19,190)	3,487,543
Charges for services	-	1,528,674	55,531	-
Other	-	-	50	117
<b>Total revenues</b>	<b>5,543,258</b>	<b>4,739,637</b>	<b>36,391</b>	<b>3,487,660</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	2,485,134	855,873	-
Public safety	-	1,406,174	-	-
Public works	4,587,621	377,739	-	-
Community development	-	-	-	5,934,917
Cultural and recreational	-	339,874	-	-
Housing and redevelopment	-	-	-	-
Capital outlay	1,430,179	953,569	-	-
Debt service:				
Principal	-	-	-	-
Debt defeasance using existing resources	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>6,017,800</b>	<b>5,562,490</b>	<b>855,873</b>	<b>5,934,917</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(474,542)</b>	<b>(822,853)</b>	<b>(819,482)</b>	<b>(2,447,257)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Payment to refunded bonds escrow agent	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Transfers in	-	624,208	-	2,624,137
Transfers out	-	(64,084)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>560,124</b>	<b>-</b>	<b>2,624,137</b>
<b>Net change in fund balances</b>	<b>(474,542)</b>	<b>(262,729)</b>	<b>(819,482)</b>	<b>176,880</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	3,947,551	1,940,501	(18,294)	1,115,860
End of year	\$ 3,473,009	\$ 1,677,772	\$ (837,776)	\$ 1,292,740

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
\$ -	\$ 1,785,202	\$ -	\$ 26,010,577	\$ -	\$ -
-	-	1,745,035	-	-	2,553,651
-	-	-	-	-	-
6,107	23,817	220,470	34,736	-	39,267
-	-	-	-	-	10,000
-	-	-	-	-	-
5,017	-	-	-	-	40,078
<u>11,124</u>	<u>1,809,019</u>	<u>1,965,505</u>	<u>26,045,313</u>	<u>-</u>	<u>2,642,996</u>
-	-	-	820	-	-
63,660	-	87,635	-	-	-
-	2,768,238	337,376	-	-	-
-	-	-	-	-	-
-	-	9,045	-	-	-
-	-	-	-	8,490	2,652,945
-	216,855	164,470	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>63,660</u>	<u>2,985,093</u>	<u>598,526</u>	<u>820</u>	<u>8,490</u>	<u>2,652,945</u>
<u>(52,536)</u>	<u>(1,176,074)</u>	<u>1,366,979</u>	<u>26,044,493</u>	<u>(8,490)</u>	<u>(9,949)</u>
-	-	-	-	-	-
-	-	-	-	-	-
6,209	703,081	-	-	-	-
-	-	(52,000)	(20,232,700)	-	-
<u>6,209</u>	<u>703,081</u>	<u>(52,000)</u>	<u>(20,232,700)</u>	<u>-</u>	<u>-</u>
<u>(46,327)</u>	<u>(472,993)</u>	<u>1,314,979</u>	<u>5,811,793</u>	<u>(8,490)</u>	<u>(9,949)</u>
307,321	1,477,848	9,863,158	-	75,686	1,295,467
<u>\$ 260,994</u>	<u>\$ 1,004,855</u>	<u>\$ 11,178,137</u>	<u>\$ 5,811,793</u>	<u>\$ 67,196</u>	<u>\$ 1,285,518</u>

**City of Richmond**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2023**

	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	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	9,861,533	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	281,888	326,886	31,914	291
Intergovernmental	5,561,000	6,000,000	-	-
Charges for services	1,320,285	-	-	-
Other	20	49,824	-	-
<b>Total revenues</b>	<b>17,024,726</b>	<b>6,376,710</b>	<b>31,914</b>	<b>291</b>
<b>EXPENDITURES:</b>				
Current:				
General government	11,624,240	4,150,887	-	-
Public safety	-	555	-	-
Public works	893,648	111,865	-	-
Community development	(50,000)	-	-	-
Cultural and recreational	-	-	-	-
Housing and redevelopment	-	-	-	-
Capital outlay	3,002,204	169,177	-	-
Debt service:				
Principal	-	-	11,593,000	620,000
Debt defeasance using existing resources	-	-	-	2,163,313
Interest and fiscal charges	-	-	1,513,139	109,495
<b>Total expenditures</b>	<b>15,470,092</b>	<b>4,432,484</b>	<b>13,106,139</b>	<b>2,892,808</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,554,634</b>	<b>1,944,226</b>	<b>(13,074,225)</b>	<b>(2,892,517)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Payment to refunded bonds escrow agent	-	-	(152,904,036)	-
Issuance of refunding bonds	-	-	154,140,000	-
Transfers in	782,154	-	4,944	2,972,836
Transfers out	-	-	(690,145)	-
<b>Total other financing sources (uses)</b>	<b>782,154</b>	<b>-</b>	<b>550,763</b>	<b>2,972,836</b>
<b>Net change in fund balances</b>	<b>2,336,788</b>	<b>1,944,226</b>	<b>(12,523,462)</b>	<b>80,319</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	2,995,012	15,857,276	12,760,252	207
End of year	\$ 5,331,800	\$ 17,801,502	\$ 236,790	\$ 80,526

Debt Service		Capital Projects Funds			Total Nonmajor Governmental Funds
Fund					
Civic Center Debt Service Fund	General Capital Improvement Fund	Measure C/J Fund	Harbor Navigation Fund		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,795,779
-	-	-	-	-	14,598,857
-	-	-	-	-	3,810
8,994	3,303	35,493	912	-	1,175,021
-	-	979,937	-	-	24,170,120
5,470,630	-	-	-	-	8,375,120
3,603	237,300	-	-	-	336,009
5,483,227	240,603	1,015,430	912	-	76,454,716
-	-	-	-	-	19,116,954
-	-	-	-	-	1,558,024
-	48,529	662,019	-	-	9,787,035
-	-	-	-	-	5,884,917
-	-	-	-	-	348,919
-	-	-	-	-	2,661,435
-	909,432	878,424	-	-	7,724,310
3,650,000	-	-	-	-	15,863,000
4,114,706	-	-	-	-	2,163,313
7,764,706	957,961	1,540,443	-	-	5,737,340
(2,281,479)	(717,358)	(525,013)	912	-	70,845,247
-	-	-	-	-	5,609,469
-	-	-	-	-	(152,904,036)
-	-	-	-	-	154,140,000
1,418,372	21,666,976	-	-	-	30,802,917
-	-	-	-	-	(21,038,929)
1,418,372	21,666,976	-	-	-	10,999,952
(863,107)	20,949,618	(525,013)	912	-	16,609,421
(1,357,033)	2,658,647	2,427,934	45,618	-	55,393,011
\$ (2,220,140)	\$ 23,608,265	\$ 1,902,921	\$ 46,530	\$ -	\$ 72,002,432

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 67,483	\$ 67,483
Intergovernmental	5,713,569	5,713,569	5,475,775	(237,794)
<b>Total revenues</b>	<b>5,713,569</b>	<b>5,713,569</b>	<b>5,543,258</b>	<b>(170,311)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,809,594	4,867,091	4,587,621	279,470
Capital outlay	2,401,498	2,892,371	1,430,179	1,462,192
<b>Total expenditures</b>	<b>5,211,092</b>	<b>7,759,462</b>	<b>6,017,800</b>	<b>1,741,662</b>
<b>Net change in fund balances</b>	<b>\$ 502,477</b>	<b>\$ (2,045,893)</b>	<b>(474,542)</b>	<b>\$ 1,571,351</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			3,947,551	
End of year			<u>\$ 3,473,009</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 149,207	\$ 149,207	\$ 438,638	\$ 289,431
Fines, forfeitures and penalties	-	-	3,810	3,810
Use of money and property	-	-	93,460	93,460
Intergovernmental	7,714,689	39,854,278	2,675,055	(37,179,223)
Charges for services	200,000	200,000	1,528,674	1,328,674
Other	500	500	-	(500)
<b>Total revenues</b>	<b>8,064,396</b>	<b>40,203,985</b>	<b>4,739,637</b>	<b>(35,464,348)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	7,474,050	12,730,737	2,485,134	10,245,603
Public safety	1,558,727	4,201,422	1,406,174	2,795,248
Public works	201,037	2,919,630	377,739	2,541,891
Cultural and recreational	183,606	1,699,857	339,874	1,359,983
Capital outlay	234,000	22,123,159	953,569	21,169,590
<b>Total expenditures</b>	<b>9,651,420</b>	<b>43,674,805</b>	<b>5,562,490</b>	<b>38,112,315</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(1,587,024)</b>	<b>(3,470,820)</b>	<b>(822,853)</b>	<b>2,647,967</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	406,812	624,208	217,396
Transfers out	-	(64,084)	(64,084)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>342,728</b>	<b>560,124</b>	<b>217,396</b>
<b>Net change in fund balances</b>	<b>\$ (1,587,024)</b>	<b>\$ (3,128,092)</b>	<b>(262,729)</b>	<b>\$ 2,865,363</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			1,940,501	
End of year			<b>\$ 1,677,772</b>	

**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Paratransit Operations Fund**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 859,097	\$ 859,097	\$ (19,190)	\$ (878,287)
Charges for services	-	-	55,531	55,531
Other	20,000	20,000	50	(19,950)
<b>Total revenues</b>	<b>879,097</b>	<b>879,097</b>	<b>36,391</b>	<b>(842,706)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	836,102	848,408	855,873	(7,465)
Community development	13,400	1,094	-	1,094
<b>Total expenditures</b>	<b>849,502</b>	<b>849,502</b>	<b>855,873</b>	<b>(6,371)</b>
<b>Net change in fund balances</b>	<b>\$ 29,595</b>	<b>\$ 29,595</b>	<b>(819,482)</b>	<b>\$ (849,077)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			(18,294)	
End of year			<u>\$ (837,776)</u>	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 7,000,280	\$ 12,455,841	\$ 3,487,543	\$ (8,968,298)
Other	-	-	117	117
<b>Total revenues</b>	<b>7,000,280</b>	<b>12,455,841</b>	<b>3,487,660</b>	<b>(8,968,181)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	9,213,589	15,498,139	5,934,917	9,563,222
Capital outlay	100,000	100,000	-	100,000
<b>Total expenditures</b>	<b>9,313,589</b>	<b>15,598,139</b>	<b>5,934,917</b>	<b>9,663,222</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(2,313,309)</b>	<b>(3,142,298)</b>	<b>(2,447,257)</b>	<b>695,041</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,723,201	2,787,285	2,624,137	(163,148)
<b>Total other financing sources (uses)</b>	<b>2,723,201</b>	<b>2,787,285</b>	<b>2,624,137</b>	<b>(163,148)</b>
<b>Net change in fund balances</b>	<b>\$ 409,892</b>	<b>\$ (355,013)</b>	<b>176,880</b>	<b>\$ 531,893</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			1,115,860	
End of year			<b>\$ 1,292,740</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 6,107	\$ 6,107
Other	20,000	20,000	5,017	(14,983)
<b>Total revenues</b>	<b>20,000</b>	<b>20,000</b>	<b>11,124</b>	<b>(8,876)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	83,400	208,400	63,660	144,740
<b>Total expenditures</b>	<b>83,400</b>	<b>208,400</b>	<b>63,660</b>	<b>144,740</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(63,400)</b>	<b>(188,400)</b>	<b>(52,536)</b>	<b>135,864</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	6,209	6,209
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>6,209</b>	<b>6,209</b>
<b>Net change in fund balances</b>	<b>\$ (63,400)</b>	<b>\$ (188,400)</b>	<b>(46,327)</b>	<b>\$ 142,073</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			307,321	
End of year			<u>\$ 260,994</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 1,780,698	\$ 1,780,698	\$ 1,785,202	\$ 4,504
Use of money and property	-	-	23,817	23,817
<b>Total revenues</b>	<b>1,780,698</b>	<b>1,780,698</b>	<b>1,809,019</b>	<b>28,321</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,698,662	2,705,662	2,768,238	(62,576)
Capital outlay	-	223,000	216,855	6,145
<b>Total expenditures</b>	<b>2,698,662</b>	<b>2,928,662</b>	<b>2,985,093</b>	<b>(56,431)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(917,964)</b>	<b>(1,147,964)</b>	<b>(1,176,074)</b>	<b>(28,110)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	691,551	703,081	703,081	-
<b>Total other financing sources (uses)</b>	<b>691,551</b>	<b>703,081</b>	<b>703,081</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (226,413)</b>	<b>\$ (444,883)</b>	<b>(472,993)</b>	<b>\$ (28,110)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			1,477,848	
End of year			<u>\$ 1,004,855</u>	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ -	\$ 1,605,377	\$ 1,745,035	\$ 139,658
Use of money and property	-	-	220,470	220,470
<b>Total revenues</b>	-	1,605,377	1,965,505	360,128
<b>EXPENDITURES:</b>				
Current:				
Public safety	89,383	89,383	87,635	1,748
Public works	278,639	586,628	337,376	249,252
Cultural and recreational	329,295	338,245	9,045	329,200
Capital outlay	1,307,394	3,200,685	164,470	3,036,215
<b>Total expenditures</b>	2,004,711	4,214,941	598,526	3,616,415
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(2,004,711)	(2,609,564)	1,366,979	3,976,543
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(52,000)	(52,000)	-
<b>Total other financing sources (uses)</b>	-	(52,000)	(52,000)	-
<b>Net change in fund balances</b>	\$ (2,004,711)	\$ (2,661,564)	1,314,979	\$ 3,976,543
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			9,863,158	
End of year			\$ 11,178,137	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 17,350,450	\$ 17,350,450	\$ 26,010,577	\$ 8,660,127
Use of money and property	-	-	34,736	34,736
<b>Total revenues</b>	<b>17,350,450</b>	<b>17,350,450</b>	<b>26,045,313</b>	<b>8,694,863</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	820	(820)
Public safety	937,004	937,004	-	937,004
<b>Total expenditures</b>	<b>937,004</b>	<b>937,004</b>	<b>820</b>	<b>936,184</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>16,413,446</b>	<b>16,413,446</b>	<b>26,044,493</b>	<b>9,631,047</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(16,413,985)	(16,413,985)	(20,232,700)	(3,818,715)
<b>Total other financing sources (uses)</b>	<b>(16,413,985)</b>	<b>(16,413,985)</b>	<b>(20,232,700)</b>	<b>(3,818,715)</b>
<b>Net change in fund balances</b>	<b>\$ (539)</b>	<b>\$ (539)</b>	<b>5,811,793</b>	<b>\$ 5,812,332</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			-	
End of year			<b>\$ 5,811,793</b>	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 144	\$ 144	\$ -	\$ (144)
Other	15,000	15,000	-	(15,000)
<b>Total revenues</b>	<b>15,144</b>	<b>15,144</b>	<b>-</b>	<b>(15,144)</b>
<b>EXPENDITURES:</b>				
Current:				
Housing and redevelopment	13,193	5,693	8,490	(2,797)
<b>Total expenditures</b>	<b>13,193</b>	<b>5,693</b>	<b>8,490</b>	<b>(2,797)</b>
<b>Net change in fund balances</b>	<b>\$ 1,951</b>	<b>\$ 9,451</b>	<b>(8,490)</b>	<b>\$ (17,941)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			75,686	
End of year			\$ 67,196	

**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Rent Control Fund**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 3,062,687	\$ 3,062,687	\$ 2,553,651	\$ (509,036)
Use of money and property	14,000	14,000	39,267	25,267
Intergovernmental	-	-	10,000	10,000
Other	30,000	30,000	40,078	10,078
<b>Total revenues</b>	<b>3,106,687</b>	<b>3,106,687</b>	<b>2,642,996</b>	<b>(463,691)</b>
<b>EXPENDITURES:</b>				
Current:				
Housing and redevelopment	2,735,580	2,738,580	2,652,945	85,635
<b>Total expenditures</b>	<b>2,735,580</b>	<b>2,738,580</b>	<b>2,652,945</b>	<b>85,635</b>
<b>Net change in fund balances</b>	<b>\$ 371,107</b>	<b>\$ 368,107</b>	<b>(9,949)</b>	<b>\$ (378,056)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			1,295,467	
End of year			<u>\$ 1,285,518</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 7,230,259	\$ 7,230,259	\$ 9,861,533	\$ 2,631,274
Use of money and property	-	-	281,888	281,888
Intergovernmental	15,009,778	28,884,250	5,561,000	(23,323,250)
Charges for services	3,726,592	3,726,592	1,320,285	(2,406,307)
Other	-	-	20	20
<b>Total revenues</b>	<b>25,966,629</b>	<b>39,841,101</b>	<b>17,024,726</b>	<b>(22,816,375)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	12,186,939	18,079,374	11,624,240	6,455,134
Public works	1,006,309	1,826,199	893,648	932,551
Community development	-	-	(50,000)	50,000
Capital outlay	14,409,778	26,038,712	3,002,204	23,036,508
<b>Total expenditures</b>	<b>27,603,026</b>	<b>45,944,285</b>	<b>15,470,092</b>	<b>30,474,193</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(1,636,397)</b>	<b>(6,103,184)</b>	<b>1,554,634</b>	<b>7,657,818</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,800,000	1,800,000	782,154	(1,017,846)
<b>Total other financing sources (uses)</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>782,154</b>	<b>(1,017,846)</b>
<b>Net change in fund balances</b>	<b>\$ 163,603</b>	<b>\$ (4,303,184)</b>	<b>2,336,788</b>	<b>\$ 6,639,972</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			2,995,012	
End of year			<b>\$ 5,331,800</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 326,886	\$ 326,886
Intergovernmental	206,842	206,842	6,000,000	5,793,158
Other	69,000	69,000	49,824	(19,176)
<b>Total revenues</b>	<b>275,842</b>	<b>275,842</b>	<b>6,376,710</b>	<b>6,100,868</b>
<b>EXPENDITURES:</b>				
Current:				
General government	8,729,305	8,729,305	4,150,887	4,578,418
Public safety	223,000	223,000	555	222,445
Public works	123,842	233,208	111,865	121,343
Cultural and recreational	534,430	534,430	-	534,430
Capital outlay	1,313,655	1,519,116	169,177	1,349,939
<b>Total expenditures</b>	<b>10,924,232</b>	<b>11,239,059</b>	<b>4,432,484</b>	<b>6,806,575</b>
<b>Net change in fund balances</b>	<b>\$ (10,648,390)</b>	<b>\$ (10,963,217)</b>	<b>1,944,226</b>	<b>\$ 12,907,443</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			15,857,276	
End of year			\$ 17,801,502	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 13,052,125	\$ 13,052,125	\$ -	\$ (13,052,125)
Use of money and property	-	-	31,914	31,914
<b>Total revenues</b>	<b>13,052,125</b>	<b>13,052,125</b>	<b>31,914</b>	<b>(13,020,211)</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	11,593,000	11,593,000	11,593,000	-
Interest and fiscal charges	1,459,125	1,459,125	1,513,139	(54,014)
<b>Total expenditures</b>	<b>13,052,125</b>	<b>13,052,125</b>	<b>13,106,139</b>	<b>(54,014)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(13,074,225)</b>	<b>(13,074,225)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Payment to refunded bonds escrow agent	-	-	(152,904,036)	(152,904,036)
Issuance of refunding bonds	-	-	154,140,000	154,140,000
Transfers in	-	4,944	4,944	-
Transfers out	-	-	(690,145)	(690,145)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>4,944</b>	<b>550,763</b>	<b>545,819</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 4,944</b>	<b>(12,523,462)</b>	<b>\$ (12,528,406)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			12,760,252	
End of year			<u>\$ 236,790</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 291	\$ 291
<b>Total revenues</b>	-	-	291	291
<b>EXPENDITURES:</b>				
Debt service:				
Principal	620,000	620,000	620,000	-
Debt defeasance using existing resources	-	-	2,163,313	(2,163,313)
Interest and fiscal charges	189,023	189,023	109,495	79,528
<b>Total expenditures</b>	809,023	809,023	2,892,808	(2,083,785)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(809,023)	(809,023)	(2,892,517)	(2,083,494)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	809,523	2,282,691	2,972,836	690,145
<b>Total other financing sources (uses)</b>	809,523	2,282,691	2,972,836	690,145
<b>Net change in fund balances</b>	\$ 500	\$ 1,473,668	80,319	\$ (1,393,349)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			207	
End of year			\$ 80,526	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 8,994	8,994
Charges for services	5,349,070	5,349,070	5,470,630	121,560
Other	-	-	3,603	3,603
<b>Total revenues</b>	<b>5,349,070</b>	<b>5,349,070</b>	<b>5,483,227</b>	<b>134,157</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	3,650,000	3,650,000	3,650,000	-
Interest and fiscal charges	4,100,938	4,100,938	4,114,706	(13,768)
<b>Total expenditures</b>	<b>7,750,938</b>	<b>7,750,938</b>	<b>7,764,706</b>	<b>(13,768)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(2,401,868)</b>	<b>(2,401,868)</b>	<b>(2,281,479)</b>	<b>120,389</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,418,372	1,418,372	1,418,372	-
<b>Total other financing sources (uses)</b>	<b>1,418,372</b>	<b>1,418,372</b>	<b>1,418,372</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (983,496)</b>	<b>\$ (983,496)</b>	<b>(863,107)</b>	<b>\$ 120,389</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			(1,357,033)	
End of year			<b>\$ (2,220,140)</b>	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 3,303	\$ 3,303
Other	-	-	237,300	237,300
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>240,603</b>	<b>240,603</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	65,000	4,308,951	48,529	4,260,422
Capital outlay	2,996,487	19,559,718	909,432	18,650,286
<b>Total expenditures</b>	<b>3,061,487</b>	<b>23,868,669</b>	<b>957,961</b>	<b>22,910,708</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(3,061,487)</b>	<b>(23,868,669)</b>	<b>(717,358)</b>	<b>23,151,311</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	21,023,341	21,666,976	643,635
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>21,023,341</b>	<b>21,666,976</b>	<b>643,635</b>
<b>Net change in fund balances</b>	<b>\$ (3,061,487)</b>	<b>\$ (2,845,328)</b>	<b>20,949,618</b>	<b>\$ 23,794,946</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			2,658,647	
End of year			<u>\$ 23,608,265</u>	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 35,493	\$ 35,493
Intergovernmental	4,292,882	4,292,882	979,937	(3,312,945)
<b>Total revenues</b>	<b>4,292,882</b>	<b>4,292,882</b>	<b>1,015,430</b>	<b>(3,277,452)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	841,674	1,643,761	662,019	981,742
Capital outlay	2,945,273	3,517,780	878,424	2,639,356
<b>Total expenditures</b>	<b>3,786,947</b>	<b>5,161,541</b>	<b>1,540,443</b>	<b>3,621,098</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>505,935</b>	<b>(868,659)</b>	<b>(525,013)</b>	<b>343,646</b>
<b>Net change in fund balances</b>	<b>\$ 505,935</b>	<b>\$ (868,659)</b>	<b>(525,013)</b>	<b>\$ 343,646</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			2,427,934	
End of year			<u>\$ 1,902,921</u>	

**City of Richmond**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Harbor Navigation Fund**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 912	\$ 912
<b>Total revenues</b>	-	-	912	912
<b>Net change in fund balances</b>	\$ -	\$ -	912	\$ 912
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			45,618	
End of year			\$ 46,530	

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## 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, 2023**

	Richmond Marina Fund	Storm Sewer Fund	Cable TV Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 4,891,478	\$ 2,002,040	\$ 585,421	\$ 7,478,939
Restricted cash and investments	87,323	-	-	87,323
Receivables:				
Accounts, net	93,002	2,823	253,662	349,487
Interest	9,008	3,291	1,162	13,461
Grants	-	94,049	-	94,049
Leases	107,868	4,480	-	112,348
Total current assets	<u>5,188,679</u>	<u>2,106,683</u>	<u>840,245</u>	<u>8,135,607</u>
Noncurrent assets:				
Receivables:				
Lease receivables	5,183,455	46,750	-	5,230,205
Capital assets:				
Nondepreciable	330,794	4,461,576	-	4,792,370
Depreciable	4,338,356	31,106,167	140,882	35,585,405
Less accumulated depreciation	<u>(3,320,001)</u>	<u>(30,066,538)</u>	<u>(124,795)</u>	<u>(33,511,334)</u>
Net capital assets	<u>1,349,149</u>	<u>5,501,205</u>	<u>16,087</u>	<u>6,866,441</u>
Total noncurrent assets	<u>6,532,604</u>	<u>5,547,955</u>	<u>16,087</u>	<u>12,096,646</u>
<b>Total assets</b>	<u>11,721,283</u>	<u>7,654,638</u>	<u>856,332</u>	<u>20,232,253</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	-	18,571	524,303	542,874
Deferred outflows of resources - OPEB	-	2,474	17,662	20,136
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>21,045</u>	<u>541,965</u>	<u>563,010</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	-	458,271	6,544	464,815
Interest payable	87,820	-	-	87,820
Refundable deposits	90,671	1,200	-	91,871
Compensated absences - current	-	-	27,503	27,503
Long-term debt - current	111,011	89,568	-	200,579
Total current liabilities	<u>289,502</u>	<u>549,039</u>	<u>34,047</u>	<u>872,588</u>
Noncurrent liabilities:				
Unearned revenue	-	591,867	-	591,867
Compensated absences	-	-	35,181	35,181
Long-term debt	2,017,960	-	-	2,017,960
Net pension liability	-	61,068	1,724,123	1,785,191
Net OPEB liability	-	98,766	705,474	804,240
Total noncurrent liabilities	<u>2,017,960</u>	<u>751,701</u>	<u>2,464,778</u>	<u>5,234,439</u>
<b>Total liabilities</b>	<u>2,307,462</u>	<u>1,300,740</u>	<u>2,498,825</u>	<u>6,107,027</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	-	1,065	30,061	31,126
Deferred inflows of resources - OPEB	-	22,610	161,499	184,109
Deferred inflows of resources - leases	5,208,859	49,628	-	5,258,487
<b>Total deferred inflows of resources</b>	<u>5,208,859</u>	<u>73,303</u>	<u>191,560</u>	<u>5,473,722</u>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	(779,822)	5,501,205	16,087	4,737,470
Restricted for debt service	87,323	-	-	87,323
Unrestricted	4,897,461	800,435	(1,308,175)	4,389,721
<b>Total net position</b>	<u>\$ 4,204,962</u>	<u>\$ 6,301,640</u>	<u>\$ (1,292,088)</u>	<u>\$ 9,214,514</u>

**City of Richmond**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the year ended June 30, 2023**

	Richmond Marina Fund	Storm Sewer Fund	Cable TV Fund	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>				
Rental	\$ 162,777	\$ 5,865	\$ -	\$ 168,642
Service charges	-	2,046,663	1,037,515	3,084,178
Lease income	378,855	18	-	378,873
<b>Total operating revenues</b>	<b>541,632</b>	<b>2,052,546</b>	<b>1,037,515</b>	<b>3,631,693</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	-	(53,149)	396,375	343,226
General and administrative	36,863	1,670,160	317,551	2,024,574
Maintenance	-	-	17,957	17,957
Depreciation	84,278	174,378	1,990	260,646
Other	-	11,828	1,207	13,035
<b>Total operating expenses</b>	<b>121,141</b>	<b>1,803,217</b>	<b>735,080</b>	<b>2,659,438</b>
<b>OPERATING INCOME (LOSS)</b>	<b>420,491</b>	<b>249,329</b>	<b>302,435</b>	<b>972,255</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	230,219	31,960	12,905	275,084
Grants	-	1,094,049	-	1,094,049
Interest expense	(96,202)	-	-	(96,202)
<b>Total nonoperating revenues (expenses)</b>	<b>134,017</b>	<b>1,126,009</b>	<b>12,905</b>	<b>1,272,931</b>
<b>Income (loss) before contributions and transfers</b>	<b>554,508</b>	<b>1,375,338</b>	<b>315,340</b>	<b>2,245,186</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>				
Transfers in	-	-	-	-
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>467,730</b>	<b>1,375,338</b>	<b>315,340</b>	<b>2,158,408</b>
<b>NET POSITION:</b>				
Beginning of year	3,737,232	4,933,292	(1,607,428)	7,063,096
Prior period adjustments	-	(6,990)	-	(6,990)
Beginning of year, as restated	3,737,232	4,926,302	(1,607,428)	7,056,106
End of year	\$ 4,204,962	\$ 6,301,640	\$ (1,292,088)	\$ 9,214,514

**City of Richmond**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the year ended June 30, 2023**

	Richmond Marina Fund	Storm Sewer Fund	Cable TV Fund	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 478,556	\$ 1,958,504	\$ 1,042,204	\$ 3,479,264
Payments to suppliers	(51,652)	(1,749,298)	(343,429)	(2,144,379)
Payments to employees	-	(32,955)	(863,433)	(896,388)
<b>Net cash provided by (used in) operating activities</b>	<b>426,904</b>	<b>176,251</b>	<b>(164,658)</b>	<b>438,497</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers out	(86,778)	-	-	(86,778)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(86,778)</b>	<b>-</b>	<b>-</b>	<b>(86,778)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Grant receipts	-	1,094,049	-	1,094,049
Acquisition of capital assets	-	(1,118,238)	-	(1,118,238)
Principal payments on capital debt	(106,231)	89,568	-	(16,663)
Interest paid	(100,584)	-	-	(100,584)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(206,815)</b>	<b>65,379</b>	<b>-</b>	<b>(141,436)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest	224,007	29,624	12,214	265,845
<b>Net cash provided by (used in) investing activities</b>	<b>224,007</b>	<b>29,624</b>	<b>12,214</b>	<b>265,845</b>
<b>Net cash flows</b>	<b>357,318</b>	<b>271,254</b>	<b>(152,444)</b>	<b>476,128</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>4,621,483</b>	<b>1,730,786</b>	<b>737,865</b>	<b>7,090,134</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 4,978,801</b>	<b>\$ 2,002,040</b>	<b>\$ 585,421</b>	<b>\$ 7,566,262</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 420,491	\$ 249,329	\$ 302,435	\$ 972,255
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	84,278	174,378	1,990	260,646
Changes in assets and liabilities:				
Receivables, net	(5,425)	(92,440)	4,689	(93,176)
Accounts payable and accrued liabilities	(16,994)	(67,310)	(6,714)	(91,018)
Refundable deposits	2,205	-	-	2,205
Compensated absences payable	-	-	10,995	10,995
Net pension liability and deferred outflows/inflows	-	(44,619)	(181,733)	(226,352)
Net OPEB liability and deferred outflows/inflows	-	(41,485)	(296,320)	(337,805)
lease receivable and deferred outflows/inflows	(57,651)	(1,602)	-	(59,253)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 426,904</b>	<b>\$ 176,251</b>	<b>\$ (164,658)</b>	<b>\$ 438,497</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.

*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, 2023**

	Insurance Reserves	Equipment Services and Replacement	Compensated Absences	Total Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 53,533,963	\$ 6,659,201	\$ 1,240,892	\$ 61,434,056
Receivables:				
Interest	99,970	11,811	-	111,781
Grants	2,525,216	-	-	2,525,216
<b>Total current assets</b>	<b>56,159,149</b>	<b>6,671,012</b>	<b>1,240,892</b>	<b>64,071,053</b>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	149,394	-	149,394
Depreciable	-	31,829,641	-	31,829,641
Less accumulated depreciation	-	(22,487,085)	-	(22,487,085)
Net capital assets	-	9,491,950	-	9,491,950
Total noncurrent assets	-	9,491,950	-	9,491,950
<b>Total assets</b>	<b>56,159,149</b>	<b>16,162,962</b>	<b>1,240,892</b>	<b>73,563,003</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	366,075	-	-	366,075
Deferred outflows of resources - OPEB	13,529	-	-	13,529
<b>Total deferred outflows of resources</b>	<b>379,604</b>	<b>-</b>	<b>-</b>	<b>379,604</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	1,317,084	205,793	-	1,522,877
Interest payable	-	7,205	-	7,205
Compensated absences - current	28,641	-	-	28,641
Claims payable - current	13,576,850	-	-	13,576,850
Long-term debt - current	-	272,341	-	272,341
<b>Total current liabilities</b>	<b>14,922,575</b>	<b>485,339</b>	<b>-</b>	<b>15,407,914</b>
Noncurrent liabilities:				
Compensated absences	43,508	-	-	43,508
Claims payable	36,104,836	-	-	36,104,836
Long-term debt	-	1,201,791	-	1,201,791
Net pension liability	1,203,807	-	-	1,203,807
Net OPEB liability	540,393	-	-	540,393
<b>Total noncurrent liabilities</b>	<b>37,892,544</b>	<b>1,201,791</b>	<b>-</b>	<b>39,094,335</b>
<b>Total liabilities</b>	<b>52,815,119</b>	<b>1,687,130</b>	<b>-</b>	<b>54,502,249</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	20,989	-	-	20,989
Deferred inflows of resources - OPEB	123,708	-	-	123,708
<b>Total deferred inflows of resources</b>	<b>144,697</b>	<b>-</b>	<b>-</b>	<b>144,697</b>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	-	8,017,818	-	8,017,818
Unrestricted	3,578,937	6,458,014	1,240,892	11,277,843
<b>Total net position</b>	<b>\$ 3,578,937</b>	<b>\$ 14,475,832</b>	<b>\$ 1,240,892</b>	<b>\$ 19,295,661</b>

**City of Richmond**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2023**

	Insurance Reserves	Equipment Services and Replacement	Compensated Absences	Total Internal Service Funds
<b>OPERATING REVENUES:</b>				
Service charges - internal	\$ 18,600,836	\$ 3,605,000	\$ 2,600,000	\$ 24,805,836
Other	-	11,047	-	11,047
<b>Total operating revenues</b>	<b>18,600,836</b>	<b>3,616,047</b>	<b>2,600,000</b>	<b>24,816,883</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	(227,307)	-	2,438,444	2,211,137
General and administrative	1,203,037	-	-	1,203,037
Maintenance	2,389,400	46,975	-	2,436,375
Depreciation	-	1,916,668	-	1,916,668
Claims losses	12,302,386	-	-	12,302,386
<b>Total operating expenses</b>	<b>15,667,516</b>	<b>1,963,643</b>	<b>2,438,444</b>	<b>20,069,603</b>
<b>OPERATING INCOME (LOSS)</b>	<b>2,933,320</b>	<b>1,652,404</b>	<b>161,556</b>	<b>4,747,280</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest income	1,027,665	116,616	-	1,144,281
Grants	1,248,635	-	-	1,248,635
Interest expense	-	(62,791)	-	(62,791)
<b>Total nonoperating revenues (expenses)</b>	<b>2,276,300</b>	<b>53,825</b>	<b>-</b>	<b>2,330,125</b>
<b>Income (loss) before contributions and transfers</b>	<b>5,209,620</b>	<b>1,706,229</b>	<b>161,556</b>	<b>7,077,405</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>				
Transfers in	-	478,018	-	478,018
<b>Total contributions and transfers</b>	<b>-</b>	<b>478,018</b>	<b>-</b>	<b>478,018</b>
<b>Change in net position</b>	<b>5,209,620</b>	<b>2,184,247</b>	<b>161,556</b>	<b>7,555,423</b>
<b>NET POSITION:</b>				
Beginning of year	(1,630,683)	12,291,585	1,079,336	11,740,238
End of year	<b>\$ 3,578,937</b>	<b>\$ 14,475,832</b>	<b>\$ 1,240,892</b>	<b>\$ 19,295,661</b>

**City of Richmond**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2023**

	Insurance Reserves	Equipment Services and Replacement	Compensated Absences	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from interfund services	\$ 18,600,836	\$ 3,619,359	\$ 2,600,000	\$ 24,820,195
Payments to suppliers	(3,258,719)	156,476	-	(3,102,243)
Payments to employees	(737,361)	-	(2,438,444)	(3,175,805)
Insurance premiums and claims paid	(13,713,302)	-	-	(13,713,302)
<b>Net cash provided by (used in) operating activities</b>	<b>891,454</b>	<b>3,775,835</b>	<b>161,556</b>	<b>4,828,845</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund receipts (payments)	-	-	-	-
Transfers in	-	478,018	-	478,018
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>-</b>	<b>478,018</b>	<b>-</b>	<b>478,018</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Grant receipts	2,013,745	-	-	2,013,745
Acquisition of capital assets	-	(1,182,975)	-	(1,182,975)
Principal payments on capital debt	-	(261,948)	-	(261,948)
Interest paid	-	(64,071)	-	(64,071)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>2,013,745</b>	<b>(1,508,994)</b>	<b>-</b>	<b>504,751</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest	957,677	106,898	-	1,064,575
<b>Net cash provided by (used in) investing activities</b>	<b>957,677</b>	<b>106,898</b>	<b>-</b>	<b>1,064,575</b>
<b>Net cash flows</b>	<b>3,862,876</b>	<b>2,851,757</b>	<b>161,556</b>	<b>6,876,189</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>49,671,087</b>	<b>3,807,444</b>	<b>1,079,336</b>	<b>54,557,867</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 53,533,963</b>	<b>\$ 6,659,201</b>	<b>\$ 1,240,892</b>	<b>\$ 61,434,056</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 2,933,320	\$ 1,652,404	\$ 161,556	\$ 4,747,280
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	1,916,668	-	1,916,668
Changes in assets and liabilities:				
Receivables, net	-	3,312	-	3,312
Accounts payable and accrued liabilities	333,718	203,451	-	537,169
Compensated absences payable	5,846	-	-	5,846
Claims payable	(1,410,916)	-	-	(1,410,916)
Net pension liability and deferred outflows/inflows	(743,532)	-	-	(743,532)
Net OPEB liability and deferred outflows/inflows	(226,982)	-	-	(226,982)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 891,454</b>	<b>\$ 3,775,835</b>	<b>\$ 161,556</b>	<b>\$ 4,828,845</b>

## 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, 2023**

	Pension			Total
	General Pension	Police and Firemen's Pension	Garfield Pension	
<b>ASSETS</b>				
Restricted cash and investments	\$ 1,001,858	\$ 1,263,174	\$ -	\$ 2,265,032
Mutual fund investments	-	8,773,122	-	8,773,122
Interest receivable	1,921	453	-	2,374
<b>Total assets</b>	<b>1,003,779</b>	<b>10,036,749</b>	<b>-</b>	<b>11,040,528</b>
<b>NET POSITION:</b>				
Restricted for employees' pension and OPEB benefits	1,003,779	10,036,749	-	11,040,528
<b>Total net position</b>	<b>\$ 1,003,779</b>	<b>\$ 10,036,749</b>	<b>\$ -</b>	<b>\$ 11,040,528</b>

**City of Richmond**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**For the year ended June 30, 2023**

	Pension			Total
	General Pension	Police and Firemen's Pension	Garfield Pension	
<b>ADDITIONS:</b>				
Contributions to trust - employers	\$ 152,897	\$ -	\$ 12,408	\$ 165,305
Net investment income:				
Net increase (decrease) in fair value of investments	(6,394)	747,345	2,366	743,317
Interest income	27,924	267,524	3,459	298,907
Less investment management fees	-	(61,581)	-	(61,581)
<b>Total additions</b>	<b>174,427</b>	<b>953,288</b>	<b>18,233</b>	<b>1,145,948</b>
<b>DEDUCTIONS:</b>				
Pension benefits	240,913	971,644	8,845	1,221,402
Transfers to other funds	-	-	217,243	217,243
<b>Total deductions</b>	<b>240,913</b>	<b>971,644</b>	<b>226,088</b>	<b>1,438,645</b>
<b>Change in net position</b>	<b>(66,486)</b>	<b>(18,356)</b>	<b>(207,855)</b>	<b>(292,697)</b>
<b>NET POSITION:</b>				
Beginning of year	1,070,265	10,055,105	207,855	11,333,225
End of year	\$ 1,003,779	\$ 10,036,749	\$ -	\$ 11,040,528

**City of Richmond**  
**Combining Statement of Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**June 30, 2023**

	Pt. Molate	Successor Agency to the Richmond Community Redevelopment Agency	Total
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 7,589,310	\$ 7,589,310
Restricted cash and investments	979,746	16,527,205	17,506,951
Accounts receivable	-	1,439	1,439
Interest receivable	3,790	-	3,790
Prepays and other assets	-	5,245,489	5,245,489
<b>Total assets</b>	<b>983,536</b>	<b>29,363,443</b>	<b>30,346,979</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - deferred loss on refunding	-	346,198	346,198
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>346,198</b>	<b>346,198</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	185,179	21,478	206,657
Interest payable	-	518,874	518,874
Long-term debt:			
Due within one year	-	7,820,000	7,820,000
Due in more than one year	-	39,382,929	39,382,929
<b>Total liabilities</b>	<b>185,179</b>	<b>47,743,281</b>	<b>47,928,460</b>
<b>NET POSITION:</b>			
Held in trust for other governments	798,357	(18,033,640)	(17,235,283)
<b>Total net position</b>	<b>\$ 798,357</b>	<b>\$ (18,033,640)</b>	<b>\$ (17,235,283)</b>

**City of Richmond**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the year ended June 30, 2023**

	Pt. Molate	Successor Agency to the Richmond Community Redevelopment Agency	Total
<b>ADDITIONS:</b>			
Property taxes	\$ -	\$ 8,846,005	\$ 8,846,005
Interest income	11,801	528,898	540,699
Gain from sale of property	-	585,808	585,808
<b>Total additions</b>	<b>11,801</b>	<b>9,960,711</b>	<b>9,972,512</b>
<b>DEDUCTIONS:</b>			
Community development	-	1,322,336	1,322,336
Payments in accordance with trust agreements	504,574	-	504,574
Interest and fiscal charges	-	1,832,049	1,832,049
<b>Total deductions</b>	<b>504,574</b>	<b>3,154,385</b>	<b>3,658,959</b>
<b>Change in net position</b>	<b>(492,773)</b>	<b>6,806,326</b>	<b>6,313,553</b>
<b>NET POSITION:</b>			
Beginning of year	1,291,130	(24,839,966)	(23,548,836)
End of year	\$ 798,357	\$ (18,033,640)	\$ (17,235,283)

**City of Richmond**  
**Subcombining Statement of Fiduciary Net Position**  
**Successor Agency to the Richmond Community Redevelopment Agency**  
**June 30, 2023**

	Redevelopment		Capital	Bond Funded
	Property Tax	Administration	Projects	Capital Projects
	Trust Fund			
<b>ASSETS</b>				
Cash and investments	\$ 2,848,411	\$ 1,359	\$ 4,739,540	\$ -
Restricted cash and investments	-	-	3,341,316	-
Accounts receivable	-	-	1,439	-
Prepays and other assets	-	-	5,245,489	-
<b>Total assets</b>	<b>2,848,411</b>	<b>1,359</b>	<b>13,327,784</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	-	1,359	20,119	-
Interest payable	-	-	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,359</b>	<b>20,119</b>	<b>-</b>
<b>NET POSITION:</b>				
Held in trust for successor agency	2,848,411	-	13,307,665	-
<b>Total net position</b>	<b>\$ 2,848,411</b>	<b>\$ -</b>	<b>\$ 13,307,665</b>	<b>\$ -</b>

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Bond Payments	Intrafund Eliminations	Total
\$ -	\$ -	\$ 7,589,310
13,185,889	-	16,527,205
-	-	1,439
-	-	5,245,489
<u>13,185,889</u>	<u>-</u>	<u>29,363,443</u>
 346,198	 -	 346,198
<u>346,198</u>	<u>-</u>	<u>346,198</u>
 -	 -	 21,478
518,874	-	518,874
7,820,000	-	7,820,000
39,382,929	-	39,382,929
<u>47,721,803</u>	<u>-</u>	<u>47,743,281</u>
 (34,189,716)	 -	 (18,033,640)
<u>\$ (34,189,716)</u>	<u>\$ -</u>	<u>\$ (18,033,640)</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, 2023**

	Redevelopment Property Tax Trust Fund	Administration	Capital Projects	Bond Funded Capital Projects
<b>ADDITIONS:</b>				
Property taxes	\$ 8,846,005	\$ -	\$ -	\$ -
Net investment income:				
Interest income	-	-	139,310	-
Less investment management fees	-	-	-	-
Transfers from other funds	-	309,950	59,280	-
Gain from sale of property	-	-	585,808	-
<b>Total additions</b>	<b>8,846,005</b>	<b>309,950</b>	<b>784,398</b>	<b>-</b>
<b>DEDUCTIONS:</b>				
Community development	-	309,950	445,276	-
Interest and fiscal charges	-	-	-	-
Transfers to other funds	8,556,327	-	287,236	-
<b>Total deductions</b>	<b>8,556,327</b>	<b>309,950</b>	<b>732,512</b>	<b>-</b>
<b>Change in net position</b>	<b>289,678</b>	<b>-</b>	<b>51,886</b>	<b>-</b>
<b>NET POSITION:</b>				
Beginning of year	2,558,733	-	13,255,779	-
End of year	\$ 2,848,411	\$ -	\$ 13,307,665	\$ -

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Bond Payments	Intrafund Eliminations	Total
\$ -	\$ -	\$ 8,846,005
389,588	-	528,898
-	-	-
8,474,333	(8,843,563)	-
-	-	585,808
<u>8,863,921</u>	<u>(8,843,563)</u>	<u>9,960,711</u>
567,110	-	1,322,336
1,832,049	-	1,832,049
-	(8,843,563)	-
<u>2,399,159</u>	<u>(8,843,563)</u>	<u>3,154,385</u>
6,464,762	-	6,806,326
<u>(40,654,478)</u>	<u>-</u>	<u>(24,839,966)</u>
<u>\$ (34,189,716)</u>	<u>\$ -</u>	<u>\$ (18,033,640)</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, 2023**

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	Special Assessment	General Agency	Johnson Library
<b>ASSETS</b>			
Cash and investments	\$ 885,397	\$ 2,934,768	\$ 11,002
Restricted cash and investments	351,508	18,347	-
Interest receivable	1,566	5,472	20
<b>Total assets</b>	<u>1,238,471</u>	<u>2,958,587</u>	<u>11,022</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Restricted for: Individuals, organizations, and other governments	<u>1,238,471</u>	<u>2,958,587</u>	<u>11,022</u>
<b>Total net position</b>	<u>\$ 1,238,471</u>	<u>\$ 2,958,587</u>	<u>\$ 11,022</u>

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Senior Center	JPFA Reassessment	2016 A&B Reassessment District	Total Custodial Funds
\$ 73,458	\$ 1,886,140	\$ 708,792	\$ 6,499,557
-	-	323,425	693,280
133	3,476	1,142	11,809
<u>73,591</u>	<u>1,889,616</u>	<u>1,033,359</u>	<u>7,204,646</u>
529	-	-	529
<u>529</u>	<u>-</u>	<u>-</u>	<u>529</u>
73,062	1,889,616	1,033,359	7,204,117
<u>\$ 73,062</u>	<u>\$ 1,889,616</u>	<u>\$ 1,033,359</u>	<u>\$ 7,204,117</u>

**City of Richmond**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	Special Assessment	General Agency	Johnson Library
<b>ADDITIONS:</b>			
Property taxes	\$ 293,316	\$ -	\$ -
Contributions	-	212,778	-
Net investment income:			
Interest income	26,085	59,487	216
<b>Total additions</b>	<b>319,401</b>	<b>272,265</b>	<b>216</b>
<b>DEDUCTIONS:</b>			
Community development	-	-	-
Interest and fiscal charges	319,201	-	-
Transfers to other funds	-	-	-
Other	-	195,578	-
<b>Total deductions</b>	<b>319,201</b>	<b>195,578</b>	<b>-</b>
<b>Change in net position</b>	<b>200</b>	<b>76,687</b>	<b>216</b>
<b>NET POSITION:</b>			
Beginning of year	1,238,271	2,881,900	10,806
End of year	<u>\$ 1,238,471</u>	<u>\$ 2,958,587</u>	<u>\$ 11,022</u>

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Senior Center	JPFA Reassessment	2016 A&B Reassessment District	Total Custodial Funds
\$ -	\$ -	\$ 749,212	\$ 1,042,528
23,063	-	-	235,841
1,379	37,055	17,083	141,305
24,442	37,055	766,295	1,419,674
-	-	-	-
-	-	661,194	980,395
-	-	-	-
10,910	-	-	206,488
10,910	-	661,194	1,186,883
13,532	37,055	105,101	232,791
59,530	1,852,561	928,258	6,971,326
\$ 73,062	\$ 1,889,616	\$ 1,033,359	\$ 7,204,117

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**STATISTICAL  
SECTION (UNAUDITED)**

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**CITY OF RICHMOND**  
**JUNE 30, 2023**

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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. Computation of Legal Bonded Debt Margin
3. Revenue Bond Coverage - 1999, 2006, 2008, 2010A & 2010B Wastewater Revenue Bonds
4. Revenue Bond Coverage - 1996, 1999, 2004, 2007, and 2009 Port Terminal Lease Revenue Bonds, Note and Point Potrero Lease Revenue Bonds.
5. Bonded Debt Pledged Revenue Coverage - Tax Allocation Bonds all Refunding Bonds
6. General Bonded Debt - Pension Obligation Bonds
7. Computation of Direct and Overlapping Debt

***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, 2023**

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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:

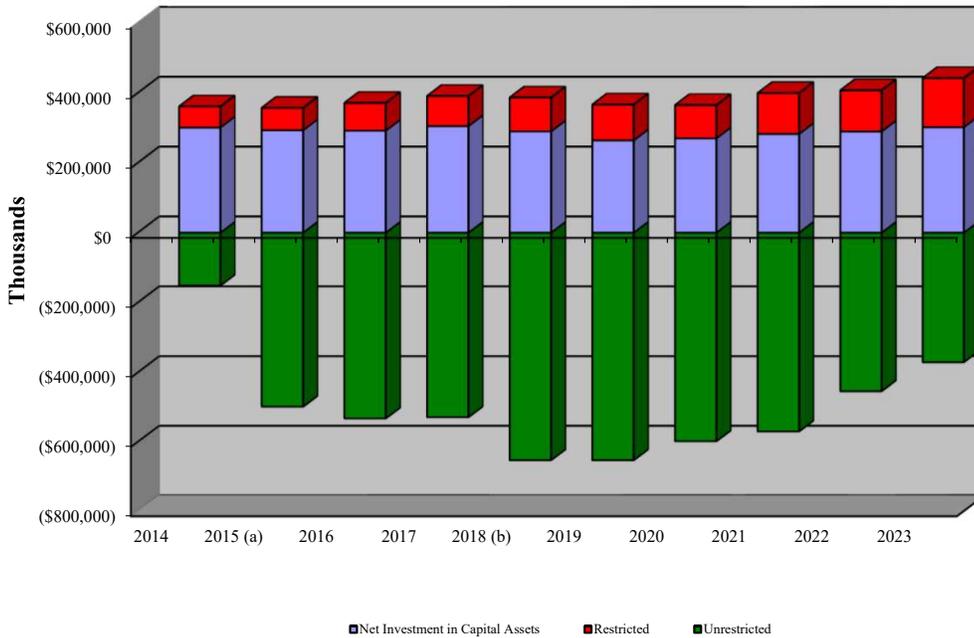
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

***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)**



	<b>Fiscal Year Ended June 30</b>			
	<b>2014</b>	<b>2015 (a)</b>	<b>2016</b>	<b>2017</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$227,828,243	\$218,144,811	\$228,292,389	\$233,619,046
Restricted	50,461,923	54,578,939	70,322,707	76,810,440
Unrestricted	(148,161,106)	(479,961,080)	(508,981,299)	(504,602,583)
Total governmental activities net position	<u>\$130,129,060</u>	<u>(\$207,237,330)</u>	<u>(\$210,366,203)</u>	<u>(\$194,173,097)</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$72,911,000	\$74,922,303	\$63,405,228	\$71,000,240
Restricted	9,793,767	9,408,237	9,008,038	9,441,288
Unrestricted	(3,096,845)	(18,432,590)	(23,382,659)	(24,096,174)
Total business-type activities net position	<u>\$79,607,922</u>	<u>\$65,897,950</u>	<u>\$49,030,607</u>	<u>\$56,345,354</u>
<b>Primary government</b>				
Net investment in capital assets	\$300,739,243	\$293,067,114	\$291,697,617	\$304,619,286
Restricted	60,255,690	63,987,176	79,330,745	86,251,728
Unrestricted	(151,257,951)	(498,393,670)	(532,363,958)	(528,698,757)
Total primary government net position	<u>\$209,736,982</u>	<u>(\$141,339,380)</u>	<u>(\$161,335,596)</u>	<u>(\$137,827,743)</u>

(a) The City implemented the provisions of GASB Statement No. 68 in fiscal year 2015. Years prior to 2015 have not been restated.

(b) 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**

<b>2018 (b)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$221,336,363	\$211,717,676	\$205,374,054	\$206,419,763	\$213,930,154	\$219,126,138
87,380,363	93,157,922	93,703,974	103,401,613	117,136,516	139,687,095
<u>(625,067,289)</u>	<u>(644,341,826)</u>	<u>(597,270,745)</u>	<u>(568,565,683)</u>	<u>(491,415,035)</u>	<u>(421,110,978)</u>
<u><u>(\$316,350,563)</u></u>	<u><u>(\$339,466,228)</u></u>	<u><u>(\$298,192,717)</u></u>	<u><u>(\$258,744,307)</u></u>	<u><u>(\$160,348,365)</u></u>	<u><u>(\$62,297,745)</u></u>
\$68,213,687	\$52,161,380	\$64,270,898	\$75,738,268	\$75,469,292	\$82,405,234
9,514,522	9,440,965	1,517,087	13,859,999	607,958	879,457
<u>(27,908,968)</u>	<u>(8,644,683)</u>	<u>(1,045,003)</u>	<u>(1,417,443)</u>	<u>37,774,604</u>	<u>50,575,898</u>
<u><u>\$49,819,241</u></u>	<u><u>\$52,957,662</u></u>	<u><u>\$64,742,982</u></u>	<u><u>\$88,180,824</u></u>	<u><u>\$113,851,854</u></u>	<u><u>\$133,860,589</u></u>
\$289,550,050	\$263,879,056	\$269,644,952	\$282,158,031	\$289,399,446	\$301,531,372
96,894,885	102,598,887	95,221,061	117,261,612	117,744,474	140,566,552
<u>(652,976,257)</u>	<u>(652,986,509)</u>	<u>(598,315,748)</u>	<u>(569,983,126)</u>	<u>(453,640,431)</u>	<u>(370,535,080)</u>
<u><u>(\$266,531,322)</u></u>	<u><u>(\$286,508,566)</u></u>	<u><u>(\$233,449,735)</u></u>	<u><u>(\$170,563,483)</u></u>	<u><u>(\$46,496,511)</u></u>	<u><u>\$71,562,844</u></u>

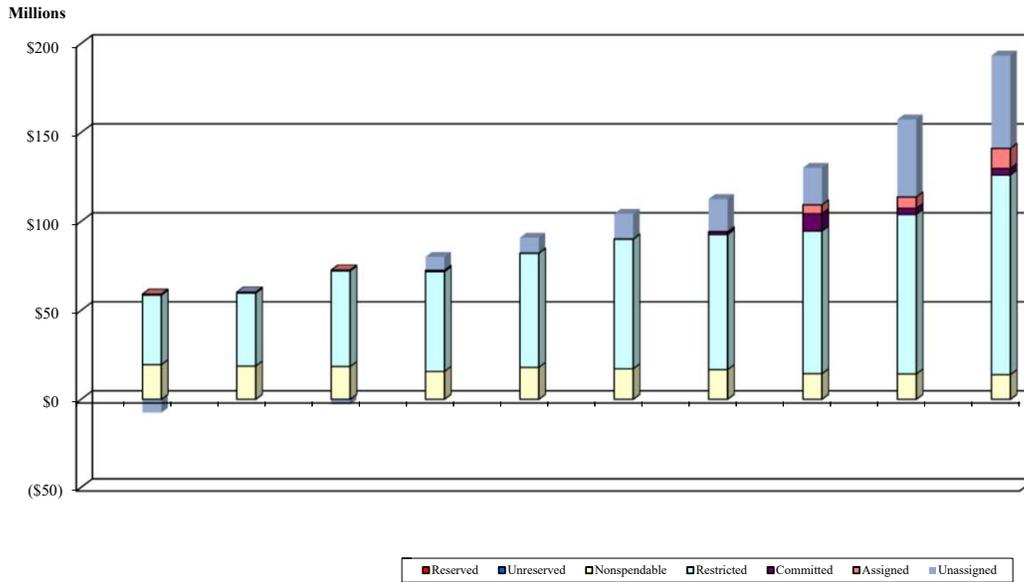
**CITY OF RICHMOND**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2014	2015 (a)	2016	2017
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$36,119,297	\$28,879,074	\$32,197,941	\$34,851,005
Public Safety	102,664,551	102,732,652	107,380,286	104,919,259
Public Works	46,403,830	43,363,799	44,410,102	41,558,084
Community Development	4,618,101	4,771,875	5,003,045	3,290,142
Cultural and Recreational	10,808,931	10,492,020	11,021,226	10,996,526
Housing and Redevelopment	1,984,908	2,751,290	2,051,898	7,449,423
Interest and Fiscal Charges	19,439,248	17,219,905	18,902,831	16,387,887
<b>Total Governmental Activities Expenses</b>	<b>222,038,866</b>	<b>210,210,615</b>	<b>220,967,329</b>	<b>219,452,326</b>
<b>Business-Type Activities:</b>				
Richmond Housing Authority	29,771,151	28,049,474	26,385,133	26,241,916
Port of Richmond	9,530,693	9,923,282	11,132,997	10,102,104
Richmond Marina	253,190	235,054	237,129	230,621
Municipal Sewer	16,298,623	15,965,608	16,446,626	17,720,735
Storm Sewer	3,210,678	3,282,406	2,465,929	2,320,723
Cable TV	890,846	948,426	2,114,436	1,028,185
<b>Total Business-Type Activities Expenses</b>	<b>59,955,181</b>	<b>58,404,250</b>	<b>58,782,250</b>	<b>57,644,284</b>
<b>Total Primary Government Expenses</b>	<b>\$281,994,047</b>	<b>\$268,614,865</b>	<b>\$279,749,579</b>	<b>\$277,096,610</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
General Government	\$16,917,113	\$11,107,654	\$12,468,525	\$15,543,381
Public Safety	6,217,749	10,466,292	7,271,472	8,932,212
Public Works	4,160,804	3,609,577	3,936,242	4,796,586
Community Development	405,404	1,385,689	1,069,767	615,388
Cultural and Recreational	584,475	475,091	1,128,267	1,252,192
Housing and Redevelopment			42,040	
Operating Grants and Contributions	8,434,018	9,231,039	20,994,534	16,083,370
Capital Grants and Contributions	34,530,908	21,097,186	17,534,992	14,008,833
<b>Total Government Activities Program Revenues</b>	<b>71,250,471</b>	<b>57,372,528</b>	<b>64,445,839</b>	<b>61,231,962</b>
<b>Business-Type Activities:</b>				
<b>Charges for Services:</b>				
Richmond Housing Authority	2,638,834	1,917,602	1,851,337	3,067,020
Port of Richmond	10,201,751	9,480,367	10,581,419	10,182,777
Municipal Sewer	18,569,191	19,033,406	19,757,863	20,767,925
Richmond Marina	456,956	488,201	517,108	540,567
Storm Sewer	1,869,064	1,845,648	1,966,537	1,992,758
Cable TV	1,228,864	1,376,194	1,320,486	1,339,104
Operating Grants and Contributions	21,953,401	22,112,391	21,951,328	22,636,922
Capital Grants and Contributions	1,673,398	2,189,724	2,155,686	969,910
<b>Total Business-Type Activities Program Revenue</b>	<b>58,591,459</b>	<b>58,443,533</b>	<b>60,101,764</b>	<b>61,496,983</b>
<b>Total Primary Government Program Revenues</b>	<b>\$129,841,930</b>	<b>\$115,816,061</b>	<b>\$124,547,603</b>	<b>\$122,728,945</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(\$150,788,395)	(\$152,838,087)	(\$156,521,490)	(\$158,220,364)
Business-Type Activities	(1,363,722)	39,283	1,319,514	3,852,699
<b>Total Primary Government Net Expense</b>	<b>(\$152,152,117)</b>	<b>(\$152,798,804)</b>	<b>(\$155,201,976)</b>	<b>(\$154,367,665)</b>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
<b>Taxes:</b>				
<b>Property Taxes:</b>				
Current Collections	\$42,226,820	\$45,129,392	\$51,302,638	\$56,588,547
Sales Taxes	29,627,711	33,155,376	40,877,125	41,620,189
Utility User Taxes	48,033,706	48,299,958	43,365,249	44,966,489
Documentary Transfer Taxes	3,461,473	4,818,936	6,187,096	7,452,985
Other Taxes	3,592,218	5,099,511	5,734,802	5,329,465
Unrestricted Intergovernmental		1,806,532	43,312	49,448
Use of Money and Property	(1,164,987)	(4,752,198)	1,198,266	12,230,256
Gain From Sale of Capital Assets	174,874	268,927	262,667	64,651
Miscellaneous	3,229,898	2,151,042	4,258,061	5,138,724
Pension Stabilization Revenue	998,839	954,202	915,860	885,938
Developer Revenue Sharing				
Transfers		178,487	600,000	86,778
<b>Special/Extraordinary Items:</b>				
Swap Termination			(16,321,171)	
Transfer of Loans to Housing Successor				
Assets Transferred To/Liabilities Assumed By Housing Successor/Successor Agency			14,968,712	
<b>Total Government Activities</b>	<b>130,180,552</b>	<b>137,110,165</b>	<b>153,392,617</b>	<b>174,413,470</b>
<b>Business-Type Activities:</b>				
<b>Taxes:</b>				
<b>Property Taxes</b>				
Use of Money and Property	(185,246)	(563,129)	(3,076,857)	3,548,826
Settlement				
Other				
Special Item			(14,510,000)	
Transfers		(178,487)	(600,000)	(86,778)
Extraordinary Items	1,359,929			
<b>Total Business-Type Activities</b>	<b>1,174,683</b>	<b>(741,616)</b>	<b>(18,186,857)</b>	<b>3,462,048</b>
<b>Total Primary Government</b>	<b>\$131,355,235</b>	<b>\$136,368,549</b>	<b>\$135,205,760</b>	<b>\$177,875,518</b>
<b>Change in Net Position</b>				
Governmental Activities	(\$20,607,843)	(\$15,727,922)	(\$3,128,873)	\$16,193,106
Business-Type Activities	(189,039)	(702,333)	(16,867,343)	7,314,747
<b>Total Primary Government</b>	<b>(\$20,796,882)</b>	<b>(\$16,430,255)</b>	<b>(\$19,996,216)</b>	<b>\$23,507,853</b>

(a) The City implemented the provisions of GASB Statement No. 68 in fiscal year 2015. Years prior to 2015 have not been restated.  
(b) The City implemented the provisions of GASB Statement No. 75 in fiscal year 2018. Years prior to 2018 have not been restated.

Fiscal Year Ended June 30					
2018 (b)	2019	2020 (re-stated)	2021	2022	2023
\$45,715,329	\$45,626,305	\$43,495,871	\$46,917,122	\$48,312,143	\$60,377,362
114,932,219	116,621,006	108,947,688	94,378,715	68,259,779	76,926,512
48,617,290	49,893,124	45,051,479	33,979,639	35,554,874	36,475,877
4,589,328	5,791,630	4,115,214	4,534,280	3,552,363	4,515,446
14,280,985	15,074,312	10,409,881	9,006,470	9,969,799	9,263,762
3,442,239	2,676,897	2,807,611	3,007,152	3,375,875	3,234,605
16,127,479	15,380,005	14,896,558	12,825,356	12,322,289	4,841,105
247,704,869	251,063,279	229,724,302	204,648,734	181,347,122	195,634,669
30,978,813	36,766,319	5,834,686	3,607,603	(1,750,799)	4,986,560
10,257,553	8,811,486	7,744,773	6,263,232	4,763,557	5,500,092
327,442	273,929	21,767,690	20,466,640	246,064	217,343
21,696,370	19,259,997	241,445	227,391	18,140,943	20,762,028
1,661,808	1,643,453	1,965,353	1,796,422	1,282,576	1,803,217
1,697,155	973,747	671,790	788,957	664,656	735,080
66,619,141	67,728,931	38,225,737	33,150,245	23,346,997	34,004,320
\$314,324,010	\$318,792,210	\$267,950,039	\$237,798,979	\$204,694,119	\$229,638,989
\$16,838,782	\$15,310,347	\$13,211,033	\$13,777,010	\$18,422,370	\$26,604,156
8,147,458	7,124,227	6,631,900	3,674,412	3,448,026	2,820,319
6,529,172	5,118,216	7,792,157	7,198,221	4,405,851	4,897,532
1,748,222	1,603,581	827,055	665,999	110,552	581,864
1,545,399	2,200,702	1,111,472	814,073	577,978	758,252
1,878,958	2,189,703				
20,556,989	20,514,833	25,354,387	29,316,141	37,756,494	39,914,874
10,471,376	5,778,572	4,987,273	4,386,950	10,787,022	1,785,082
67,716,356	59,840,181	59,915,277	59,832,806	75,508,293	77,362,079
1,740,399	3,329,072	841,319	861,943	782,951	1,344,324
10,580,246	10,629,229	10,454,061	10,704,024	10,530,653	11,383,930
22,447,439	24,476,967	27,934,684	27,759,474	28,168,977	30,312,526
537,438	602,591	564,988	574,453	524,652	541,632
2,068,110	1,942,171	2,087,561	2,103,928	2,061,815	2,052,546
1,281,952	1,240,754	1,203,837	1,145,936	1,103,873	1,037,515
26,098,804	28,666,300	4,027,791	3,771,674	2,211,712	4,341,092
1,155,536	2,170,137	322,164	13,167		
65,909,924	73,057,221	47,436,405	46,934,599	45,384,633	51,013,565
\$133,626,280	\$132,897,402	\$107,351,682	\$106,767,405	\$120,892,926	\$128,375,644
(\$179,988,513)	(\$191,223,098)	(\$169,809,025)	(\$144,815,928)	(\$105,838,829)	(\$118,272,590)
(709,217)	5,328,290	9,210,668	13,784,354	22,037,636	17,009,245
(\$180,697,730)	(\$185,894,808)	(\$160,598,357)	(\$131,031,574)	(\$83,801,193)	(\$101,263,345)
59,441,796	60,592,022	63,004,942	65,075,408	65,248,507	71,089,739
44,474,973	47,659,481	44,537,156	48,998,406	53,453,323	55,541,366
46,079,755	45,905,937	45,552,523	45,240,705	48,373,587	54,676,023
6,486,347	8,011,672	8,707,564	19,857,680	18,612,087	10,416,847
6,144,968	6,227,213	7,127,375	7,424,135	8,176,511	9,206,830
58,842	4,705,047	5,367,784	6,593,602	7,241,103	8,744,324
7,000,785	(6,825,744)	2,946,978	1,461,004	1,593,846	5,516,787
39,226	71,779	82,036	71,458	88,477	20,207
4,195,794	1,980,973	1,992,600	1,357,022	2,140,211	1,993,535
86,778	(220,947)	86,778	(11,279,988)	(3,516,663)	(882,448)
1,208,259					
175,217,523	168,107,433	179,405,736	184,799,432	201,410,989	216,323,210
3,431,293	(1,015,459)	770,319	145,810	909,597	2,083,188
(86,778)	220,947	(86,778)	11,279,988	3,516,663	882,448
3,344,515	(794,512)	683,541	11,425,798	4,426,260	2,965,636
\$178,562,038	\$167,312,921	\$180,089,277	\$196,225,230	\$205,837,249	\$219,288,846
(\$4,770,990)	(\$23,115,665)	\$9,596,711	\$39,983,504	\$95,572,160	\$98,050,620
2,635,298	4,533,778	9,894,209	25,210,152	26,463,896	19,974,881
(\$2,135,692)	(\$18,581,887)	\$19,490,920	\$65,193,656	\$122,036,056	\$118,025,501

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



	2014 (b)	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable	\$19,505,987	\$18,708,682	\$18,404,669	\$15,697,680	\$17,967,653	\$17,170,714	\$16,705,993	\$14,399,738	\$14,242,186	\$13,867,445
Restricted									1,505,053	3,996,614
Committed							1,500,000	9,800,000	3,383,453	3,720,697
Assigned	56,786	23,934	4,460	10,013	72,506	63,180	113,349	2,436,475	6,397,688	9,530,225
Unassigned	7,979,055	9,949,120	10,988,266	19,709,197	17,590,764	19,534,660	20,326,889	22,477,829	44,935,389	55,196,962
<b>Total General Fund</b>	<u>\$27,541,828</u>	<u>\$28,681,736</u>	<u>\$29,397,395</u>	<u>\$35,416,890</u>	<u>\$35,630,923</u>	<u>\$36,768,554</u>	<u>\$38,646,231</u>	<u>\$49,114,042</u>	<u>\$70,463,769</u>	<u>\$86,311,943</u> (a)
<b>All Other Governmental Funds</b>										
Nonspendable		\$484	\$550							
Restricted	\$39,066,351	41,017,602	53,752,247	\$56,052,014	\$64,125,353	\$72,865,392	\$75,880,927	\$80,161,994	\$88,191,500	\$108,207,093
Committed										
Assigned	428,766	430,083	431,867	782,617	43,906	44,602	45,264	2,521,099	45,618	1,750,000
Unassigned	(15,499,990)	(9,755,130)	(13,824,433)	(12,190,388)	(8,939,781)	(5,403,755)	(2,000,302)	(1,677,775)	(1,375,327)	(3,057,916)
<b>Total all other governmental funds</b>	<u>\$23,995,127</u>	<u>\$31,693,039</u>	<u>\$40,360,231</u>	<u>\$44,644,243</u>	<u>\$55,229,478</u>	<u>\$67,506,239</u>	<u>\$73,925,889</u>	<u>\$81,005,318</u>	<u>\$86,861,791</u>	<u>\$106,899,177</u> (a)

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

(b) Balance was restated in fiscal year 2014. Years prior to 2013 have not been restated.

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

	2014	2015	2016	2017
<b>Revenues</b>				
Property taxes	\$43,559,305	\$46,498,061	\$52,714,540	\$58,042,766
Sales taxes	29,627,711	33,131,486	40,877,125	41,620,189
Utility user fees	48,033,706	48,299,958	43,365,249	44,966,489
Other taxes	7,053,691	9,918,447	11,628,519	12,566,579
Licenses, permits and fees	7,713,634	12,409,625	12,235,483	16,577,695
Developer revenue sharing				
Fines, forfeitures and penalties	821,411	1,353,518	901,838	1,065,421
Use of money and property	153,958	225,529	212,787	422,324
Intergovernmental	17,078,035	19,228,997	14,440,543	19,913,858
Private grants			12,971,138	5,000,000
Charges for services	20,022,968	13,607,840	13,462,270	15,947,909
Pension stabilization revenue	998,839	954,202	915,860	885,938
Rent	708,626	809,113	768,753	839,821
Other	2,845,117	1,977,688	4,300,150	5,472,719
<b>Total Revenues</b>	<b>178,617,001</b>	<b>188,414,464</b>	<b>208,794,255</b>	<b>223,321,708</b>
<b>Expenditures</b>				
Current:				
General government	32,005,878	29,786,089	31,819,369	36,973,645
Public safety	91,676,955	90,219,981	94,774,545	95,479,682
Public works	26,363,885	25,806,437	25,690,663	30,327,553
Community development	4,357,885	4,586,333	4,843,687	6,374,607
Cultural and recreational	10,223,708	10,021,481	10,551,337	10,786,216
Housing and redevelopment	2,266,265	2,625,533	3,038,135	7,672,540
SERAF				
Capital outlay	14,365,888	8,178,649	8,566,563	3,667,134
Debt service:				
Principal repayment	6,775,769	7,842,830	9,148,909	9,966,416
Interest and fiscal charges	10,989,996	13,407,604	12,503,442	11,471,169
Debt defeasance using existing resources				
Swap termination payment			28,554,000	
<b>Total Expenditures</b>	<b>199,026,229</b>	<b>192,474,937</b>	<b>229,490,650</b>	<b>212,718,962</b>
Excess (deficiency) of revenues over (under) expenditures	(20,409,228)	(4,060,473)	(20,696,395)	10,602,746
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of property	174,874	268,927	262,667	181,022
Transfers in	20,145,264	12,879,975	12,124,166	18,770,780
Transfers out	(20,859,344)	(13,815,569)	(12,091,206)	(19,251,041)
Payment to refund bond escrow agent				
Issuance of long-term debt	6,165,445	11,175,436	28,390,000	
Bond issuance premium		82,880	1,393,619	
Other financing sources - SBITAs				
<b>Total other financing sources (uses)</b>	<b>5,626,239</b>	<b>10,591,649</b>	<b>30,079,246</b>	<b>(299,239)</b>
<b>Special and Extraordinary Items</b>				
Assets transferred to/liabilities assumed by Housing Successor/Successor Agency				
Transfer of loans to housing successor				
<b>Total Special and Extraordinary Items</b>				
<b>Net Change in fund balances</b>	<b>(\$14,782,989)</b>	<b>\$6,531,176</b>	<b>\$9,382,851</b>	<b>\$10,303,507</b>
Debt service as a percentage of noncapital expenditures				
	9.4%	11.4%	9.8%	10.3%

NOTE:

Fiscal Year Ended June 30,

2018	2019	2020	2021	2022	2023
\$60,963,189	\$66,816,032	\$68,285,321	\$70,294,487	\$72,362,382	\$79,715,269
44,474,973	47,659,481	44,537,156	48,998,406	53,453,323	55,541,366
46,079,755	45,905,937	45,552,523	45,240,705	48,373,588	54,676,023
12,413,127	14,020,347	15,619,151	27,066,292	26,573,077	19,623,678
21,552,883	18,865,730	15,385,538	18,316,552	20,710,335	31,439,148
1,001,927	964,255	815,910	455,470	407,493	259,035
746,525	1,302,922	1,302,020	472,216	622,268	3,555,012
20,137,593	17,691,976	24,284,779	23,912,334	28,014,581	29,088,796
9,000,000	9,000,000				
17,045,201	16,625,733	16,807,806	15,371,589	13,551,503	13,125,077
852,940	988,741	892,579	699,301	723,596	817,496
4,418,779	2,999,947	1,998,535	1,491,314	2,157,113	2,074,641
238,686,892	242,841,101	235,481,318	252,318,666	266,949,259	289,915,541
44,009,256	42,470,628	47,122,400	47,429,988	48,844,022	61,881,734
96,546,035	99,824,574	100,037,206	97,682,457	96,752,490	93,999,040
35,016,495	37,133,097	34,207,196	32,067,844	33,922,641	38,916,970
8,057,638	5,126,848	5,189,613	5,606,322	5,680,870	6,486,694
11,347,436	12,713,460	11,482,027	9,717,875	10,583,266	10,833,071
1,942,637	3,436,988	3,544,492	3,225,876	3,357,987	3,484,198
10,000,595	5,774,234	4,871,461	6,135,189	13,403,045	10,860,450
11,032,933	12,518,807	12,552,283	14,423,082	17,234,527	19,860,477
10,785,342	10,026,887	10,431,652	7,044,795	6,117,847	5,856,744
					2,163,313
228,738,367	229,025,523	229,438,330	223,333,428	235,896,695	254,342,691
9,948,525	13,815,578	6,042,988	28,985,238	31,052,564	35,572,850
39,226	71,779	82,036	71,458	88,477	20,207
14,472,164	19,215,848	18,336,677	15,524,305	20,744,118	50,312,870
(14,868,906)	(19,688,813)	(18,221,126)	(27,033,761)	(24,861,799)	(51,673,336)
		(77,315,000)			(152,904,036)
		79,171,752			154,140,000
					417,005
(357,516)	(401,186)	2,054,339	(11,437,998)	(4,029,204)	312,710
1,208,259					
1,208,259					
\$10,799,268	\$13,414,392	\$8,097,327	\$17,547,240	\$27,023,360	\$35,885,560
10.0%	10.2%	10.3%	9.9%	10.2%	11.5%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>ASSESSED VALUE <sup>(1)</sup></b>										
Land	\$3,218,339	\$3,781,609	\$4,186,239	\$4,520,312	\$4,946,654	\$5,423,245	\$5,888,775	\$6,277,934	\$6,573,641	\$7,191,720
Improvements	7,181,567	8,187,280	8,683,770	9,216,704	9,400,903	10,129,347	10,214,867	10,541,291	10,494,291	11,281,579
Total Real Property	10,399,906	11,968,889	12,870,009	13,737,016	14,347,557	15,552,592	16,103,642	16,819,225	17,067,932	18,473,299
Personal Property	53,195	460,661	669,634	585,832	\$589,457	\$584,968	\$617,157	\$652,386	\$635,202	\$617,274
<b>TOTAL</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>17,703,134</b>	<b>19,090,573</b>
<b>EXEMPTIONS <sup>(2)</sup></b>										
Homeowners <sup>(a)</sup>	\$100,680	\$98,456	\$96,539	\$95,052	\$94,266	\$93,219	\$91,907	\$91,372	\$91,348	\$89,300
Other <sup>(b)</sup>	527,179	587,350	641,475	688,713	760,841	809,325	932,222	1,008,837	1,214,858	1,258,758
<b>TOTAL</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>\$1,306,206</b>	<b>\$1,348,058</b>
<b>ASSESSED VALUE</b>										
(Net of Exemptions)	\$9,825,242	\$11,743,744	\$12,801,629	\$13,539,083	\$14,081,907	\$15,235,016	\$15,696,670	\$16,371,402	\$16,396,928	\$17,742,515
<b>Redevelopment Tax</b>										
<b>Increments <sup>(3)</sup></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>3,175,294</b>	<b>4,093,194</b>
<b>NET ASSESSED</b>										
<b>VALUE</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>\$13,221,634</b>	<b>\$13,649,321</b>
<b>NET INCREASE</b>										
<b>(DECREASE)</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>\$853,915</b>	<b>\$700,258</b>	<b>\$453,213</b>
<b>% OF INCREASE</b>										
<b>(DECREASE)</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>6.92%</b>	<b>5.59%</b>	<b>3.43%</b>
<b>Total Direct Tax Rate<sup>(4)</sup></b>	<b>0.41948%</b>	<b>0.43929%</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>	<b>0.43360%</b>	<b>0.42978%</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).

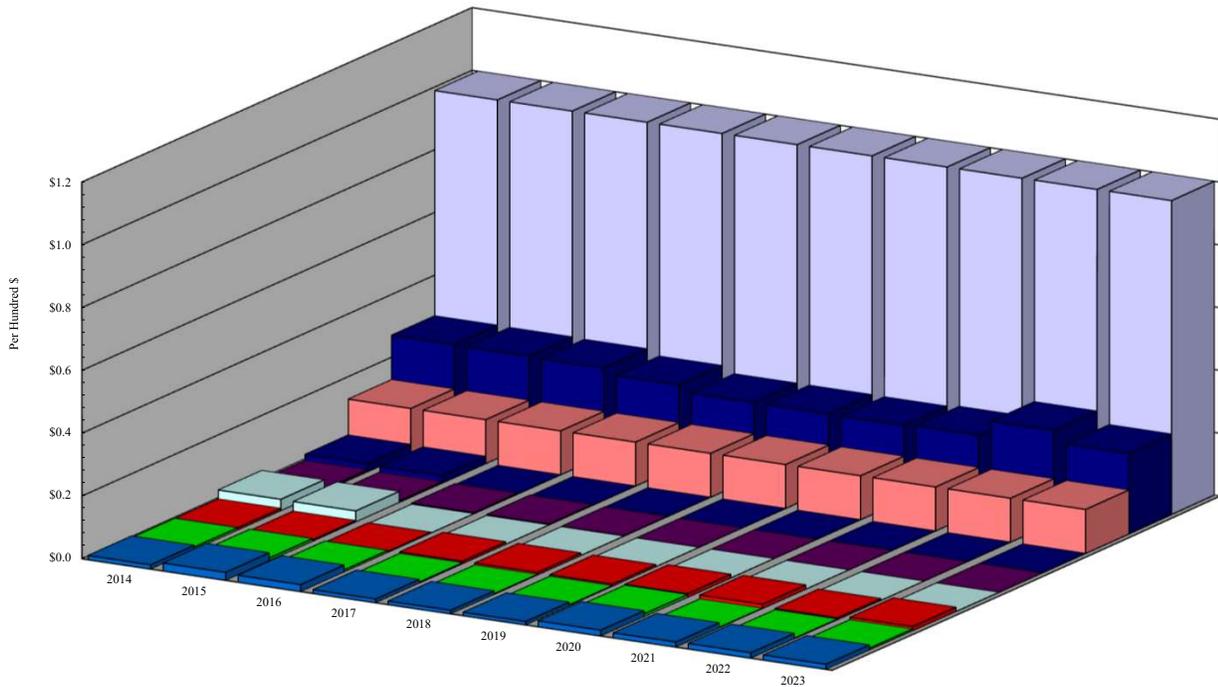
<sup>(3)</sup> Tax increments are allocations made to the Redevelopment Agency under authority of California Constitution, Article XVI.

<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 (2)
2014	1.00000	0.14000	0.00750	0.00780	0.03610	0.00660	0.02550	0.28180	0.01330	1.51860
2015	1.00000	0.14000	0.00450	0.00850	0.03500	0.00470	0.02320	0.28030	0.02520	1.52140
2016	1.00000	0.14000	0.00260	0.00670	0.00000	0.00340	0.00000	0.27810	0.02200	1.45280
2017	1.00000	0.14000	0.00800	0.00320	0.00000	0.00280	0.00000	0.26040	0.01200	1.42640
2018	1.00000	0.14000	0.00840	0.00210	0.00000	0.00110	0.00000	0.23970	0.01140	1.40270
2019	1.00000	0.14000	0.00700	0.00210	0.00000	0.00000	0.00000	0.23900	0.01100	1.39910
2020	1.00000	0.14000	0.01200	0.00940	0.00000	0.00000	0.00000	0.23790	0.01880	1.41810
2021	1.00000	0.14000	0.01390	0.00140	0.00000	0.00000	0.00000	0.24320	0.01610	1.41460
2022	1.00000	0.14000	0.00600	0.00200	0.00000	0.00000	0.00000	0.29390	0.01760	1.45950
2023	1.00000	0.14000	0.01400	0.00580	0.00000	0.00000	0.00000	0.25640	0.01620	1.43240

**NOTES:**

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest next taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.
- (4) Redevelopment Rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California state statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the City preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: County of Contra Costa Assessor

<b>City's Share of 1% Levy Per Prop 13 (3)</b>	<b>General Obligation Debt Rate</b>	<b>Redevelopment Rate (4)</b>	<b>Total Direct Rate (5)</b>
0.28784	0.14000	0.00000	0.41948
0.28784	0.14000	0.00000	0.43929
0.28784	0.14000	0.00000	0.43781
0.28784	0.14000	0.00000	0.43675
0.28784	0.14000	0.00000	0.43591
0.28784	0.14000	0.00000	0.43540
0.28784	0.14000	0.00000	0.43473
0.28784	0.14000	0.00000	0.43394
0.28784	0.14000	0.00000	0.43360
0.28784	0.14000	0.00000	0.42978

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

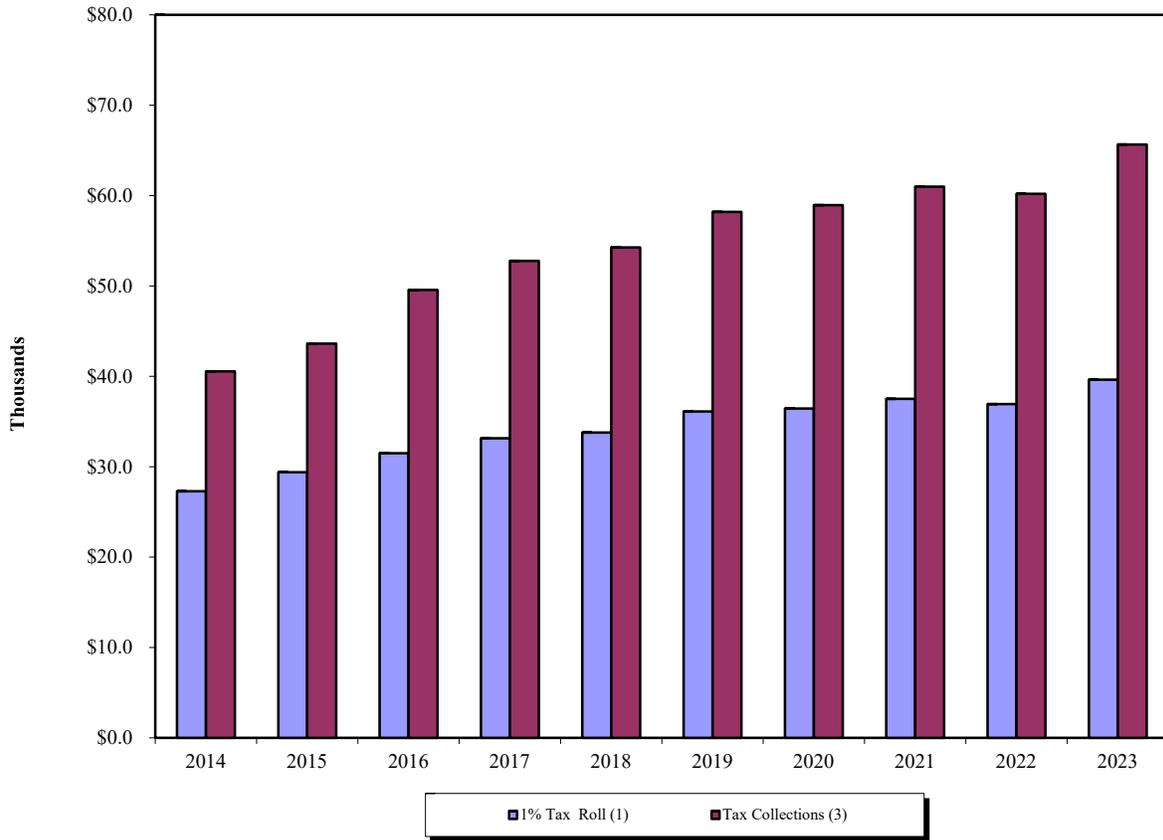
<u>Taxpayer</u>	<u>Type of Business</u>	<u>2022-2023</u>			<u>2013-2014</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Chevron USA Inc.	Industrial	\$3,324,985	1	18.74%	\$3,169,347	1	32.26%
Guardian KW Hilltop LLC	Residential	217,031	2	1.22%	146,283	2	1.49%
Centerpoint Properties Trust	Industrial	149,538	3	0.84%			
Hilltop Comm Partners Sub 1	Commercial	110,581	4	0.62%			
LIPT Giant Road Inc.	Industrial	91,953	5	0.52%			
Richmond Essex, LP	Residential	84,362	6	0.48%	72,583	5	
Kaiser	Industrial	81,457	7	0.46%	72,011	6	
IPT Richmond DC LP	Industrial	73,535	8	0.41%			
Transmontaigne Partners LP	Industrial	63,979	9	0.36%			
KM Phoenix Holdings LLC	Industrial	56,554	10	0.32%			
Lennar Emerald Marina Bay LLC	Residential				82,848	3	0.84%
US Bank	Commercial				76,413	4	0.78%
DDRM Hilltop Plaza LP	Commercial				41,748	7	0.42%
Auto Warehousing Company	Unsecured				40,752	8	0.41%
Dicon Fiberoptics Inc	Industrial				40,640	9	0.41%
Ford Point LLC	Industrial				38,825	10	0.40%
Subtotal		<u>\$4,253,975</u>		<u>23.98%</u>	<u>\$3,781,450</u>		<u>38.49%</u>

Total Net Assessed Valuation:

Fiscal Year 2022-2023	\$17,742,515
Fiscal Year 2013-2014	\$9,825,242

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)**

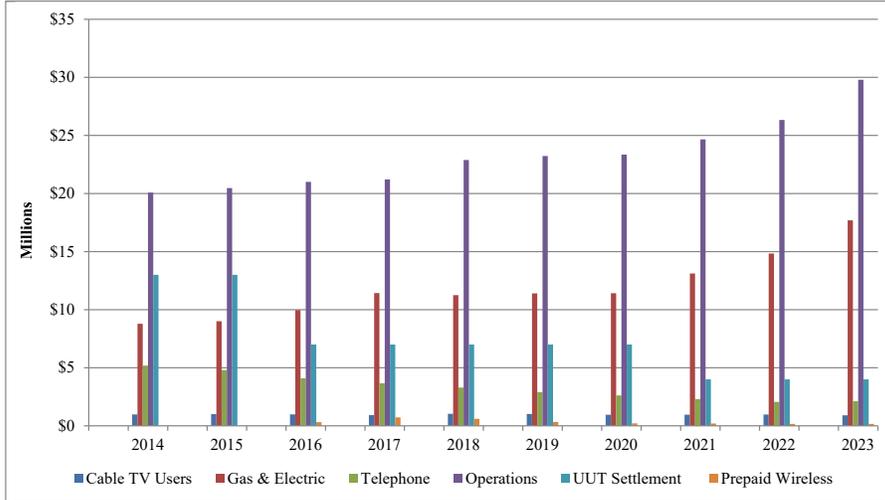


<b>Fiscal Year</b>	<b>1% Tax Roll (1)</b>	<b>Voter Approve Debt Tax Rolls (2)</b>	<b>Total Tax Collections (3)</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
2014	27,289	13,267	40,556	100%
2015	29,392	14,225	43,617	100%
2016	31,490	18,071	49,561	100%
2017	33,152	19,618	52,770	100%
2018	33,780	20,481	54,261	100%
2019	36,116	22,078	58,194	100%
2020	36,435	22,513	58,948	100%
2021	37,506	23,477	60,983	100%
2022	36,930	23,269	60,199	100%
2023	39,634	26,011	65,645	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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cable TV Users	\$ 983,465	\$ 1,016,552	\$ 988,547	\$ 924,912	\$ 1,036,854	\$ 1,025,549	\$ 951,147	\$ 961,286	\$ 975,219	\$ 909,810
Gas & Electric	8,787,715	9,003,928	9,966,642	11,433,006	11,250,415	11,404,175	11,416,601	13,118,252	14,833,325	17,686,168
Telephone	5,183,418	4,807,499	4,093,128	3,668,092	3,300,001	2,910,450	2,621,565	2,302,969	2,065,243	2,124,673
Operations	20,079,108	20,471,979	21,004,080	21,209,540	22,884,443	23,230,610	23,351,283	24,657,999	26,330,964	29,785,913
UUT Settlement	13,000,000	13,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	4,000,000	4,000,000	4,000,000
Prepaid Wireless			312,852	730,939	608,042	335,153	211,927	200,199	168,836	169,459
Combined (A)										
	<u>\$ 48,033,706</u>	<u>\$ 48,299,958</u>	<u>\$ 43,365,249</u>	<u>\$ 44,966,489</u>	<u>\$ 46,079,755</u>	<u>\$ 45,905,937</u>	<u>\$ 45,552,523</u>	<u>\$ 45,240,705</u>	<u>\$ 48,373,587</u>	<u>\$ 54,676,023</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)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Cable TV Users	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Gas & Electric	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Telephone	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
Operations	(A)									
UUT Settlement	(B)									

NOTES:

- (A) Based on the Cap Provision in the City of Richmond Municipal Code  
Section 13.52.100 - Maximum Tax Payable of the Richmond Municipal Code.
- (B) Annual amount is per agreement signed by a Major Taxpayer and the City in 2010.

SOURCE: City of Richmond, Finance Department (Revenue)

**CITY OF RICHMOND  
TOP TEN UTILITY USERS TAXPAYERS  
(ALPHABETICAL ORDER)  
Current Year**

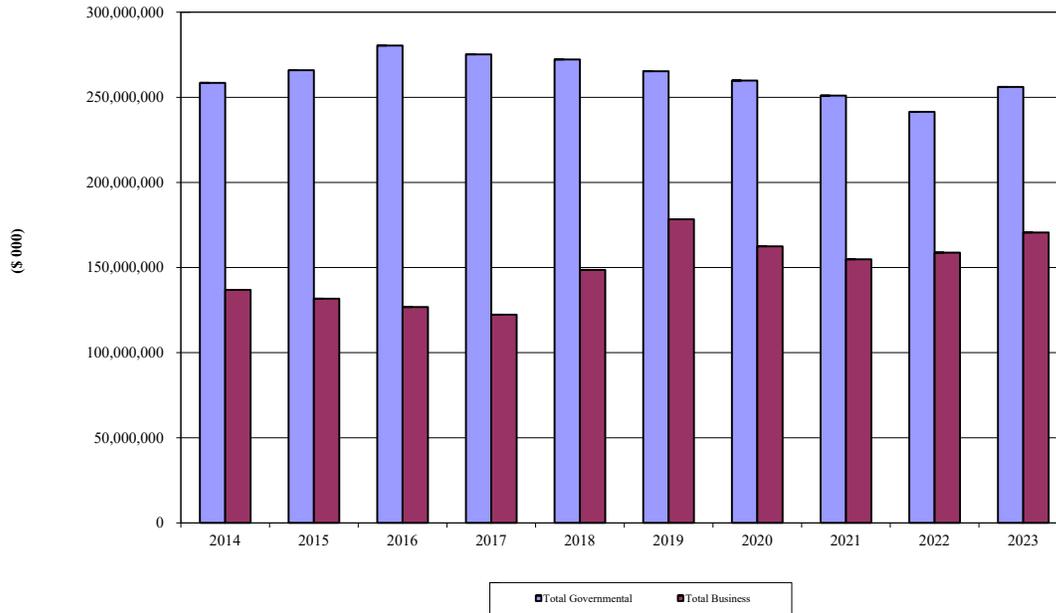
<b>Taxpayer</b>	<b>Type of Business (A)</b>
CALPINE ENERGY SOLUTIONS	Utility
CHEVRON	Industrial
COMCAST	Cable
CONSTELLATION NEW ENERGY	Utility
DIRECT ENERGY	Utility
GTE MOBILNET OF CALIFORNIA LTD	Telecommunications
MARIN CLEAN ENERGY	Utility
NEW CINGULAR WIRELESS	Telecommunications
PACIFIC BELL	Telecommunications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

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
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
2022	(B)	136,976,076	99,240,012	1,023,224	4,209,138	241,448,449
2023	(B)	154,140,000	94,726,574	749,584	6,462,613	256,078,770

<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)
2014	89,012,056	44,944,399	2,935,889	136,892,344	395,388,085	14.54%	3,725
2015	86,867,520	41,984,610	2,861,189	131,713,319	397,592,479	14.68%	3,737
2016	84,637,983	39,354,875	2,783,127	126,775,985	407,153,594	14.84%	3,689
2017	82,313,447	36,588,791	3,401,553	122,303,791	397,503,753	14.21%	3,556
2018	111,698,772	33,587,707	3,316,308	148,602,787	420,825,611	14.41%	3,792
2019	144,811,738	30,331,623	3,227,227	178,370,588	443,672,604	14.65%	4,017
2020	141,391,552	17,940,892	3,134,137	162,466,581	422,291,355	13.03%	3,797
2021	137,886,366	13,604,419	3,338,388	154,829,173	405,854,756	12.53%	3,649
2022	134,416,180	9,112,946	15,229,299	158,758,424	400,206,873	11.72%	3,634
2023	130,825,994	4,451,473	35,314,142	170,591,609	426,670,379	12.05%	3,727

Notes: Debt amounts exclude any premiums, discounts, or other amortization amounts.

- (A) See Demographic Statistics for personal income and population data.
- (B) Due to the dissolution of the Redevelopment Agency, the Tax Allocation Bonds and the Loans and Notes Payable that were related to the Redevelopment Agency were transferred to the Successor Agency as of February 1, 2012 and are no longer governmental commitments.
- (C) With the implementation of GASB Statement No. 65, the deferred amount on refunding previously reported as a component of the long-term debt balance is not reported as a deferred inflows of resources.

Sources: City of Richmond  
State of California, Department of Finance (population)  
U.S. Department of commerce, Bureau of the Census (income)

**CITY OF RICHMOND  
COMPUTATION OF LEGAL BONDED DEBT MARGIN  
JUNE 30, 2023**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$17,742,515,000
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$665,344,313
---	---------------

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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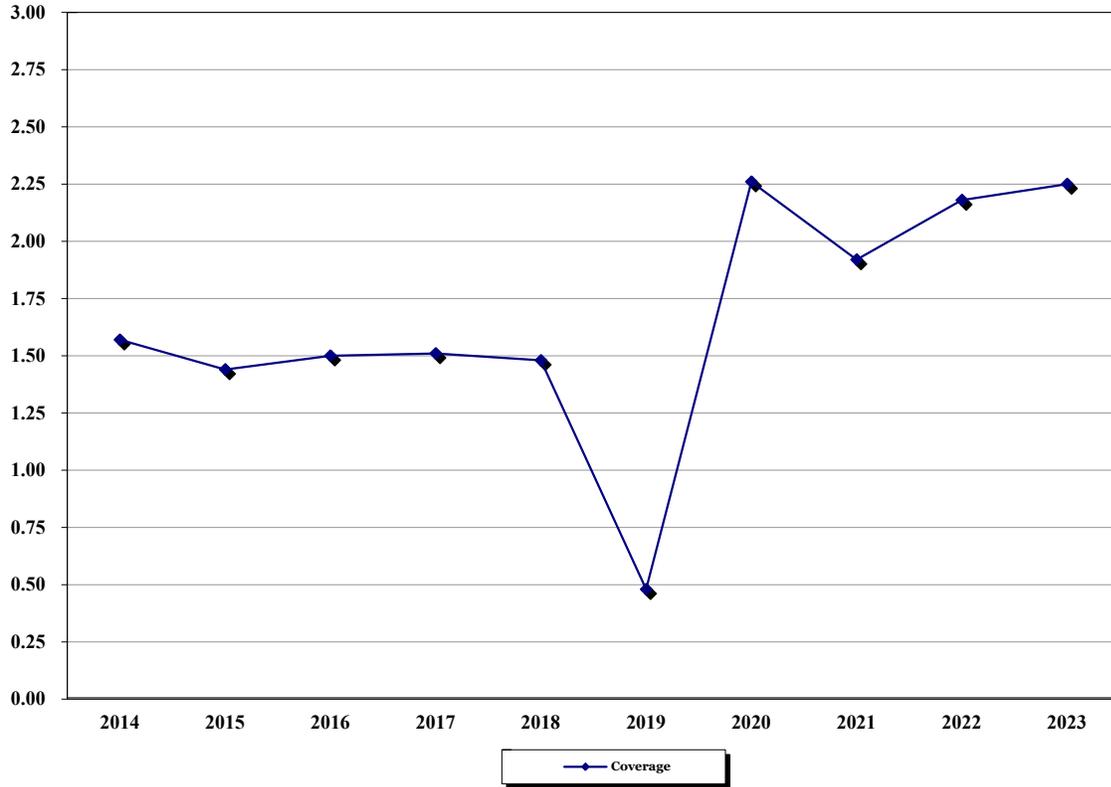
LEGAL BONDED DEBT MARGIN	\$665,344,313
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2014	368,446,575	0	368,446,575	0.00%
2015	440,390,400	0	440,390,400	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%
2022	614,884,800	0	614,884,800	0.00%
2023	665,344,313	0	665,344,313	0.00%

NOTE:

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

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

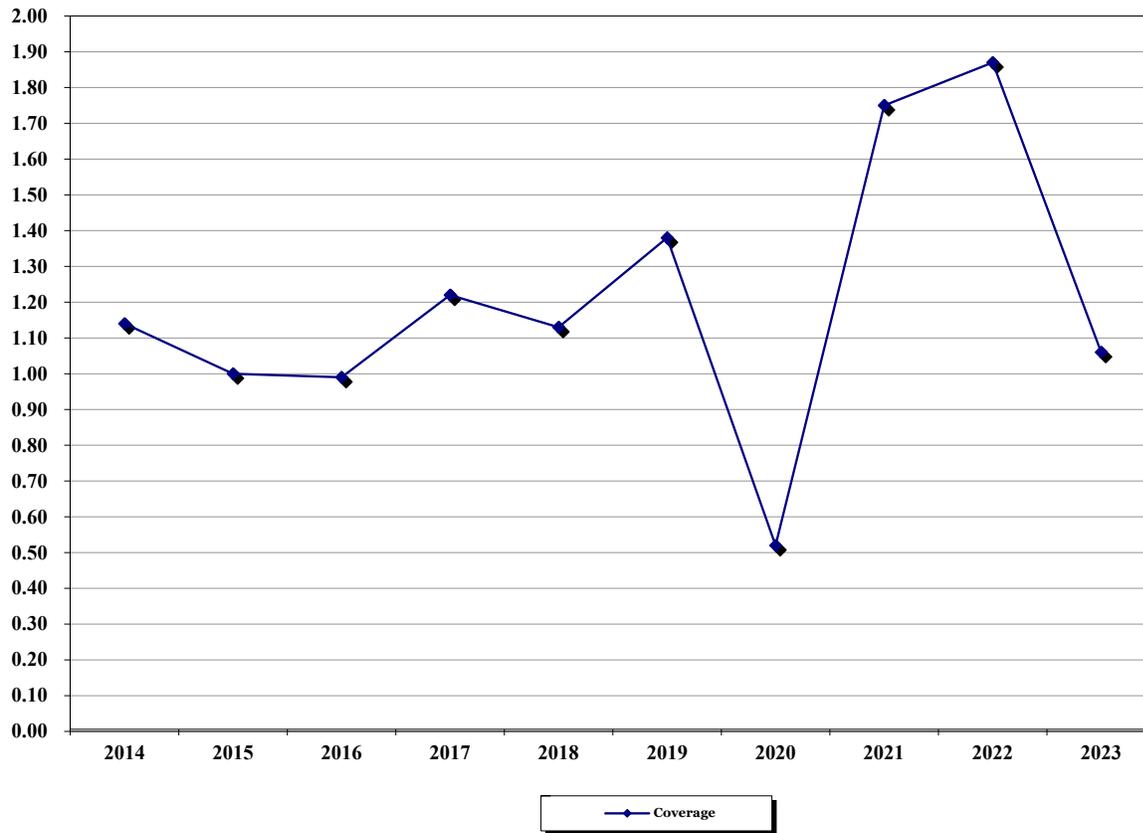


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	18,569,191	9,734,277	8,834,914	1,055,000	4,560,528	5,615,528	1.57
2015	19,098,835	9,524,878	9,573,957	2,115,000	4,536,302	6,651,302	1.44
2016	19,843,677	9,954,037	9,889,640	2,200,000	4,393,375	6,593,375	1.50
2017	20,880,739	10,831,250	10,049,489	2,295,000	4,344,233	6,639,233	1.51
2018	23,752,946	11,885,819	11,867,127	2,400,000	5,599,008	7,999,008	1.48
2019	29,993,700	10,647,739	19,345,961	35,240,000	5,286,578	40,526,578	0.48
2020	28,589,996	13,183,065	15,406,931	3,420,186	3,386,178	6,806,364	2.26 (3)
2021	27,876,716	12,214,607	15,662,109	2,515,000	5,633,851	8,148,851	1.92
2022	28,277,557	10,874,658	17,402,899	2,480,000	5,516,663	7,996,663	2.18
2023	31,156,875	13,172,834	17,984,041	2,600,000	5,393,712	7,993,712	2.25

- 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**

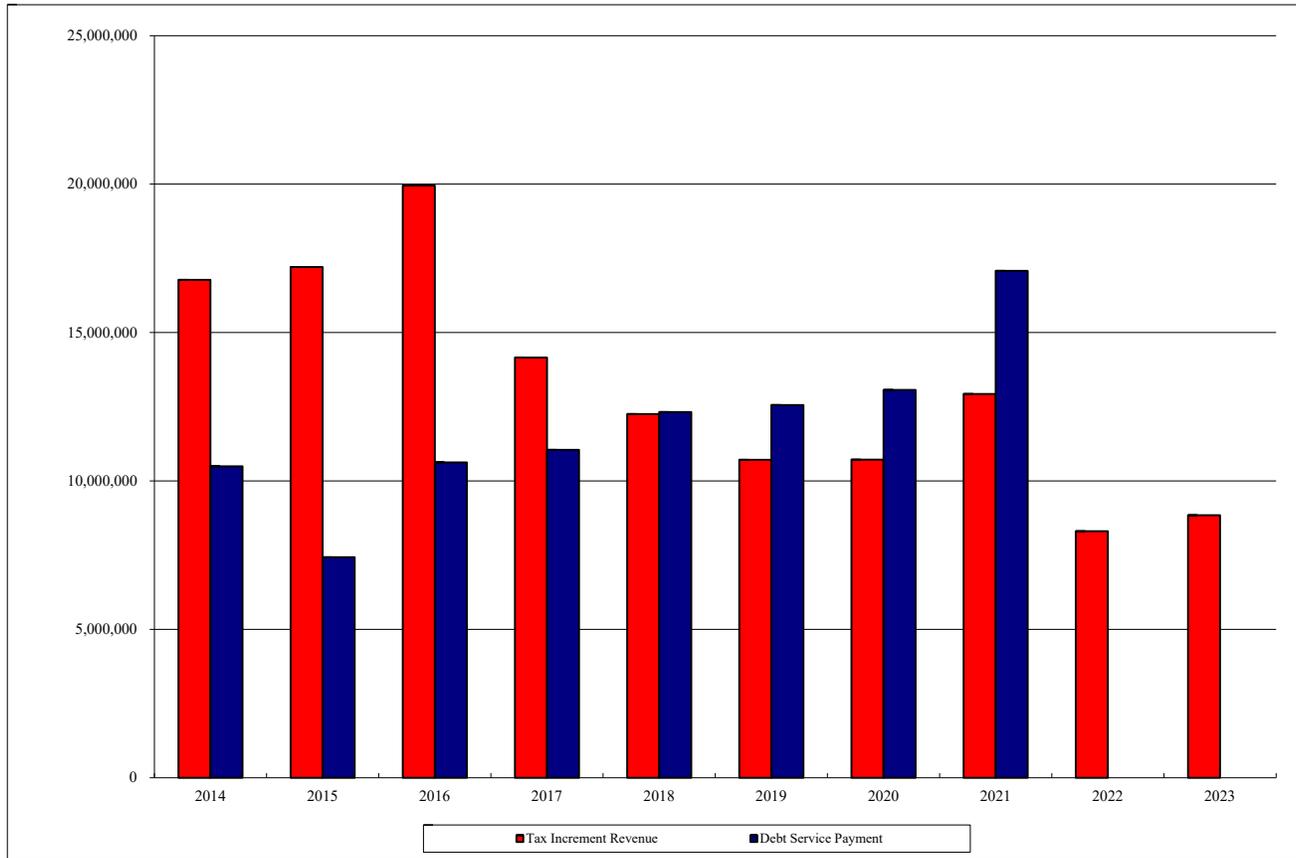


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	10,280,894	3,189,866	7,091,028	2,955,000	3,255,221	6,210,221	1.14
2015	9,481,315	3,380,916	6,100,399	3,025,000	3,077,165	6,102,165	1.00
2016	10,081,074	4,533,796	5,547,278	2,723,455	2,869,343	5,592,798	0.99
2017	10,194,121	3,522,216	6,671,905	2,830,000	2,641,797	5,471,797	1.22
2018	10,633,233	4,450,592	6,182,641	3,065,000	2,393,977	5,458,977	1.13
2019	10,783,561	3,289,965	7,493,596	3,320,000	2,126,229	5,446,229	1.38
2020	10,511,283	2,972,218	7,539,065	12,390,731	2,141,506	14,532,237	0.52
2021	10,707,743	2,495,128	8,212,615	3,945,000	748,210	4,693,210	1.75
2022	11,193,765	2,442,047	8,751,718	4,100,000	587,679	4,687,679	1.87
2023	12,347,504	2,148,773	10,198,731	4,270,000	5,393,712	9,663,712	1.06

Notes: (1) Includes all Port of Richmond Operating Revenues and Non-operating Interest Revenue excluding Derivative Investment Interest.  
(2) Includes all Port of Richmond Operating Expenses, less Depreciation and Pension and OPEB Expense related to GASB Statements 68 and 75.

Source: City of Richmond Annual Financial Statements

**CITY OF RICHMOND  
 BONDED DEBT PLEDGED REVENUE COVERAGE  
 TAX ALLOCATION BONDS AND REFUNDING BONDS (1)  
 LAST TEN FISCAL YEARS**

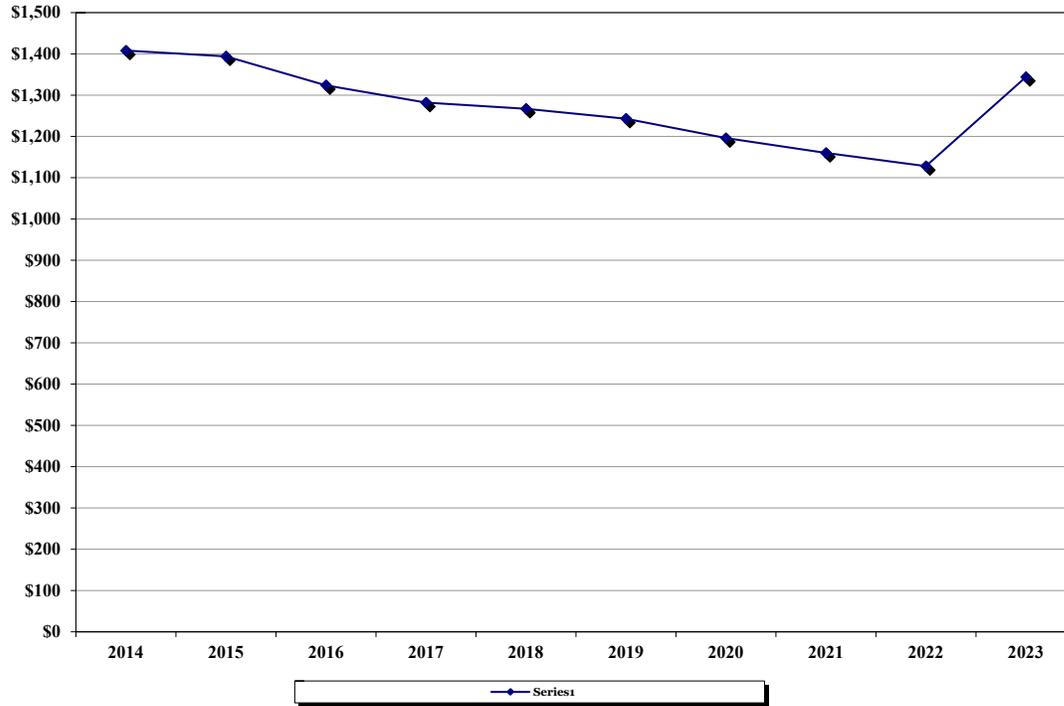


Fiscal Year	Tax Revenue		Debt Service Requirements			Coverage
			Principal	Interest	Total	
2014	16,776,169	(4)	5,030,000	5,461,989	10,491,989	1.60
2015	17,206,306	(4)	2,930,000	4,500,409	7,430,409	2.32
2016	19,953,198	(4)	6,180,000	4,445,674	10,625,674	1.88
2017	14,156,746	(4)	6,395,000	4,653,678	11,048,678	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
2022	8,306,100	(4)	6,645,000	2,052,525	8,697,525	0.95
2023	8,846,005	(4)	6,590,000	1,832,049	8,422,049	1.05

Note: (1) Includes the 1991, 1998, 2000, 2003, 2004, 2007, 2010, 2014 and 2021 Bonds.  
 (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  
GENERAL BONDED DEBT  
PENSION OBLIGATION BONDS (1)  
LAST TEN FISCAL YEARS**



<b>Fiscal Year</b>	<b>Bonds Outstanding</b>	<b>Restricted Cash and Investments (2)</b>	<b>Net Bonds Outstanding</b>	<b>Net Assessed Value of Property</b>	<b>Ratio of General Bonded Debt to Net Assessed Value of Property</b>	<b>Net General Bonded Debt per Capita</b>
2014	157,555,624	8,089,647	149,465,977	8,230,209,000	1.82%	1,408
2015	156,491,679	8,148,121	148,343,558	9,943,913,000	1.49%	1,394
2016	155,070,539	8,936,523	146,134,016	10,745,818,000	1.36%	1,324
2017	153,058,033	9,777,863	143,280,170	11,290,341,000	1.27%	1,282
2018	150,485,289	9,844,431	140,640,858	11,514,846,000	1.22%	1,267
2019	147,275,826	10,041,550	137,234,276	12,342,193,000	1.11%	1,243
2020	144,339,640	11,315,256	133,024,384	12,521,376,000	1.06%	1,196
2021	140,816,305	11,845,153	128,971,152	13,196,108,000	0.98%	1,160
2022	136,976,076	12,779,202	124,196,874	13,221,634,000	0.94%	1,128
2023	154,140,000	234,805	153,905,195	13,649,321,000	1.13%	1,344

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  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2023**

2022-2023 Assessed Valuation: \$17,831,813,609

	Total Debt June 30, 2023	% Applicable (1)	City's Share of Debt June 30, 2023
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Bay Area Rapid Transit District	\$2,484,285,000	1.872%	\$46,505,815
Contra Costa Community College District	649,015,000	7.091%	\$46,021,654
West Contra Costa Unified School District	1,188,146,381	45.789%	\$544,040,346
West Contra Costa Healthcare District Parcel Tax Obligations	43,000,000	43.177%	\$18,566,110
East Bay Regional Park District	175,955,000	2.964%	\$5,215,306
City of Richmond Community Facilities District No. 1998-1	1,560,000	100%	\$1,560,000
City of Richmond 1915 Act Bonds	3,995,000	100%	\$3,995,000
California Statewide Community Development Authority 1915 Act Bonds	1,321,866	100%	\$1,321,866
<b>TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>667,226,097</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Contra Costa County General Fund Obligations	\$193,515,000	7.068%	13,677,640
Alameda-Contra Costa Transit District Certificates of Participation	11,220,000	5.544%	622,037
West Contra Costa Unified School District Certificates of Participation	4,850,000	45.789%	2,220,767
<b>City of Richmond General Fund Obligations</b>	<b>85,835,000</b>	<b>100%</b>	<b>85,835,000</b>
<b>City of Richmond Pension Obligations Bonds</b>	<b>154,140,000</b>	<b>100%</b>	<b>154,140,000</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>256,495,444</b>
Less: Contra Costa County general fund obligations supported by revenue funds			3,599,687
<b>City of Richmond obligations supported by port revenues</b>			<b>4,060,000</b>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>248,835,757</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</b>	<b>\$38,270,923</b>	<b>100%</b>	<b>38,270,923</b>
<b>TOTAL GROSS DIRECT DEBT</b>			<b>\$239,975,000</b>
<b>TOTAL NET DIRECT DEBT</b>			<b>\$235,915,000</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$722,017,464</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$718,417,777</b>
<b>GROSS COMBINED TOTAL DEBT</b>			<b>\$961,992,464</b> (2)
<b>NET COMBINED TOTAL DEBT</b>			<b>\$954,332,777</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 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 3.74%

Ratios to Adjusted Assessed Valuation:

**Gross Total Direct Debt (\$163,777,525) 1.35%**

**Net Total Direct Debt (\$151,347,525) 1.32%**

Gross Combined Total Debt 5.39%

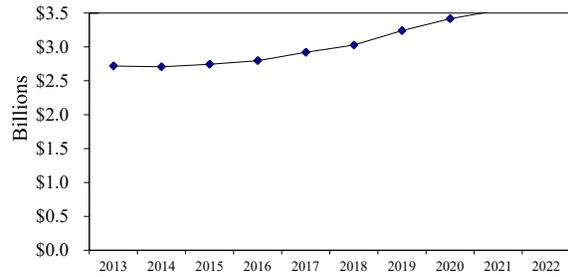
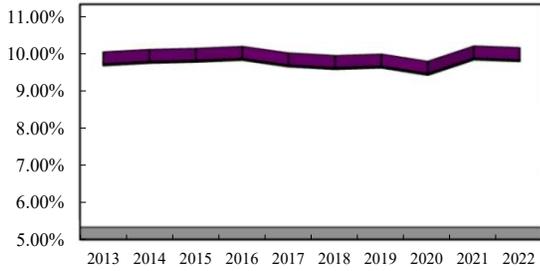
Net Combined Total Debt 5.35%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$4,093,193,500):

Total Overlapping Tax Increment Debt 0.93%

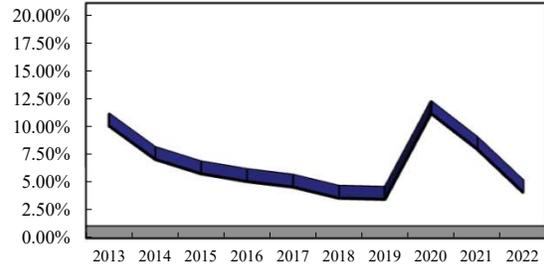
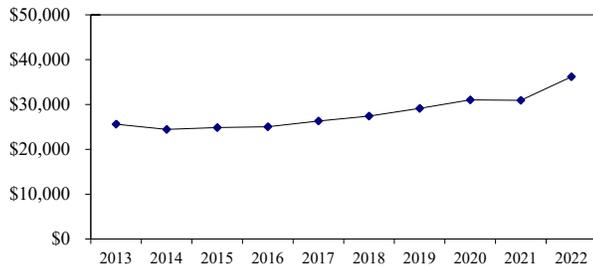
Source: California Municipal Statistics, Inc.

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



Series1

Series1



Per Capita Personal Income

Series1

Calendar Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Contra Costa County Population	City Population % of County
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	110,967	2,920,370,000	26,317	4.6%	1,147,439	9.67%
2018	110,436	3,027,471,000	27,413	3.6%	1,150,215	9.60%
2019	111,217	3,240,034,000	29,132	3.5%	1,153,526	9.64%
2020	110,130	3,416,146,000	31,019	11.2%	1,165,927	9.45%
2021	114,489	3,541,074,000	30,929	8.0%	1,161,413	9.86%
2022	113,518	4,107,076,000	36,180	4.1%	1,156,966	9.81%

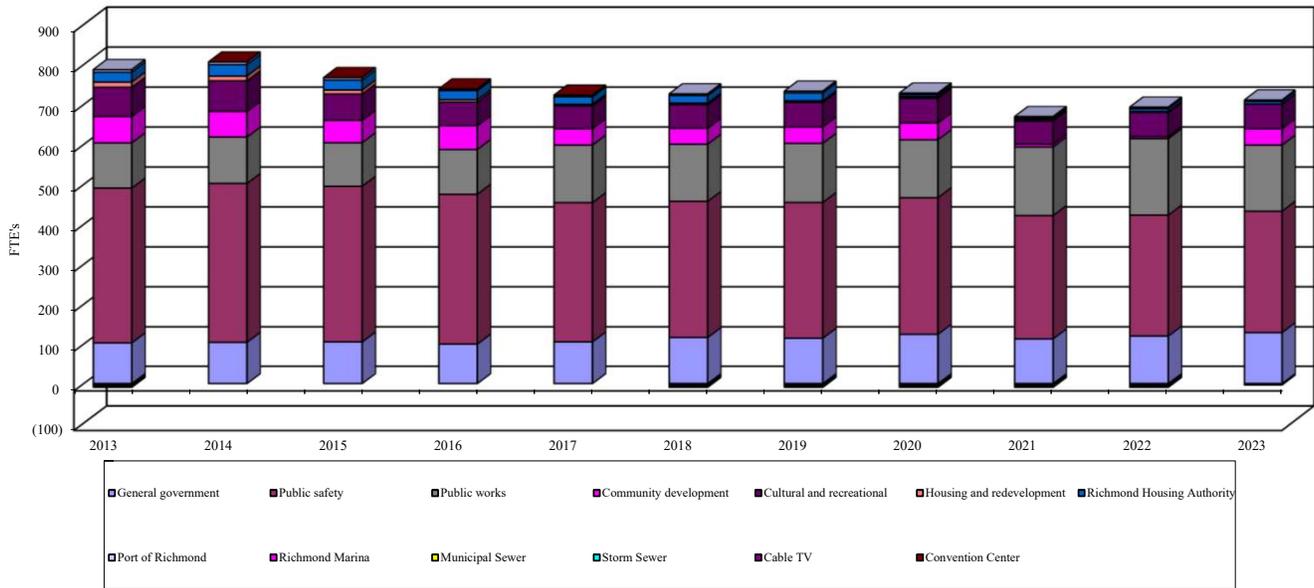
Source: HdL, Coren & Cone

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

<b>Employer</b>	<b>2022-2023</b>			<b>2013-2014</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	3,157	1	2.9%	2,317	1	2.2%
Social Security Administration	1,759	2	1.6%	1,259	3	1.2%
West Contra Costa Unified School District	1,545	3	1.4%	1,580	2	1.5%
Kaiser Foundation Hospitals	1,442	4	1.3%	506	8	0.5%
United Parcel Service	1,332	5	1.2%			
Amazon.com Services	1,121	6	1.0%			
The Permanente Medical Group	1,051	7	1.0%	686	7	0.6%
City of Richmond	901	8	0.8%	803	6	0.8%
U.S. Postal Service	489	9	0.5%	1,047	4	1.0%
Contra Costa County	472	10	0.4%	844	5	0.8%
Bio-RAD Laboratories				473	9	0.4%
Michael Stead Auto Depot & Sales				472	10	0.4%
<b>Subtotal</b>	<b>13,269</b>		<b>12.2%</b>	<b>9,987</b>		<b>9.4%</b>
<b>Total City Day Population</b>	<b>108,416</b>			<b>106,138</b>		

Source: City of Richmond

**CITY OF RICHMOND**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**



Function	Adopted for Fiscal Year Ended June 30										
	2013	2014	2015	2016	2017	2018	2019	2020 (re-stated)	2021	2022	2023
General government	102.9	104.4	105.2	99.8	105.4	116.5	114.7	124.7	113.1	120.1	129.0
Public safety	388.0	398.0	390.0	375.5	349.0	341.0	340.0	342.0	309.0	303.0	304.0
Public works	113.0	116.0	109.0	112.0	144.0	143.0	148.0	145.0	171.5	191.4	165.2
Community development	66.0	64.0	56.0	59.5	41.0	40.0	41.0	42.0	7.0	5.0	41.0
Cultural and recreational	73.2	76.8	66.0	59.0	57.0	59.1	61.7	61.7	58.1	60.7	61.7
Housing and redevelopment	13.0	12.0	10.0	5.9	3.8	3.8	3.8	3.8	2.8	2.0	0.0
Richmond Housing Authority and RHA Properties	25.0	29.0	25.0	23.0	19.0	19.0	20.0	5.3	4.0	7.0	7.0
Port of Richmond	6.0	6.0	6.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Richmond Marina	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Municipal Sewer	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Storm Sewer	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Cable TV	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Convention Center	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
<b>Total</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>728.5</b>	<b>669.5</b>	<b>693.2</b>	<b>710.9</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Function/Program</b>										
Public safety:										
Fire:										
Fire calls for service	12,988	13,670	14,497	14,372	14,375	13,900	14,318	18,150	18,210	14,020
Primary fire inspections conducted	3,000	1,569	1,134	1,160	5,378	3,929	2,919	3,320	1,510	1,082
Number of firefighters	85	94	91	90	91	90	89	89	89	91
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	1.7	1.8	1.7	1.6	1.6	1.6	1.6	1.3	1.3	1.3
Number of sworn officers	186	196	185	182	178	178	178	157	145	146
Water										
Daily average consumption in gallons per family	250	250	250	250	250	250	160	194	145	140

**Source:** City of Richmond

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Function/Program</b>										
<b>Public safety:</b>										
Fire stations	7	7	7	7	7	7	7	7	7	7
Police stations	4	4	4	4	4	4	4	4	4	1
Library (#) of Locations	3	3	3	3	3	3	3	3	3	3
<b>Public works</b>										
Miles of streets	280	280	280	280	280	280	290	280	289	280
Street lights	6,543	8,343	8,543	9,000	9,000	9,000	7,801	9,000	9,000	9,000
Urban Forest (trees) (a)	21,609	22,009	35,620	35,782	36,231	36,499	36,766	36,700	38,000	37,000
<b>Culture and recreation:</b>										
<b>Community services:</b>										
City parks	55	55	55	55	55	55	55	55	56	55
City parks acreage	336.6	336.6	336.6	336.6	336.6	336.6	336.6	336.6	340.0	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	0	0
Recreation centers	8	8	8	8	8	8	8	8	8	8
Auditorium/Theater	1	1	1	1	1	1	1	1	1	1
Gymnasiums	3	3	3	3	3	3	3	3	2	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	0	0
Basketball courts	28	28	28	28	28	28	28	28	28	28
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	20	20	20	20	20	20	20	20	20	20
Baseball/softball diamonds	26	26	26	26	26	26	26	26	26	26
Soccer/football fields	17	17	17	17	17	17	17	17	17	17
Cricket fields	2	2	2	2	2	2	2	2	0	0
<b>Water</b>										
Fire hydrants	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	2,163	2,787
<b>Wastewater</b>										
Miles of sanitary sewers	183	183	183	183	183	230	189	194	194	194
Miles of storm sewers	310	310	310	310	310	310	198	310	173	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.