



The City of

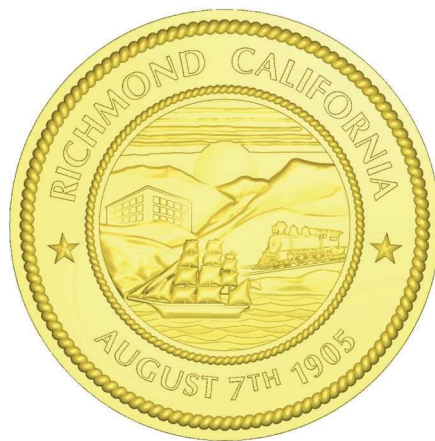
Richmond California



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

City of Richmond
California

Annual Comprehensive Financial Report



Fiscal Year Ended June 30, 2022

Prepared by the Finance Department

Delmy Cuellar

Acting Director of Finance

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For the year ended June 30, 2022
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FINANCE DEPARTMENT



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

February 6, 2023

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

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

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

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

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

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

The Reporting Entity and Its Services

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

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

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

Profile of the Government

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

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

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

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

The mission of the City of Richmond is:

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

Factors Affecting Financial Condition

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

Local economy

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

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

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

The City received \$53.5 million in Sales Tax revenue which is \$5.8 million more than the pre-COVID high of \$47.7 million received in FY2018-19, a total increase of 12% over the last three years. The most recent forecast from the City's financial consultants, using the most likely scenarios, expect this trend to continue.

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

Significant Events and Accomplishments

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

Employment and Training

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

Library

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

Literacy for Every Adult Program (LEAP)

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

Recreation

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

Transportation

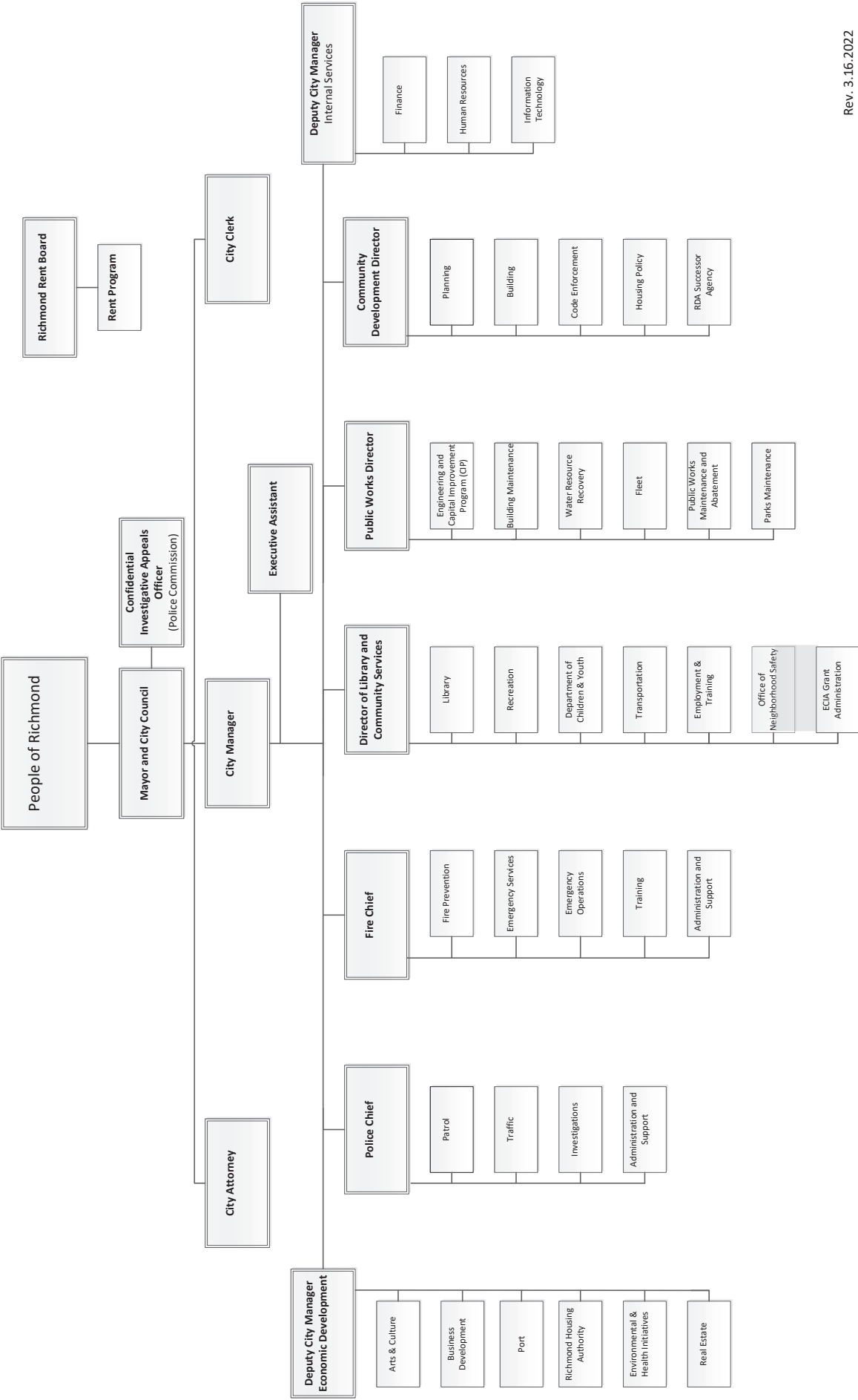
- Commenced the on-demand city-wide shuttle for Richmond residents thereby reducing the need for vehicle trips
- Expanded electric vehicle (EV) charging stations for increased accessibility and EV purchases within Richmond
- Reduced the cost of the ride share LYFT service travel for qualified seniors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

Respectfully submitted,



Delmy Cuellar
Director of Finance/Treasurer

Organizational Chart



CITY OFFICIALS

JUNE 30, 2022

CITY COUNCIL

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

ADMINISTRATION AND EXECUTIVE MANAGEMENT

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



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Disclaimer of Opinion and Unmodified Opinions

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

Summary of Opinions

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

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

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

Basis for Disclaimer of Opinion

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, the Community Development and Loan Programs Special Revenue Fund, the Port of Richmond Enterprise Fund, the Municipal Sewer Enterprise Fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Unmodified Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

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

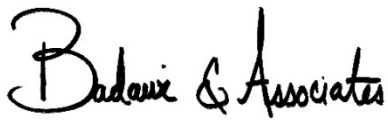
Other Information

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2022

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

FINANCIAL HIGHLIGHTS

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

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-wide Net Position

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

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

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

Government-wide Activities

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

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

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

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

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

Governmental Activities

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

Business Type Activities

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

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

Net Program (Expenses) Revenues

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

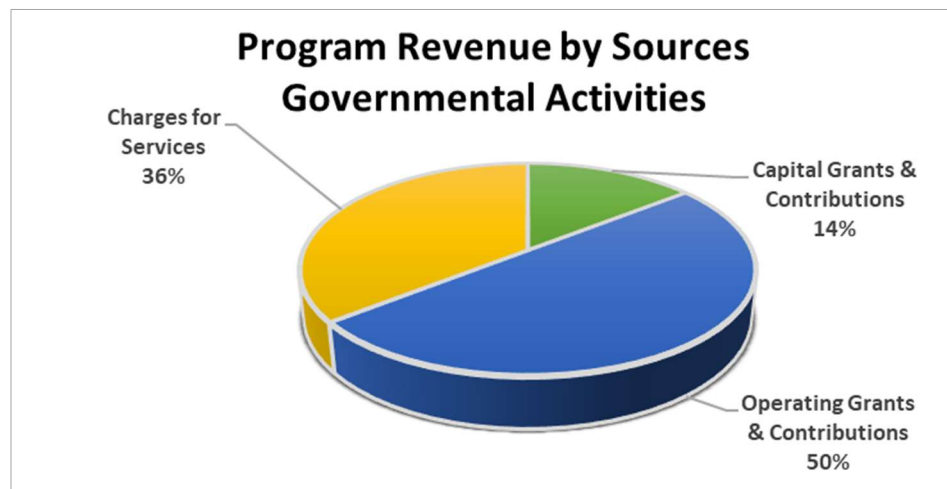
The following table details the net program costs for each of the governmental functions.

**Expenses and Program Revenues
Governmental Activities**

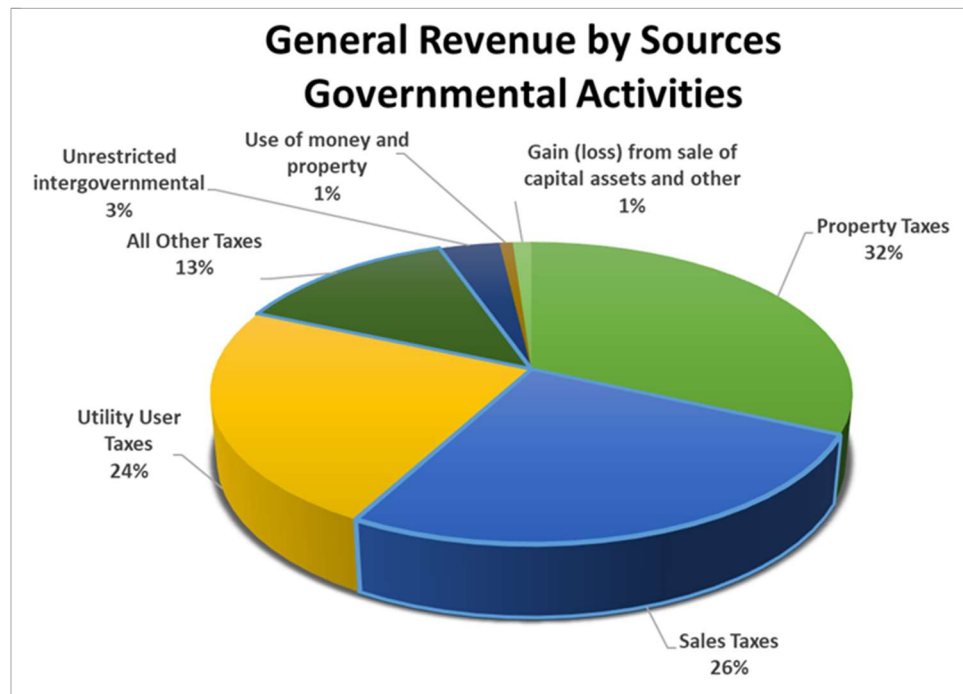
Functions			Net (Expenses)
	Expenses	Revenues	Revenues
General government	\$ 48,312,143	\$ 21,516,488	\$ (26,795,655)
Public safety	68,259,779	5,983,657	(62,276,122)
Public works	35,554,874	29,037,759	(6,517,115)
Community development	3,552,363	18,225,944	14,673,581
Cultural and recreational	9,969,799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

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

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



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

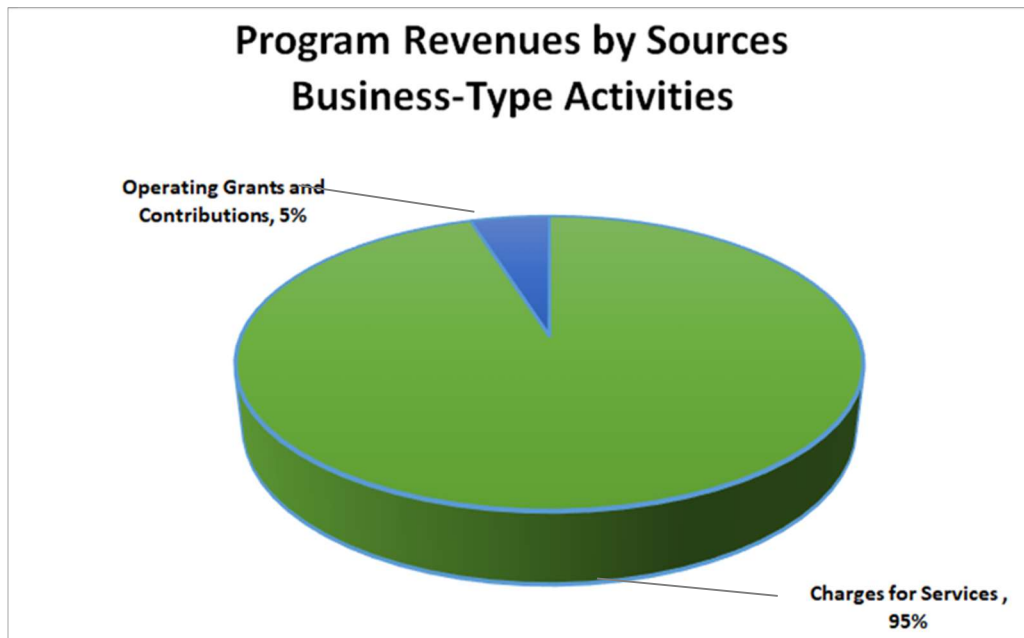


The following table details net program costs for business-type activities. Business-type activities revenue exceeded expenses by \$22 million, as Municipal Sewer, the Port of Richmond, and other Enterprise Funds contributed net revenues of \$10 million, \$5.8 million, and \$6.2 million respectively.

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

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

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



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

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

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

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

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

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

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

Proprietary Funds:

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

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

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

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

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

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

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

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

Capital Assets by Type
June 30, 2022 and 2021

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

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

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

Debt Administration

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

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

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

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

Outstanding Debt
June 30, 2022 and 2021

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

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

Economic Factors, Next Year's Budget and Inflation Rates

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

Measure H

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

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

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

Measure U

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

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

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Richmond
Statement of Net Position
June 30, 2022

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

See accompanying Notes to Basic Financial Statements

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

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

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

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

City of Richmond
Balance Sheet
Governmental Funds
June 30, 2022

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

City of Richmond

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

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

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

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

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

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

11,740,238

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

31,846,045

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

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

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

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

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

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

See accompanying Notes to Basic Financial Statements

City of Richmond

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

Net Change in Fund Balances - Total Governmental Funds	\$ 27,023,360
Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds.	13,712,389
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.	(12,626,693)
Gain on sale of assets are not recorded in the governmental funds since the assets are not recorded there but they are recorded in the government-wide	97,280
Proceed from sale assets are recorded in the governmental funds but the gain or loss is recorded in the government-wide	(88,477)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.	1,582,874
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments	17,234,527
Capital appreciation bond accretion	(7,171,770)
Amortization of bonds premium	863,438
Interest payable	176,726
Current year employer pension and OPEB contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	35,416,930
Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(4,187,831)
OPEB expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	20,044,159
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	4,565,666
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	(1,070,418)
Change in Net Position of Governmental Activities	\$ 95,572,160

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

See accompanying Notes to Basic Financial Statements.

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

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

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

See accompanying Notes to Basic Financial Statements.

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

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

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

See accompanying Notes to Basic Financial Statements

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

FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. *Financial Reporting Entity*

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

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

Primary Government

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

Blended Component Units

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

Blended Component Units, Continued

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

Blended Component Units, Continued

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

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

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

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

Discretely Presented Component Units

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

Discretely Presented Component Units, Continued

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

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

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

B. Basis of Accounting and Measurement Focus

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements

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

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements

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

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

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

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

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

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

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

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

The City also reports the following proprietary fund type:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements

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

The City reports the following fiduciary fund types:

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

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

C. Cash and Investments

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. *Cash and Investments, Continued*

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

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

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

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

D. *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, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets

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

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

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

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

F. Property Held for Resale

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Property Taxes

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

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

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

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

H. Deferred Outflows/Inflows of Resources

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Net Position and Fund Balances

Net Position

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

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

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

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

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

Fund Balances

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Net Position and Fund Balances, Continued

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

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

J. Compensated Absences

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

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

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

L. Pension

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

M. Other Post Employment Benefits (OPEB)

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Use of Estimates

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

2. CASH AND INVESTMENTS

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

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

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

A. Classification

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

Primary Government:

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

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

2. CASH AND INVESTMENTS, Continued

B. Deposits

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

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

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

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

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

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

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

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

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

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

2. CASH AND INVESTMENTS, Continued

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

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

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

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

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

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

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

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

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

2. CASH AND INVESTMENTS, Continued

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

Prohibited Investments

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

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

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

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

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

The Authority does not have reverse repurchase agreements.

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

2. CASH AND INVESTMENTS, Continued

E. Investments Authorized by Debt Issues and Lease Agreements

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

F. Interest Rate Risk

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

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

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

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

2. CASH AND INVESTMENTS, Continued

G. Credit Risk

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

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

H. Custodial Credit Risk

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

I. Fair Value Hierarchy

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

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

2. CASH AND INVESTMENTS, Continued

I. Fair Value Hierarchy, Continued

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

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

J. Concentration of Credit Risk

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

3. INTERFUND TRANSACTIONS

A. Due To/From Other Funds

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

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

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

3. INTERFUND TRANSACTIONS, Continued

B. Advances To/From Other Funds

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

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

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

C. Transfers In/Out

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

Transfers Out	Transfers In					Total
	General Fund	Nonmajor Governmental Funds	Richmond Housing Authority	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 9,933,479	\$ 949,414	\$ 2,654,027	\$ 601,018	\$ 14,137,938
Nonmajor Governmental Funds	9,773,160	940,701	-	-	-	10,713,861
Community Development and Loan Programs Fund	-	10,000	-	-	-	10,000
Nonmajor Enterprise Funds	86,778	-	-	-	-	86,778
Total	\$ 9,859,938	\$ 10,884,180	\$ 949,414	\$ 2,654,027	\$ 601,018	\$ 24,948,577

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

3. INTERFUND TRANSACTIONS, Continued

C. Transfers In/Out, Continued

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

4. NOTES AND LOANS RECEIVABLE

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

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

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

4. NOTES AND LOANS RECEIVABLE, Continued

RHA RAD Project

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

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

Deferred Loans

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

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

Scattered Site Infill Housing Development (Infill Phase II)

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

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

4. NOTES AND LOANS RECEIVABLE, Continued

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

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

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

Nevin Court Homeowner Development Project

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

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

Richmond Neighborhood Stabilization Loans

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

Home Improvement Program Loans

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

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

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

4. NOTES AND LOANS RECEIVABLE, Continued

Rental Rehabilitation Loans

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

The Carquinez Project

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

Creely Avenue Housing Rehabilitation (Arbors)

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

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

4. NOTES AND LOANS RECEIVABLE, Continued

Lillie Mae Jones Project

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

Greater Richmond Interfaith Program

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

CALHome Program

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

Housing Successor Loans

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

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

4. NOTES AND LOANS RECEIVABLE, Continued

Miraflores Loan

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

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

MacDonald Place Senior Housing

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

Silent Second Mortgage Loans

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

Chesley Avenue Mutual Housing Development

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

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

4. NOTES AND LOANS RECEIVABLE, Continued

Easter Hill Project

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

5. LEASES RECEIVABLE

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

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

Alcatraz Cruises

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

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

5. LEASES RECEIVABLE, Continued

California Oils

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

DeSaulnier

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

Foss Maritime

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

MSRC

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

Nematode

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

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

5. LEASES RECEIVABLE, Continued

NRC

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

Point San Pablo

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

PRAM

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

Richmond Art Center

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

Richmond Bay Marina

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

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

5. LEASES RECEIVABLE, Continued

Terminal Three Partners

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

Dutra

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

YWCA

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

AWC

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

City of Richmond

Notes to Basic Financial Statements

For the Year Ended June 30, 2022

5. LEASES RECEIVABLE, Continued

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

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

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

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

6. CAPITAL ASSETS

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

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

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

6. CAPITAL ASSETS, Continued

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

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

Lease Asset

DiCon Fiberoptics

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

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

6. CAPITAL ASSETS, Continued

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

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

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

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

6. CAPITAL ASSETS, Continued

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

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

Lease Asset

West County Wastewater District

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

7. COMPENSATED ABSENCES PAYABLE

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

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

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

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

8. LONG-TERM DEBT

A. Governmental Activities

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

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

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

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

Bonds Payable

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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

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

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

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

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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

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

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

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

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

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

The annual debt service requirements are as follows:

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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

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

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

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

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

The annual debt service requirements are as follows:

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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

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

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

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

The annual debt service requirements are as follows:

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Interest Rate Swap and Swaption Agreements

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

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Interest Rate Swap and Swaption Agreements, Continued

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

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

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

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

Pay-Fixed, Receive-Variable

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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

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

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

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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

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

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

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

Loans Payable

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

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

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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

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

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Financed Purchases

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

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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

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

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

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

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

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

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

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Lease Liability (Dicon Fiberoptics)

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

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

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

B. Business-Type Activities

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

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

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

(B) California State Loan drawdown

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

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

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

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

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

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

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

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

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

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

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

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

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

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

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

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

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

Bonds outstanding	\$ 64,960,000
Unamortized premium	11,161,455
Net	<u>\$ 76,121,455</u>

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

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

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

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

Pledge of Wastewater Revenues

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

Notes and Loans Payable - Direct Borrowing

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

RHA RAD Housing Partners, LP Promissory Note

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

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

Contra Costa County Loan Payable

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

California State Loan

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

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

8. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

California State Loan, Continued

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

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

Lease Liability (West County Wastewater District)

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

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

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

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

8. LONG-TERM DEBT, Continued

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

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

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

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

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

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

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

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

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

8. LONG-TERM DEBT, Continued

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

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

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

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

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

D. *Special Assessment Debt Without City Commitment*

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

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

E. *Conduit Debt*

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

Richmond Community Foundation, Richmond Housing Rehabilitation

Program, Social Impact Bonds, Taxable Series 2015A

\$3,000,000

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

9. UNAVAILABLE AND UNEARNED REVENUE

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

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

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

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

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

10. FUND BALANCE AND NET POSITION

A. Fund Balance Classification

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

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

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

10. FUND BALANCE AND NET POSITION, Continued

B. Contingency Reserve Policy

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

C. Deficit Fund Balances and Accumulated Deficits

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

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

D. Restatement of Net Position

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

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

10. FUND BALANCE AND NET POSITION, Continued

D. Restatement of Net Position, Continued

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

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

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

11. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds incurred departmental expenditures in excess of appropriations.

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

12. DEFINED BENEFIT PENSION PLANS

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

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

A. California Public Employees' Retirement System Pension Plans

I. General Information about the CalPERS Pension Plan

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

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

I. General Information about the CalPERS Pension Plan, Continued

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

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

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

Hire date	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.25%
Required employer contribution rates	13.03%	13.03%
Required UAL Contribution	\$ 10,792,736	

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

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

I. General Information about the CalPERS Pension Plan, Continued

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

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

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

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

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

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

II. Net Pension Liability

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

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

II. Net Pension Liability, Continued

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

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

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

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

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

II. Net Pension Liability, Continued

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

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

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

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

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

II. Net Pension Liability, Continued

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

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 Measurement Date	\$ 513,389,020	\$ 378,751,581	\$ 134,637,439
Changes in the year:			
Service cost	6,902,037	-	6,902,037
Interest on the total pension liability	35,423,024	-	35,423,024
Differences between actual and expected experience	(6,412,719)	-	(6,412,719)
Changes in assumptions	-	-	-
Net Plan to plan resource movement	-	(4,882)	4,882
Contribution - employer	-	14,612,575	(14,612,575)
Contribution - employees	-	2,657,439	(2,657,439)
Net investment income	-	83,636,340	(83,636,340)
Administrative expenses	-	(378,350)	378,350
Benefit payments, including refunds of employee contributions	(30,000,846)	(30,000,846)	-
Net changes	5,911,496	70,522,276	(64,610,780)
Balance at June 30, 2021 Measurement Date	\$ 519,300,516	\$ 449,273,857	\$ 70,026,659

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 Measurement Date	\$ 693,601,610	\$ 476,652,329	\$ 216,949,281
Changes in the year:			
Service cost	10,261,858	-	10,261,858
Interest on the total pension liability	48,387,109	-	48,387,109
Differences between actual and expected experience	(1,211,011)	-	(1,211,011)
Changes in assumptions	-	-	-
Net Plan to plan resource movement	-	4,881	(4,881)
Contribution - employer	-	21,598,699	(21,598,699)
Contribution - employees	-	4,314,111	(4,314,111)
Net investment income	-	105,126,083	(105,126,083)
Administrative expenses	-	(476,147)	476,147
Benefit payments, including refunds of employee contributions	(41,557,485)	(41,557,485)	-
Net changes	15,880,471	89,010,142	(73,129,671)
Balance at June 30, 2021 Measurement Date	\$ 709,482,081	\$ 565,662,471	\$ 143,819,610
Totals - Miscellaneous and Safety Plans	\$ 1,228,782,597	\$ 1,014,936,328	\$ 213,846,269

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

12. DEFINED BENEFIT PENSION PLANS, Continued

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

II. Net Pension Liability, Continued

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

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

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

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

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

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

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

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

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

B. Other City Pension Plans

I. Plan Descriptions and Funding Policies

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

I. Plan Descriptions and Funding Policies, Continued

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

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

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

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

I. Plan Descriptions and Funding Policies, Continued

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

II. Significant Accounting Policies

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

III. Pension Plan Assets

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

III. Pension Plan Assets, Continued

Investment Policies

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

III. Pension Plan Assets, Continued

Interest and Credit Risk

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

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

Rate of Return

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

IV. Net Pension Liability of the Plans

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

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

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

IV. Net Pension Liability of the Plans, Continued

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

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

IV. Net Pension Liability of the Plans, Continued

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

V. Changes in the Net Pension Liability of Each Plan

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

Police and Firemen's Plan:

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

General Pension Plan:

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

V. Changes in the Net Pension Liability of Each Plan

Garfield Pension Plan:

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

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

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

VI. Actuarially Determined Contributions

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

VI. Actuarially Determined Contributions, Continued

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

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

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

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

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

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

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

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

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

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

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

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
2023	\$ 78,717
2024	66,264
2025	77,085
2026	478,023
2027	-
Thereafter	-

VIII. Plan Financial Statements

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

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

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

12. DEFINED BENEFIT PENSION PLANS, Continued

B. Other City Pension Plans, Continued

VIII. Plan Financial Statements, Continued

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

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

IX. PARS Defined Contribution Plan

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

City OPEB Plan

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

RPOA OPEB Plan

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

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

A summary of the City OPEB Plan provisions follows:

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

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

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

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

A summary of the RPOA OPEB Plan provisions follows:

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

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

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

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

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

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
Total	150

B. Funding Policy and Actuarial Assumptions

City OPEB Plan

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

B. Funding Policy and Actuarial Assumptions, Continued

RPOA OPEB Plan

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

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

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

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

B. Funding Policy and Actuarial Assumptions, Continued

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

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

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

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

B. Funding Policy and Actuarial Assumptions, Continued

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

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

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

City OPEB Plan

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

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

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

B. Funding Policy and Actuarial Assumptions, Continued

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

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

RPOA OPEB Plan

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

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

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

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

C. Changes in Net OPEB Liability

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

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (a) - (b)
Balance at June 30, 2021	\$ 123,244,653	\$ 32,439,804	\$ 90,804,849
Changes Recognized for the Measurement Period:			
Service Cost	2,088,997	-	2,088,997
Interest on the total OPEB liability	6,997,592	-	6,997,592
Differences between expected and actual experience (1)	(11,982,490)	-	(11,982,490)
Changes of assumptions	(6,119,213)	-	(6,119,213)
Contributions from the employer	-	10,042,891	(10,042,891)
Contributions from the employee	-	589,125	(589,125)
Net investment income	-	(4,613,857)	4,613,857
Administrative expenses	-	(61,195)	61,195
Benefit payments (2)	(7,272,797)	(7,272,797)	-
Net changes	(16,287,911)	(1,315,833)	(14,972,078)
Balance at June 30, 2022 (Measurement Date)	\$ 106,956,742	\$ 31,123,971	\$ 75,832,771

(1) Approximately \$(12.36M) of the increase/ (decrease) is due to the change in premiums and assumed claims costs and \$380K is due to all other experience changes.

(2) Benefit payments equal \$4,622,801 explicit subsidy payments to retirees and \$2,649,996 implicit subsidy costs incurred during the measurement period ending 6/30/2022.

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

C. Changes in Net OPEB Liability, Continued

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

	Increase (Decrease) Total OPEB Liability (a)	Plan Fiduciary Net OPEB (b)	Net Position Liability/(Asset) (a) - (b)
Balance at June 30, 2021	\$ 19,304,428	\$ 6,307,879	\$ 12,996,549
Changes Recognized for the Measurement Period:			
Service Cost	1,027,120	-	1,027,120
Interest on the total OPEB liability	1,107,706	-	1,107,706
Differences between expected and actual experience (1)	(4,595,658)	-	(4,595,658)
Changes of assumptions	(323,325)	-	(323,325)
Contributions from the employer	-	1,955,147	(1,955,147)
Contributions from the employee	-	403,650	(403,650)
Net investment income	-	(833,976)	833,976
Benefit payments (2)	(382,892)	(382,892)	-
Administrative expense	-	(3,187)	1,648
Net changes	(3,167,049)	1,138,742	(4,307,330)
Balance at June 30, 2022 (Measurement Date)	\$ 16,137,379	\$ 7,446,621	\$ 8,690,758

(1) Approximately \$(2.5M) of the increase/(decrease) is due to the change in premiums and assumed claims costs and \$(2.1M) is due to all other experience changes.

(2) Benefit payments equal \$272,681 explicit subsidy payments to retirees and \$110,211 implicit subsidy costs incurred during the measurement period ending 6/30/2022.

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

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

City OPEB Plan

Net OPEB Liability/(Asset)		
Current		
Discount Rate -1 %	Discount Rate	Discount Rate +1 %
5.00%	6.00%	7.00%
\$ 87,771,843	\$ 75,832,771	\$ 65,782,910

RPOA OPEB Plan

Net OPEB Liability/(Asset)		
Current		
Discount Rate -1 %	Discount Rate	Discount Rate +1 %
4.75%	5.75%	6.75%
\$ 11,198,419	\$ 8,690,758	\$ 6,636,719

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

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

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

City OPEB Plan

Net OPEB Liability/(Asset)		
Current Healthcare Cost Trend Rates Various - see assumptions above		
1 % Decrease		1 % Increase
\$ 66,201,191	\$ 75,832,771	\$ 87,164,153

RPOA OPEB Plan

Net OPEB Liability/(Asset) Healthcare Cost Trend		
Current Healthcare Cost Trend Rates Various - see assumptions above		
1 % Decrease		1 % Increase
\$ 7,285,324	\$ 8,690,758	\$ 10,475,303

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

For the year ended June 30, 2022, the City recognized OPEB expense on the City OPEB Plan and RPOA OPEB Plan of (\$12,463,645) and \$46,814, respectively. At June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	City OPEB Plan		RPOA OPEB Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 18,200,319	\$ 8,473	\$ 5,432,921
Changes of assumptions	821,356	17,902,220	291,415	7,714,582
Net differences between projected and actual earnings on plan investments	2,508,107	-	587,954	-
Contributions between measurement date and reporting date	N/A	N/A	N/A	N/A
Total	\$ 3,329,463	\$ 36,102,539	\$ 887,842	\$ 13,147,503

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

13. OTHER POSTEMPLOYMENT BENEFITS, Continued

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

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

<i>City OPEB Plan</i>	
Year Ended June 30,	Annual Amortization
2023	\$ (19,886,758)
2024	(9,320,963)
2025	(3,884,934)
2026	319,579
2027	-
Thereafter	-
 <i>RPOA OPEB Plan</i>	
Year Ended June 30,	Annual Amortization
2023	\$ (1,325,998)
2024	(1,325,996)
2025	(1,334,804)
2026	(1,206,108)
2027	(1,445,215)
Thereafter	(5,621,540)

14. DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

15. RISK MANAGEMENT

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; general liability; errors and omissions; injuries to employees; natural disasters; and inverse condemnation. The City began self-insuring its workers' compensation in 1976. In July 2009 the City joined the California Joint Powers Risk Management Authority (CJPRMA) for general liability and employment practices coverage. In April 2009 the City joined the California State Association of Counties Excess Insurance Authority (CSAC EIA) for worker's compensation insurance. The City has chosen to establish a risk financing internal service fund where assets are accumulated for claim settlements and expenses associated with the above risks of loss up to certain limits.

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

15. RISK MANAGEMENT, Continued

Excess coverage for the risk categories excluding inverse condemnation is provided by policies with various commercial insurance carriers. Self-insurance and insurance company limits are as follows:

Type of Coverage	Self-Insurance / Deductible	Coverage Limit	Insurance Carrier
Difference in Conditions	Earthquake: 5% of total insured value of each building; minimum \$100,000 All others: \$25,000	\$50,000,000 inclusive of deductible	Various
Crime / Employee Dishonesty	\$2,500 per claim	\$15,000,000 inclusive of deductible	National Union Fire Insurance Company
Property	\$100,000 per claim; except flood zones A&V that have a deductible of \$250,000	\$400,000,000 inclusive of deductible \$100,000,000 limit for flood all zones, except zones A & V, which have a limit of \$50,000,000	Various
Boiler and Machinery	\$100,000 per claim	\$100,000,000 inclusive of deductible	Various
Port Liability	\$25,000 per claim	\$50,000,000 inclusive of deductible	Various
Excess Workers' Compensation	\$750,000 per claim	Statutory limit	Various
Student Volunteer	N/A	\$50,000 limit	Ace American
Pollution Liability - Policy 1	\$250,000 per claim	\$20,000,000 inclusive of deductible	ACE - Illinois Union
Pollution Liability - Policy 2	\$250,000 per claim	\$3,000,000 limit	Ironshore Specialty Insurance
Cyber Liability	\$100,000 per claim	\$2,000,000 limit	Lloyds of London

CJPRMA

The CJPRMA provides coverage against the following types of loss risks under the terms of a joint powers agreement with the City as follows:

Type of Coverage (Deductible)	Coverage Limits
Property (\$500,000)	\$ 5,000,000
Liability (\$500,000)	40,000,000
Employment Practices (\$500,000)	5,000,000

Once the self-insured retention is exhausted on each claim, CJPRMA becomes responsible for payment of future expenses related to the claim. The City paid contributions of \$2,352,830 for the year ended June 30, 2022. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the CJPRMA are available from CJPRMA, 3201 Doolan Road, Suite 285, Livermore, CA 94551.

CSAC-EIA

CSAC-EIA is a public entity risk pool of cities and counties within California. The CSAC-EIA provides workers' compensation coverage up to the statutory limit and the City retains a self-insured retention of \$750,000. Loss contingency reserves established by the CSAC-EIA are funded by contributions from member agencies. The City pays an annual contribution to the CSAC-EIA, which includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the risk pool. The City paid contributions of \$383,262 for the year ended June 30, 2022. CSAC-EIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. CSAC-EIA is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

Audited financial statements for CSAC-EIA are available from CSAC-EIA, 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

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

15. RISK MANAGEMENT, Continued

Housing Authority Insurance Group

The Housing Authority is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The Authority joined together with other entities and participates in the Housing Authority Insurance Group, a public entity risk pool currently operating as a common risk management and insurance program for its member entities. The purpose of the Housing Authority Insurance Group is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost.

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

Property	Annual Premium	Deductible
Nevin Plaza (#1)	\$ 27,187	\$ 25,000
Nystrom Village	16,351	25,000
Administration Office	1,681	25,000

All of the Housing Authority properties are included in the general liability coverage under the CJPRMA program.

Liability for Self-Insured Claims

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims is based on case reserves and include amounts for claims incurred but not reported (IBNR), and is recorded in the Insurance Reserves Internal Service Fund. At June 30, 2022, the estimated claims payable of \$51,092,602 consisting of reserves for both reported and IBNR losses, as well as allocated loss adjustment expenses, have been recorded in the Insurance Reserves Internal Service Fund. The claims payable are reported at their present value using expected future investment yield assumptions of 3% and an 80% confidence level. The undiscounted claims totaled \$54,849,000 at June 30, 2022. Changes in the claims liabilities for the years ended June 30, 2022 and 2021 were as follows:

	2022	2021
Claims liabilities, beginning of year	\$ 44,392,339	\$ 43,240,367
Current year claims	11,420,000	12,779,000
Change in prior year claims	7,978,722	(395,339)
Claim payments	(7,625,469)	(7,102,138)
Legal, administrative and other expenses	(5,072,990)	(4,129,551)
Claims liabilities, end of year	\$ 51,092,602	\$ 44,392,339
Claims liabilities, due in one year	\$ 14,606,071	\$ 13,033,895

For the years ended June 30, 2022, 2021 and 2020 the amount of settlements did not exceed insurance coverage.

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

16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City's non-major enterprise funds include the following:

- Richmond Marina Fund – Marina operations and maintenance, including berth rentals and use of marina facilities.
- Storm Sewer Fund – Storm sewer management and urban runoff control.
- Cable TV Fund – Administration and enforcement of the franchise agreements with two cable television systems, management of a municipal cable channel, departmental video services, media and public information, and telecommunications planning.

Fiscal 2022 condensed financial information for the Richmond Marina Enterprise Fund is as follows:

Condensed Statement of Net Position

Assets:	
Current assets	\$ 4,711,856
Lease receivables	5,396,449
Capital assets	1,433,427
Total assets	<u>11,541,732</u>
Liabilities:	
Current liabilities	303,893
Long-term liabilities	2,128,971
Total liabilities	<u>2,432,864</u>
Deferred inflows of resources:	
Deferred inflows of resources - leases	<u>5,371,636</u>
Net position:	
Net investment in capital assets	(801,775)
Restricted for debt service	86,625
Unrestricted	4,452,382
Total net position	<u>\$ 3,737,232</u>

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

Operating revenues:	
Rental	\$ 162,777
Lease income	361,875
Operating expenses:	
General and administrative	(59,643)
Depreciation	(85,456)
Operating income	<u>379,553</u>
Nonoperating revenues (expenses):	
Interest income	116,926
Interest expense	(100,965)
Income (Loss) Before Contributions and Transfers	<u>395,514</u>
Transfers out	(86,778)
Change in net position	308,736
Beginning net position	3,428,496
Ending net position	<u>\$ 3,737,232</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 508,993
Noncapital and related financing activities	(86,778)
Capital and related financing activities	(206,814)
Investing activities	115,428
Net increase	<u>330,829</u>
Beginning cash and investments	4,290,654
Ending cash and investments	<u>\$ 4,621,483</u>

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

17. COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The City's future commitments under construction and other projects totaled approximately \$106.1 million at June 30, 2022 for various projects.

B. Litigation

The City is involved in various claims and litigation resulting from its normal operations. The ultimate outcome of these matters is not presently determinable. In City management's opinion these matters will not have a significant adverse effect on the City's or RHA Properties' financial position, with two potential exceptions noted below:

In March 2012, a developer and an associated entity filed a complaint in federal court against the United States of America, two individuals, and the City contending breach of contract related to a Land Disposition Agreement (LDA) between the developer and the City for the development of City-owned property for a specific use. The developer and associated entity seek damages of \$30 million as well as lost profits of over \$750 million. The City disputes the allegations and contends that the LDA did not commit the developer or the City to develop the property for the specific use and that the developer's right to move forward with the development was subject to various federal approvals. The City received a favorable judgement on the matter, but an appeal by the developer and associated entity resulted in the Ninth Circuit reversing the decision, concluding the plaintiffs should be given another opportunity to amend their complaint. The plaintiffs filed an amended complaint and the City answered, denying the plaintiffs' allegations and asserting affirmative defenses and counterclaims. In April 2018, the City again received a favorable judgement on the matter under which the City will pay no monetary damages to the developer and the developer's claims were dismissed. Under the terms of the judgment, future proceeds from the sale of the property will be shared equally between the City and the developer. However, the judgment is being challenged by an environmental rights group. The City may be negatively impacted should the court rule in favor of the group, however any such impact cannot be determined at this time.

C. Grant Programs

The City participates in several federal and State grant programs. These programs are subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, except as noted under Grant Programs – Disallowed Costs below.

D. Housing Authority – Easter Hill Project

The Authority participates in a number of federally assisted grant programs, principal of which are the Low Income Public Housing Program and the HOPE VI Revitalization Grant. It is possible that at some future date, it may be determined that the Authority is not in compliance with applicable grant requirements. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

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

17. COMMITMENTS AND CONTINGENCIES, Continued

D. Housing Authority – Easter Hill Project, Continued

In June 2000, the Richmond Housing Authority received a \$35 million grant (HOPE VI Grant) from the U.S. Department of Housing and Urban Development (“HUD”) for the revitalization of the former Easter Hill Public Housing Project. The original Easter Hill site, owned by the Richmond Housing Authority, included 300 units on 21 acres in the Cortez/Stege neighborhood of Richmond.

The California Tax Credit Committee, City of Richmond, Bank of America, Silicon Valley, Federal Home Loan Bank, California Housing Finance Agency, the Richmond Housing Authority along with the \$35 million dollar HUD grant financed this \$120 million revitalization effort. Physical costs are estimated to be approximately \$108 million and life services, relocation, acquisition, administrative and other costs are estimated to be approximately \$12 million. The physical development includes approximately 320 rental and homeownership units to replace the 300 rental units originally at the site and 273 remaining units at the time of grant approval. Amenities at the revitalized site include a pool and a 5,000 square feet community room with facilities for an after school program, computer center, gymnasium and conference room.

In addition, pursuant to the same agreement, the Authority is entitled to receive reimbursement for certain costs it has incurred in development of these projects. Upon completion of the project, the Authority recorded \$14,276,909, representing reimbursement from the developer which had been recorded in the accompanying financial statements as due from developer. The balance outstanding as of June 30, 2022 is \$10,221,743.

In 2002, the Authority chose the development team of McCormack Baron Salazar, Inc. and Em Johnson Interest, Inc. to develop the site. Em Johnson Interest has developed the 82 homeownership units affordable to low, moderate and market rate buyers. McCormack Baron was charged with the development of 300 rental units, affordable to households 60% or below the area median income for Contra Costa County.

Thus far, all new construction rental units at the former Easter Hill site have been developed. Thirty-six rehab rental units at the site have been constructed. The remaining 202 rental units at the site have been leased. Similarly, all 82 homeownership units at the former Easter Hill and Cortez sites have been constructed. All homeownership units have been sold.

E. RHA Properties – Status of Operations

RHA Properties having sold Westridge at Hilltop Apartments is at the point of being an entity with no activity. It is idle and available to be used in the future. Management currently has no further plans for the entity.

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

17. COMMITMENTS AND CONTINGENCIES, Continued

F. Point Molate - Pollution Remediation

In September 2008, the City entered into an Early Transfer Cooperative Agreement (ETCA) with the United States Department of the Navy the (Navy) to facilitate the transfer of 41 acres of property that was formerly the Naval Fuel Depot Point Molate (Point Molate). The ETCA identifies certain known pollution issues with the property, and the Navy is the responsible party. However, under the provisions of the ETCA, the Navy advanced \$28 million to the City representing the estimated cost of cleanup, and the City committed to manage the project. Any pollution found that was not caused by the Navy's use of the land is to be paid by the City, however, as of June 30, 2022, no additional pollution has been identified.

The City also entered into an agreement in September 2008 with a Developer to sell approximately 134 acres of land located on Point Molate along with the 41 acres of which the Navy is to transfer to the City. The Developer is to complete the cleanup on behalf of the City in accordance with the requirements of the ETCA. The City committed to pass-through the funds received from the Navy to the Developer.

In April 2010, the City and Developer entered into an agreement to establish a fiscal agent escrow account to maintain the funds held for the remediation of Point Molate. The funds advanced by the Navy are to be held in escrow with a fiscal agent and the agent is responsible for disbursing funds to the Developer as costs are incurred. The terms of the agreement are effective until a certificate of completion is issued for the remediation of the property.

Under the terms of the agreements with the Navy and the Developer, the City does not retain responsibility for the cleanup of the known pollution. The City is merely acting as a pass-thru of the grant funds from the Navy to the Developer and the activities for the project are reported in the Pt. Molate Private-Purpose Trust Fund.

G. Other - Major Taxpayer

In fiscal year 2009, a major business license taxpayer filed a complaint challenging the legality of Measure T, a voter initiative that took effect on January 1, 2009. Measure T amended the City's business license tax calculation for manufacturers. Although the City believed Measure T to be lawful, the court ruled on December 17, 2009 that the tax was unconstitutional. The court ruled in favor of the business license taxpayer awarding a refund of the \$20.5 million Measure T taxes paid. The City filed an appeal, however in May 2010 the taxpayer and the City entered into a settlement agreement in order to achieve certainty in the tax revenue that the City will receive from the taxpayer over the next 15 years. The agreement provides for annual payments from the taxpayer ranging from \$4 million to \$13 million starting July 1, 2011, with payments totaling \$114 million. In addition, the agreement incorporated the prior settlement of a dispute over fiscal year 2006, 2007 and 2008 utility user's taxes totaling \$28 million that was paid in four installments beginning in fiscal year 2009. Payments totaling \$102 million were received under the settlement agreements in fiscal years 2011 through 2022.

In fiscal year 2015, the City entered into an Environmental Community Investment Agreement (ECIA) with the same taxpayer that provides for funding to the City and other community agencies totaling \$80 million over the next ten years. During fiscal year 2022, the City received \$7 million that is restricted for use on pre-approved projects, and the City has received \$56 million to date.

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

17. COMMITMENTS AND CONTINGENCIES, Continued

H. Housing Authority Rental Assistance Demonstration

RHA Rental Assistance Demonstration ("RAD") Program conversion of the Friendship Manor and Triangle Court public housing sites occurred during the 2016 calendar year (includes both the 2015 and 2016 fiscal years). The RAD project consists of 156 units of Public Housing will that were converted to non-profit ownership with Section 8-Project Based Voucher rental subsidy on the two separate properties; all 156 units, except for three units (two are reserved for onsite managers and one for a manager's office), will be used to house low-income residents.

On October 8, 2015, the Department of Housing and Urban Development (HUD) issued and executed the RAD Conversion Commitment (RCC) which represents the agreed upon and approved terms of the RAD conversion transaction.

On November 18, 2015, California Tax Credit Allocation Committee made a preliminary reservation of federal tax credits in the amount of \$1,228,999 accommodated upon executing Tax-Exempt Bond Project to raise funding in the amount of \$36.7 million, the approximate estimated cost of the RAD project; of which \$16.5 million shall be provided by a third-party Tax Credit investor.

The Authority has partnered with the John Stewart Company and The Richman Group to form a Limited Partnership, RHA RAD Housing Partners L.P., that will complete the conversion, manage the property and own the buildings. The Authority will relinquish the land via a long term ground lease.

In furtherance of the finances provided by the Authority, the City of Richmond loaned \$5.4 million to RHA RAD Housing Partners L.P. that will be repaid in 55 years and accrues interest at a rate of 1%. The loan was initially signed with RHA Housing Corporation and then it was transferred and reassigned to RHA RAD Housing Partners L.P., as discussed in Note 4.

After the property is placed in service and receives approval of the 8609 documents from the State of California, the Authority will split a developer fee of \$2.5 million with its general partner John Stewart Company (70%/30%). The project was converted to permanent financing on June 6, 2019.

RHA RAD Housing Partners L.P. will also receive \$732,557 in Public Housing and Capital Improvement funds throughout the January 1, 2016 – December 31, 2016 calendar year to cover the RAD Housing Assistance Program (HAP) Voucher commitments of subsidy for the low income housing units at the two developments. The terms of this requirement are consistent with Notice 2012-32 of the Rental Assistance Demonstration program which requires RAD conversions that close after November 30th of the calendar year to be funded out of Public Housing and Capital Fund Programs until the next calendar year, at which time the Developments will be funded with Section 8 Housing Choice RAD Vouchers.

In a transaction related to the RAD project during the fiscal year ended June 30, 2016, the Richmond Housing Authority transferred capital assets to RHA RAD LLC, which then sold the capital assets to RHA RAD Housing Partners LP with a carrying value of \$14,358,255 in return for two loans receivable in the amounts of \$8,891,500 and \$5,618,500. These loans are to be repaid in 55 years and bear annual interest rates of 2.82%.

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

17. COMMITMENTS AND CONTINGENCIES, Continued

I. Marina Bay – Pollution Remediation

The Successor Agency owned a group of land tracts collectively referenced as the “Nine Deed Restricted Properties.” The Successor Agency was named as a responsible party at these sites under a Voluntary Cleanup Agreement with the State Department of Toxic Substances Control (DTSC) to conduct pollution monitoring and remediation. However, the Successor Agency received approval from the DOF to transfer

the properties and their maintenance to the City on June 30, 2016. Therefore, the City is now the responsible party at the sites. These nine properties sit within the larger Marina Bay development site. A Remediation Action Plan (RAP) was prepared for Marina Bay in 1993 and included references to each of the Deed Restricted Properties. Eight of the nine deed restricted properties are subject to an Operations & Maintenance (O&M) Plan. The O&M Plans require annual inspections of the cap material and reporting

of the findings to DTSC. The O&M Plans also require that a five-year review report be prepared and submitted to DTSC. The five-year review reports describe the inspection and maintenance activities that were performed over the previous five years. The annual inspection costs are estimated at \$13,500, with the five year review estimated at \$40,000 (this cost includes revising a previously submitted work plan, conducting the review, and preparing the report). The monitoring costs over a five year period are estimated at \$125,500. Additionally, costs for environmental consultation to address DTSC concerns at the nine deed the nine deed restricted properties are estimated at \$15,000 annually.

The RAP was subsequently amended in 2008 to address Area T, one of the Nine Deed Restricted Properties. The amended RAP subjects the site to groundwater sampling and analysis. The approximate annual costs for the existing groundwater sampling and analysis program is approximately \$26,000. The known pollution at this site are petroleum hydrocarbons dissolved in groundwater. Active remediation was conducted from September 2008 through June 2020 by the former Redevelopment Agency and the Successor Agency and the active remediation has been successful at removing a layer of petroleum hydrocarbons on the groundwater. However, the groundwater impacted with dissolved petroleum hydrocarbons is located in close proximity to the Marina Bay harbor. It is anticipated that DTSC will request that the Successor Agency submit a work plan describing the methods to petroleum hydrocarbons at Area T. Groundwater impacted by dissolved petroleum hydrocarbons is anticipated to be required by DTSC. The Successor Agency requested that its consultant prepare a feasibility study and cost analysis to conduct such remediation. The preliminary cost estimate to implement the groundwater remediation program is estimated at \$120,000. A plan to maintain the cap on Area T will be prepared and the cost for this plan is \$7,500. This preliminary estimate has not been accrued as a liability in the City’s Statement of Net Position. This estimate is also subject to change from price increases or reductions, technology, and changes in applicable laws or regulations.

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

17. COMMITMENTS AND CONTINGENCIES, Continued

I. Marina Bay – Pollution Remediation, Continued

A Covenant to Restrict Use of Property for Area FM, also one of the Nine Deed Restricted Properties, was recorded on March 21, 2005. As described in the deed restriction, the remedial alternative for Area FM includes installing and maintaining a temporary 1-foot-thick soil cap over the property as an interim measure; the final cap will consist of hardscape including commercial buildings, roadways, and parking areas. The deed restriction also requires the preparation of an O&M Plan. According to a DTSC-approved Remedial Design and Implementation Plan (RDIP) for Area FM, the proposed permanent cap will be implemented during site redevelopment activities and will consist of building foundations and slabs, paved walkways and parking areas, landscaping and other features constructed over the site. Site redevelopment has yet to occur, the interim temporary cap has not been implemented, and the O&M Plan has yet to be prepared for Area FM. DTSC is requiring the City to construct the temporary cap on Area FM. The City is preparing to construct a temporary asphalt cap to minimize surface water runoff and reduce routine maintenance and prepared a Work Plan Amendment for Construction of Temporary Asphalt Cap. Upon approval by DTSC, the City will install the temporary cap. The cost to prepare the planning documents, conduct observation, documentation, and reporting of the cap installation, as well as preparation of an O&M Plan is \$96,200. The estimate cost to construct the temporary cap can't be made.

J. Other Commitments and Contingencies

The Authority and its component units RHA Housing Corporation and RHA RAD LLC entered into several arrangements including a Co-Guarantor Contribution Agreement with third parties as participants in a tax credit bonds project to accommodate the required funding to convert two properties from a conventional public housing project to a rental assistance demonstration program, as discussed in Note 17.I.

K. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2022 were as listed below:

	Amount
General Fund	\$ 295,229
Community Development and Loan Programs	
Special Revenue Fund	46,314
Non-Major Governmental Funds	9,382,784
	<u>\$ 9,724,327</u>

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

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. *Redevelopment Dissolution*

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibit all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

ABx1 26 and AB1484 created three regulatory authorities, the Successor Agency Oversight Board, State Controller and Department of Finance (DOF), to review former Agency's asset transfers, obligation payments and wind down activities. ABx1 26 specifically directs the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the Redevelopment Agency or, on or after February 1, 2012, to the Successor Agency. The State Controller's Office completed its asset transfer review in November 2013 and the State ordered the return of certain assets to the Successor Agency to the Redevelopment Agency. The City complied with certain aspects of the State's order during fiscal year 2013 by returning applicable capital assets to the Successor Agency and the Oversight Board retroactively approved other prior transfers to the City and the State has indicated that no further action is necessary. The State also ordered the return of assets previously transferred to the City as Housing Successor totaling \$16,460,848, because the transfer of the housing assets had not been approved by the Oversight Board. The Oversight Board adopted a Resolution on February 25, 2014 retroactively approving the transfer of the loans to the Housing Successor.

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and the remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Low and Moderate Income Housing Fund which is included in the Community Development and Loan Programs Special Revenue Fund. The activities of the Housing Successor are reported in the Low and Moderate Income Housing Asset Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

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

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

A. *Redevelopment Dissolution, Continued*

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in April 2012. As of July 1, 2018, Contra Costa County has formed a county-wide Oversight Board to oversee the activities of all Successor Agencies within the County, including Richmond. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

AB1484 required the Successor Agency to complete two due diligence reviews – one for the low and moderate income housing assets of the Successor Agency (Housing DDR), and a second for all other balances of the Successor Agency (Non-housing DDR). The due diligence reviews were to calculate the balance of unencumbered balances as of June 30, 2012 available to be remitted to the County for disbursement to taxing entities. The Successor Agency submitted both due diligence reviews to the State Department of Finance for review and approval. The Department of Finance approved the Housing DDR, after making an adjustment, and the Successor Agency remitted the unencumbered balance of \$4,067,242 to the County in November 2014. The Department of Finance approved the Non-housing DDR in December 2014, and no funds were required to be remitted to the County. The Successor Agency received a Finding of Completion on December 9, 2014.

The activities of the Successor Agency are reported in the Successor Agency to the Richmond Community Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Cash and investments of the Successor Agency as of June 30, 2022 are discussed in Note 2 above. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2022.

B. *Loans Receivable*

The Successor Agency assumed non-housing loans receivable of the Redevelopment Agency as of February 1, 2012. The Redevelopment Agency engaged in programs designed to encourage economic development. Under these programs, grants or loans were provided under favorable terms to developers who agreed to expend these funds in accordance with the Agency's terms.

Ford Assembly Building Loan

Under a loan agreement dated November 22, 2004 between the Redevelopment Agency and Ford Point LLC, the Redevelopment Agency agreed to loan \$3,000,000 to fund improvements to the Ford Assembly Building, collateralized by a Deed of Trust. After a period of variable interest rates, the loan has converted to a fixed 5% interest rate. Interest and principal payments are due semi-annually through 2025. The loan was paid-off as of June 30, 2022.

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

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

C. Capital Assets

The Successor Agency assumed the non-housing capital assets of the Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

D. Long-term Obligations

The following is a summary of long-term debt transactions during the year ended June 30, 2022:

	Balance July 1, 2021	Additions (A)	Retirements	Balance June 30, 2022	Due Within One Year	Due in More than One Year
Bonds Payable	\$45,420,925	\$ 167,723	\$ (5,195,000)	\$ 40,393,648	\$ 4,965,000	\$ 35,428,648
Loans payable from direct borrowing	14,690,000	-	(1,450,000)	13,240,000	1,625,000	11,615,000
Total	<u>\$60,110,925</u>	<u>\$ 167,723</u>	<u>\$ (6,645,000)</u>	<u>\$ 53,633,648</u>	<u>\$ 6,590,000</u>	<u>\$ 47,043,648</u>

(A) Includes bond accretion for capital appreciation bonds totaling \$767,307.

Bonds Payable

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

	Net
Harbour Tax Allocation Refunding Bonds - 1998 Series A	\$ 2,242,449
Subordinate Tax Allocation Bonds - 2007 Series B	10,468,319
Successor Agency of RCRA Refunding Bonds - 2014 Series A & B	8,873,585
Successor Agency of RCRA Refunding Bonds - 2021 Series A & B	16,680,000
Successor Agency 2021A Bond Premium	2,129,295
Total	<u>\$ 40,393,648</u>

1998 Harbour Redevelopment Project Tax Allocation Refunding Bonds Series A - Original Issue \$21,862,779

The bonds were issued by the Agency to refinance a portion of the 1991 Harbour Redevelopment Project Tax Allocation Refunding Bonds, refinance certain loans from the City to the Agency, which were used by the City to finance certain publicly owned capital projects, finance certain redevelopment activities within the Harbour Redevelopment Project Area, fund a reserve account and pay certain costs of issuance of the 1998 bonds. The bonds mature annually through 2023, in amounts ranging from \$50,000 to \$1,130,000. Interest rates vary from 3.5% to a maximum of 5.2% and are payable semiannually on January 1 and July 1. The bonds are secured by a pledge of tax revenues derived from taxable property within the Harbour Project Area. On March 27, 2014, the Agency issued the Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B which resulted in the defeasance of the outstanding balance of the current interest portion of the bonds in the amount of \$9,180,000, as discussed below.

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

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

1998 Harbour Redevelopment Project Tax Allocation Refunding Bonds Series A – Original Issue \$21,862,779, Continued

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

	Value	Accretion / Amortization	Unamortized Premium (Discount)	Net
Capital appreciation bonds	\$ 2,300,000	\$ 112,212	\$ (169,763)	\$ 2,242,449

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

For the Years Ending June 30,	Principal
2023	\$ 1,150,000
2024	1,150,000
Total	\$ 2,300,000

Richmond Community Redevelopment Agency Subordinate Tax Allocation Bonds Series 2007A and Series B - Original Issue Series A \$65,400,000, Series B \$9,772,622

On July 12, 2007 the Redevelopment Agency issued Series 2007A Subordinate Tax Allocation Bonds in the amount of \$65,400,000. The proceeds from the Bonds were used to pay the amount of \$22,000,000 to the City to assist with the financing of the Civic Center Project, and to fund other Redevelopment Agency projects.

The 2007A Subordinate Tax Allocation Bonds were issued as variable auction rate bonds with interest calculated every thirty-five days, however, the Agency entered into a 29-year interest rate swap agreement for the entire amount of its 2007A Subordinate Tax Allocation Bonds. In fiscal year 2010 the Agency experienced a significant decline in tax increment revenue. In order to bring debt service in line with current revenues and maintain compliance with the required 1.4:1 tax increment to debt service coverage ratio, the Agency suspended a number of projects originally funded by the 2007A Bonds and applied approximately \$36 million of the unspent 2007A proceeds and other available funds along with the proceeds from the issuance of the Subordinate Tax Allocation Refunding Bonds, Series 2010A to refund the outstanding balance of the 2007A Bonds. As part of the issuance of the 2010A Bonds, the interest rate swap agreement associated with the 2007A Bonds was amended and restated as discussed with the Series 2010A Bonds below.

On July 12, 2007 the Redevelopment Agency issued Series 2007B Housing Set-Aside Subordinate Tax Allocation Capital Appreciation Bonds in the amount of \$9,772,622 at interest rates ranging from 5.57% to 6.40%. The proceeds from the 2007B Bonds will be used to finance certain low and moderate income housing activities of the Redevelopment Agency. The 2007B Bonds mature annually through 2037, in amounts ranging from \$465,000 to \$2,020,000. The 2007B Bonds are secured by a pledge of subordinated housing and non-housing tax revenues.

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

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Richmond Community Redevelopment Agency Subordinate Tax Allocation Bonds Series 2007A and Series B - Original Issue Series A \$65,400,000, Series B \$9,772,622, Continued

At June 30, 2022, the 2007B Bonds consisted of the following:

	Value	Accretion / Amortization	Unamortized Premium (Discount)	Net
Capital appreciation bonds	\$ 15,445,000	\$ 655,094	\$ (5,631,775)	\$ 10,468,319

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

For the Years Ending June 30,	Principal
2023	\$ 1,085,000
2024	1,145,000
2025	1,175,000
2026	1,230,000
2027	1,285,000
2028-2032	5,350,000
2033-2037	4,175,000
Total	\$ 15,445,000

Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B - Original Issue Amounts \$25,795,000 and \$1,655,000, respectively

The 2014 A & B Bonds were issued on March 27, 2014 by the Successor Agency to the Richmond Community Redevelopment Agency. The proceeds of the Bonds, together with other available funds, were used to refund and defease the outstanding balance of the current interest portion of the 1998 Harbour Redevelopment Project Tax Allocation Refunding Bonds Series A, and the outstanding balances of the Richmond Joint Powers Financing Authority Tax Allocation Revenue Bonds Series 2000 A & B and Richmond Joint Powers Financing Authority Tax Allocation Revenue Bonds Series 2003A. Interest rates range from 1.40% to 5.00% and is payable semiannually on March 1 and September 1. The 2014A Bonds mature annually on each September 1 through 2025 while the 2014B Bonds mature annually on each September 1 through 2018. Both Bonds are secured by a pledge of Redevelopment Property Tax Trust Fund revenues. The outstanding balances of the defeased debt as of June 30, 2022 were as follows:

Harbour Tax Allocation Refunding Bonds - 1998 Series A	\$ 2,330,000
Total	\$ 2,330,000

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

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B – Original Issue Amounts \$25,795,000 and \$1,655,000, respectively, Continued

At June 30, 2022, the 2014 A & B Bonds consisted of the following:

Bonds outstanding	\$	8,570,000
Unamortized premium		303,585
Net	\$	<u>8,873,585</u>

The annual debt service requirements on the A & B bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2023	\$ 2,000,000	\$ 373,500	\$ 2,373,500
2024	2,095,000	271,125	2,366,125
2025	2,185,000	164,125	2,349,125
2026	2,290,000	54,750	2,344,750
Total	<u>\$ 8,570,000</u>	<u>\$ 863,500</u>	<u>\$ 9,433,500</u>

Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2021 Series A & B – Original Issue Amounts \$15,070,000 and \$2,665,000, respectively

On December 18, 2020, the Redevelopment Agency issued Series 2020A&B Community Redevelopment Agency Refunding Bonds. The proceeds was used to repay a portion of the obligations of the Successor Agency under a Loan Agreement (Housing), dated as of October 1, 2004, by and between the Former Agency and the Richmond Joint Powers Financing Authority that secures payment of the Richmond Joint Powers Financing Authority Housing Set-Aside Tax Allocation Revenue Bonds, Series 2004B (Tax-Exempt) in the outstanding principal amount of \$720,000, and refund the \$21,625,000 outstanding principal amount of Richmond Community Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (Merged Project Areas), 2010 Series A (the “2010A Bonds” and, together with the 2004 Loan Agreement, the “Prior Obligations”)

The Series 2021 Refunding Bonds will each be issued as fully registered Bonds and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2021 Refunding Bonds, as more fully described in APPENDIX G. The Series 2021 Refunding Bonds will be dated the date of delivery and issued in registered form in denominations of \$5,000 or any integral multiple of \$5,000 and will mature on September 1 of each year in the amounts as set forth on the inside cover page. Interest on the Series 2021 Refunding Bonds will be payable on each March 1 and September 1, commencing September 1, 2021.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2021 Series A & B – Original Issue Amounts \$15,070,000 and \$2,665,000, respectively, Continued

At June 30, 2022, the bond premium consisted of the following:

	Value	Accretion / Amortization	Unamortized Premium (Discount)	Net
Successor Agency Bond 2021 A & B	\$ 16,680,000	\$ -	\$ 2,129,295	\$ 18,809,295

The annual debt service requirements on the A & B bonds are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2023	\$ 730,000	\$ 579,360	\$ 1,309,360
2024	1,800,000	556,980	2,356,980
2025	1,185,000	525,500	1,710,500
2026	2,155,000	458,700	2,613,700
2027	2,045,000	374,700	2,419,700
2028-2032	7,275,000	485,500	7,760,500
2033-2037	1,490,000	83,800	1,573,800
Total	\$ 16,680,000	\$ 3,064,540	\$ 19,744,540

Loans Payable

The Richmond Joint Powers Financing Authority (Authority) has issued the Bonds listed below to assist in financing the Agency's operations. The Authority has retained reserve amounts required under the respective Bond indentures and loaned the net proceeds of these Bond issues to the Agency. The Authority is responsible for paying principal and interest on the Bonds; the Agency is responsible for making payments to the Authority in the amounts shown below.

The outstanding balances of loans payable to the Authority at June 30, 2022 came from the Bond issues listed below:

JPFA Tax Allocation Revenue Bonds - 2003 Series B	\$ 5,130,000
JPFA Tax Allocation Revenue Bonds - 2004 Series A & B	8,110,000
Total	<u>\$ 13,240,000</u>

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Loan from the Authority dated August 1, 2003

In 2003, the Authority issued 2003 Tax Allocation Revenue Bonds Series A and Series B in the original amount of \$28,580,000. The net proceeds of the bond issue were loaned to the Agency to provide funding for certain capital improvements and to repay the City of Richmond \$18,000,000 in partial payment of prior obligations. Under the terms of the loan agreement between the Agency and the Authority dated August 1, 2003, repayment of the loan is being made from certain tax increment revenues derived from taxable property within the Post-2004 Limit Area pledged by the Agency for the purpose of loan repayment. On March 27, 2014, the Agency issued the Successor Agency to the Richmond Community Redevelopment Agency Refunding Bonds 2014 Series A & B which resulted in the refunding and defeasance of the outstanding balance of the 2003 Series A Bonds in the amount of \$12,910,000, as discussed above.

At issuance, the Bonds were insured by MBIA Insurance Corporation (which was reinsured by National Public Finance Guarantee Corporation ("NPFGC")). On December 5, 2017, Kroll Bond Rating Agency downgraded its insurance financial strength rating for NPFGC from 'AA+' to 'AA' and subsequently withdrew the rating citing business reasons. On January 17, 2018, Moody's Investors Service ("Moody's") downgraded its insurance financial strength rating on NPFGC from 'A3' to 'Baa2'. As a result of the foregoing, Moody's downgraded its Insured Rating on the Bonds from 'A3' to 'Baa2'. On February 13, 2019, S&P Global Ratings (formerly Standard and Poor's Ratings Services) upgraded its Local Currency Long-Term and Underlying Ratings on the Bonds from 'A+' to 'AA-'.

The annual debt service requirements on the 2003 Series B loan as of June 30, 2022 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2023	\$ 885,000	\$ 295,313	\$ 1,180,313
2024	940,000	237,825	1,177,825
2025	1,600,000	157,815	1,757,815
2026	1,705,000	53,708	1,758,708
Total	\$ 5,130,000	\$ 744,661	\$ 5,874,661

Loan from the Authority dated October 1, 2004

In 2004, the Authority issued the 2004 Tax Allocation Revenue Bonds Series A and Series B in the original amounts of \$15,000,000 and \$2,000,000, respectively. The net proceeds of the bond issue were loaned to the Agency to provide funding for certain capital improvements, low/moderate income housing and to repay the City of Richmond \$6,367,031 in prior obligations. Under the terms of the loan agreement between the Agency and the Authority dated August 1, 2003, repayment of the loan is being made from certain subordinate housing and non-housing tax increment revenues derived from the taxable property within the Merged Project Area pledged by the Agency for the purpose of loan repayment.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Loan from the Authority dated October 1, 2004, Continued

The annual debt service requirements for these loans as of June 30, 2022 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2023	\$ 740,000	\$ 421,056	\$ 1,161,056
2024	690,000	382,160	1,072,160
2025	710,000	344,080	1,054,080
2026	750,000	304,368	1,054,368
2027	5,220,000	141,984	5,361,984
Total	<u>\$ 8,110,000</u>	<u>\$ 1,593,648</u>	<u>\$ 9,703,648</u>

Pledge of Redevelopment Tax Increment Revenues

The Bond issues and loans payable to the Authority discussed above consist of senior and parity obligations secured by future tax increment revenues. The pledge of all future tax increment revenues (housing and non-housing revenue) ends upon repayment of \$54,618,772 remaining debt service on the Bonds and loans which is scheduled to occur in 2037.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2022 calculated by the County Auditor-Controller were \$43,112,344. The total received by the Successor Agency for fiscal year 2022 debt service and other enforceable obligations was \$10,741,388, which the Successor Agency used along with cash on-hand to pay debt service of \$10,464,587.

A special assessment district has been established in an area of the Agency to provide improvements to properties located in that district. Properties in the district are assessed for the cost of improvements; these assessments are payable solely by property owners over the term of the debt issued to finance these improvements. The Agency is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties in these special assessment districts, nor is it obligated to advance Agency funds to repay these debts in the event of default.

One District, Marina Westshore Community Facilities District No. 1998-1, had issued Community Facilities District No. 1998-1 Special Tax Bonds which had a remaining balance outstanding of \$1,775,000 at June 30, 2022.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES, Continued

D. Long-term Obligations, Continued

Conduit Debt

The Agency has assisted private-sector entities by sponsoring their issuance of debt for purposes the Agency deems to be in the public interest. These debt issues are secured solely by the property financed by the debt. The Agency is not legally or morally obligated to pay these debts or be the purchaser of last resort of any foreclosed properties secured by these debts, nor is it obligated to advance Agency funds to repay these debts in the event of default by any of these issuers. At June 30, 2022, the balances of these issuers' outstanding debts were as follows:

Baycliff Apartment Project, 2004 Revenue Bonds	\$ -
Crescent Park Apartment Project, 2007 Series A & Series A-T Revenue Bonds	20,443,016

E. Commitments and Contingencies

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) annually that contains all proposed expenditures for the subsequent twelve-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

19. SUBSEQUENT EVENTS

A. Series 2022 Taxable Pension Refunding Bonds

On August 25, 2022, the City issued Series 2022 Taxable Pension Refunding Bonds in the amount of \$154,140,000. The proceeds from the Bonds were used to refund all of the City's outstanding Taxable Pension Funding Bonds, Series 2005 B-1 Bonds and Taxable Pension Funding Bonds, Series 2005 B-2, to pay interest rate swap termination fees and pay the costs of issuance related to the Series 2022 Bonds. The Bonds bear interest rates of 4.234% to 5.508%. Principal payments are due annually on January 15, 2026 through 2037 and semi-annual interest payments are due January 15 and July 15 commencing on July 15, 2023.

20. NEW ACCOUNTING STANDARDS

Accounting Standards Adopted

- GASB Statement No. 87, *Leases* – The objective of this statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

20. NEW ACCOUNTING STANDARDS, Continued

Accounting Standards Adopted, Continued

- GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* – The objective of this statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 92, *Omnibus 2020* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates* – Statement No. 93 requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The provisions of Statement No. 93 has multiple effective dates. The city has implemented GASB99 to allow the continued use of LIBOR as an appropriate benchmark through the extended period of June 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria*, and *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

20. NEW ACCOUNTING STANDARDS, Continued

Accounting Standards Adopted, Continued

- GASB Statement No. 99, Omnibus 2022 – The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement applies to the City for the current fiscal year.

New Accounting Standards

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- GASB Statement 91, Conduit Debt Obligations – The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for the City's year ending June 30, 2023.
- GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the City's year ending June 30, 2023.
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements – The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the City's year ending June 30, 2023.
- GASB Statement No. 100, Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62 – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the City's year ending June 30, 2024.

City of Richmond
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

20. NEW ACCOUNTING STANDARDS, Continued

New Accounting Standards, Continued

- GASB Statement No. 101, Compensated Absences – The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the City's year ending June 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

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City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

BUDGET AND BUDGETARY ACCOUNTING

Budgeting Procedures

The City adopts a budget annually to be effective July 1, for the ensuing fiscal year. Budgeted expenditures are adopted through the passage of a resolution. This resolution constitutes the maximum authorized expenditures for the fiscal year and cannot legally be exceeded except by subsequent amendments of the budget by the City Council.

The City uses an encumbrance system as an extension of normal budgetary accounting for the General Fund, special revenue funds, and capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end.

An operating budget is adopted each fiscal year on a basis consistent with Generally Accepted Accounting Principles (GAAP) for the General Fund, certain Special Revenue Funds (State Gas Tax, General Purpose, Paratransit Operations, Public Safety, Lighting and Landscaping Districts, Developer Impact Fees, Community Development and Loan Programs, Richmond Neighborhood Stabilization Corporation, Rent Control, Cost Recovery and Environmental Community Investment Agreement) and the debt service funds (2005 Pension Obligation Bonds, General Debt Service and Civic Center Debt Service). Public hearings are conducted on the proposed budgets to review all appropriations and sources of financing. Capital projects funds are budgeted on a project length basis and are therefore not comparable on an annual basis.

Expenditures are controlled at the fund level for all budgeted departments within the City. This is the level at which expenditures may not legally exceed appropriations. Budgeted amounts for the Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual include budget amendments approved by City Council.

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 47,460,890	\$ 45,233,561	\$ 47,362,317	\$ 2,128,756
Sales taxes	50,060,211	51,993,736	53,453,323	1,459,587
Utility user taxes	45,452,324	46,522,663	48,373,588	1,850,925
Other taxes	18,269,102	20,953,343	26,573,077	5,619,734
Licenses, permits and fees	9,569,100	8,144,350	8,731,752	587,402
Fines, forfeitures and penalties	550,000	468,897	405,439	(63,458)
Use of money and property	236,079	236,079	254,822	18,743
Intergovernmental	403,569	431,447	618,716	187,269
Charges for services	5,621,157	5,634,444	6,153,304	518,860
Rent	733,206	747,268	723,596	(23,672)
Other	158,977	1,510,327	898,401	(611,926)
Total revenues	178,514,615	181,876,115	193,548,335	11,672,220
EXPENDITURES:				
Current:				
General government	35,672,860	34,814,698	33,961,939	852,759
Public safety	104,751,036	107,664,838	94,871,787	12,793,051
Public works	27,837,348	29,138,845	25,445,699	3,693,146
Cultural and recreational	11,014,614	11,238,867	10,268,987	969,880
Capital outlay	1,335,000	1,077,000	470,678	606,322
Debt service:				
Principal	945,068	945,068	2,782,527	(1,837,459)
Interest and fiscal charges	120,292	120,292	125,779	(5,487)
Total expenditures	181,676,218	184,999,608	167,927,396	17,072,212
REVENUES OVER (UNDER)				
EXPENDITURES	(3,161,603)	(3,123,493)	25,620,939	28,744,432
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	100,000	100,000	6,788	(93,212)
Transfers in	11,656,182	12,004,224	9,859,938	(2,144,286)
Transfers out	(7,884,939)	(12,801,419)	(14,137,938)	(1,336,519)
Total other financing sources (uses)	3,871,243	(697,195)	(4,271,212)	(3,574,017)
Net change in fund balances	\$ 709,640	\$ (3,820,688)	21,349,727	\$ 25,170,415
FUND BALANCES (DEFICITS):				
Beginning of year			49,114,042	
End of year			<u>\$ 70,463,769</u>	

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Community Development and Loan Programs Special Revenue Fund For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Licenses, permits and fees	\$ 668,221	\$ 668,221	\$ 26,302	\$ (641,919)
Use of money and property	200,042	200,042	160,477	(39,565)
Intergovernmental	966,432	966,432	-	(966,432)
Other	991,904	991,904	1,014,187	22,283
Total revenues	2,826,599	2,826,599	1,200,966	(1,625,633)
EXPENDITURES:				
Current:				
Community development	3,221,421	3,499,301	507,865	2,991,436
Housing and redevelopment	1,492,165	1,545,048	735,675	809,373
Capital outlay	1,150,000	1,150,000	-	1,150,000
Total expenditures	5,863,586	6,194,349	1,243,540	4,950,809
REVENUES OVER (UNDER)				
EXPENDITURES	(3,036,987)	(3,367,750)	(42,574)	3,325,176
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	106,036	106,036	81,689	(24,347)
Transfers in	562,101	562,101	-	(562,101)
Transfers out	(562,101)	(1,042,101)	(10,000)	1,032,101
Total other financing sources (uses)	106,036	(373,964)	71,689	445,653
Net change in fund balances	\$ (2,930,951)	\$ (3,741,714)	29,115	\$ 3,770,829
FUND BALANCES (DEFICITS):				
Beginning of year, as restated			31,397,876	
End of year			<u>\$ 31,426,991</u>	

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total Pension Liability				
Service cost	\$ 6,902,037	\$ 7,529,439	\$ 7,652,864	\$ 7,637,812
Interest	35,423,024	34,974,846	34,315,542	33,323,855
Differences between actual and expected experience	(6,412,719)	(4,393,691)	(331,531)	(4,642,948)
Changes in assumptions	-	-	-	(3,224,832)
Benefit payments, including refunds of employee contributions	(30,000,846)	(29,018,486)	(27,565,398)	(25,970,450)
Net change in the total pension liability	5,911,496	9,092,108	14,071,477	7,123,437
Total pension liability - beginning	513,389,020	504,296,912	490,225,435	483,101,998
Total pension liability - ending (a)	\$ 519,300,516	\$ 513,389,020	\$ 504,296,912	\$ 490,225,435
Plan Fiduciary Net Position				
Contributions - employer	\$ 14,612,575	\$ 13,778,755	\$ 12,156,723	\$ 10,489,795
Contributions - employee	2,657,439	2,749,990	2,843,043	2,894,841
Net investment income	83,636,340	18,237,576	23,350,283	28,880,923
Plan to plan resource movement	(4,882)	-	-	(842)
Administrative expense	(378,350)	(526,586)	(259,047)	(542,721)
Benefit payments, including refunds of employee contributions	(30,000,846)	(29,018,486)	(27,565,398)	(25,970,450)
Other miscellaneous income (expense)	-	-	842	(1,030,636)
Net change in plan fiduciary net position	70,522,276	5,221,249	10,526,446	14,720,910
Plan fiduciary net position - beginning	378,751,581	373,530,332	363,003,886	348,282,976
Plan fiduciary net position - ending (b)	\$ 449,273,857	\$ 378,751,581	\$ 373,530,332	\$ 363,003,886
Net pension liability - ending (a) - (b)	\$ 70,026,659	\$ 134,637,439	\$ 130,766,580	\$ 127,221,549
Plan fiduciary net position as a percentage of the total pension liability	86.52%	73.77%	74.07%	74.05%
Covered payroll	\$ 32,686,024	\$ 35,129,597	\$ 36,295,759	\$ 35,725,311
Net pension liability as a percentage of covered payroll	214.24%	383.26%	360.28%	356.11%

Notes to the schedule:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

* Fiscal year 2015 was the 1st year of implementation.

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 8,053,459	\$ 7,200,571	\$ 7,446,410	\$ 7,816,868
32,804,753	32,305,003	31,414,256	30,597,498
(4,464,966)	(3,484,064)	(5,280,549)	-
25,548,824	-	(7,116,200)	-
(25,074,448)	(23,917,069)	(23,302,793)	(23,007,539)
36,867,622	12,104,441	3,161,124	15,406,827
446,234,376	434,129,935	430,968,811	415,561,984
<u>\$ 483,101,998</u>	<u>\$ 446,234,376</u>	<u>\$ 434,129,935</u>	<u>\$ 430,968,811</u>
\$ 8,860,295	\$ 8,093,834	\$ 7,189,716	\$ 6,661,038
2,996,354	3,087,656	3,141,565	3,195,699
35,805,938	1,630,388	7,502,958	51,867,728
(50,018)	(4,762)	(6,885)	-
(481,651)	(205,714)	(379,925)	-
(25,074,448)	(23,917,069)	(23,302,793)	(23,007,539)
-	-	-	-
22,056,470	(11,315,667)	(5,855,364)	38,716,926
326,226,506	337,542,173	343,397,537	304,680,611
<u>\$ 348,282,976</u>	<u>\$ 326,226,506</u>	<u>\$ 337,542,173</u>	<u>\$ 343,397,537</u>
<u>\$ 134,819,022</u>	<u>\$ 120,007,870</u>	<u>\$ 96,587,762</u>	<u>\$ 87,571,274</u>
72.09%	73.11%	77.75%	79.68%
\$ 35,964,798	\$ 36,638,889	\$ 36,151,102	\$ 37,210,225
374.86%	327.54%	267.18%	235.34%

Changes in Assumptions: None in 2019,2020 or 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Contributions - Last 10 Years**

Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Actuarially determined contribution	\$ 14,466,499	\$ 14,438,844	\$ 13,783,427	\$ 12,150,650
Contributions in relation to actuarially determined contributions	(14,466,499)	(14,438,844)	(13,783,427)	(12,150,650)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 31,565,766	\$ 32,686,024	\$ 35,129,597	\$ 36,295,759
Contributions as a percentage of covered payroll	45.83%	44.17%	39.24%	33.48%

Notes to the schedule:

Valuation date: 6/30/2020 6/30/2019 6/30/2017 6/30/2016

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry age normal
Amortization method	For details, see June 30, 2018 CalPERS Funding Valuation Report
Asset valuation method	For details, see June 30, 2018 CalPERS Funding Valuation Report
Inflation	2.500%
Payroll growth	2.750%
Salary increases	Varies by Entry Age and Service.
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, and 7.00% for 2021 net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality rate table	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

* Fiscal year 2015 was the 1st year of implementation.

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
\$ 10,436,250	\$ 8,867,763	\$ 8,084,584	\$ 7,178,549
<u>(10,436,250)</u>	<u>(8,867,763)</u>	<u>(8,084,584)</u>	<u>(7,178,549)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 35,725,311	\$ 35,964,798	\$ 36,638,889	\$ 36,151,102
29.21%	24.66%	22.07%	19.86%
6/30/2015	6/30/2014	6/30/2013	6/30/2012

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Safety Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total Pension Liability				
Service cost	\$ 10,261,858	\$ 10,958,278	\$ 11,313,128	\$ 11,391,456
Interest	48,387,109	47,218,257	46,009,128	44,562,419
Differences between actual and expected experience	(1,211,011)	(2,189,929)	433,759	413,272
Changes in assumptions	-	-	-	(2,676,340)
Benefit payments, including refunds of employee contributions	(41,557,485)	(38,982,005)	(37,105,985)	(35,123,568)
Net change in the total pension liability	15,880,471	17,004,601	20,650,030	18,567,239
Total pension liability - beginning	693,601,610	676,597,009	655,946,979	637,379,740
Total pension liability - ending (a)	\$ 709,482,081	\$ 693,601,610	\$ 676,597,009	\$ 655,946,979
Plan Fiduciary Net Position				
Contributions - employer	\$ 21,598,699	\$ 19,362,087	\$ 16,658,515	\$ 14,016,085
Contributions - employee	4,314,111	4,232,707	4,238,132	4,226,345
Net investment income	105,126,083	22,875,702	29,333,974	36,380,672
Plan to plan resource movement	4,881	-	-	(1,062)
Administrative expense	(476,147)	(662,340)	(326,144)	(684,883)
Benefit payments, including refunds of employee contributions	(41,557,485)	(38,982,005)	(37,105,985)	(35,123,568)
Other miscellaneous income (expense)	-	-	1,062	(1,300,605)
Net change in plan fiduciary net position	89,010,142	6,826,151	12,799,554	17,512,984
Plan fiduciary net position - beginning	476,652,329	469,826,178	457,026,624	439,513,640
Plan fiduciary net position - ending (b)	\$ 565,662,471	\$ 476,652,329	\$ 469,826,178	\$ 457,026,624
Net pension liability - ending (a) - (b)	\$ 143,819,610	\$ 216,949,281	\$ 206,770,831	\$ 198,920,355
Plan fiduciary net position as a percentage of the total pension liability	79.73%	68.72%	69.44%	69.67%
Covered payroll	\$ 33,272,769	\$ 34,316,884	\$ 35,870,534	\$ 34,439,607
Net pension liability as a percentage of covered payroll	432.24%	632.19%	576.44%	577.59%

Notes to the schedule:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

* Fiscal year 2015 was the 1st year of implementation.

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 11,650,927	\$ 10,297,536	\$ 10,142,245	\$ 10,167,167
43,264,626	41,950,593	40,142,006	38,254,517
797,969	2,950,295	3,799,388	-
35,109,898	-	(9,563,090)	-
(33,620,000)	(30,593,589)	(28,747,508)	(27,199,743)
57,203,420	24,604,835	15,773,041	21,221,941
580,176,320	555,571,485	539,798,444	518,576,503
<u>\$ 637,379,740</u>	<u>\$ 580,176,320</u>	<u>\$ 555,571,485</u>	<u>\$ 539,798,444</u>
\$ 12,699,049	\$ 11,488,714	\$ 10,652,641	\$ 9,352,438
4,471,008	4,607,993	3,797,568	3,348,408
45,166,243	2,062,417	9,408,186	64,842,562
50,018	4,762	3,476	-
(607,337)	(258,432)	(477,249)	-
(33,620,000)	(30,593,589)	(28,747,508)	(27,199,743)
-	-	-	-
28,158,981	(12,688,135)	(5,362,886)	50,343,665
411,354,659	424,042,794	429,405,680	379,062,015
<u>\$ 439,513,640</u>	<u>\$ 411,354,659</u>	<u>\$ 424,042,794</u>	<u>\$ 429,405,680</u>
<u>\$ 197,866,100</u>	<u>\$ 168,821,661</u>	<u>\$ 131,528,691</u>	<u>\$ 110,392,764</u>
68.96%	70.90%	76.33%	79.55%
\$ 37,273,957	\$ 37,352,212	\$ 36,161,966	\$ 35,479,947
530.84%	451.97%	363.72%	311.14%

Changes in Assumptions: None in 2019, 2020 or 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Safety Agent Multiple-Employer Defined Benefit Pension Plan

*Schedule of Contributions - Last 10 Years**

Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Actuarially determined contribution	\$ 21,603,382	\$ 21,315,231	\$ 19,355,578	\$ 16,363,802
Contributions in relation to actuarially determined contributions	(21,603,382)	(21,315,231)	(19,355,578)	(16,363,802)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 30,325,691	\$ 33,272,769	\$ 34,316,884	\$ 35,870,534
Contributions as a percentage of covered payroll	71.24%	64.06%	56.40%	45.62%

Notes to the schedule:

Valuation date:	6/30/2020	6/30/2019	6/30/2017	6/30/2016
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The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21

Actuarial cost method	Entry age normal
Amortization method	For details, see June 30, 2018 CalPERS Funding Valuation Report
Asset valuation method	For details, see June 30, 2018 CalPERS Funding Valuation Report
Inflation	2.50%
Payroll growth	2.750%
Salary increases	Varies by Entry Age and Service.
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, and 7.00% for 2021 net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality rate table	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

* Fiscal year 2015 was the 1st year of implementation.

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
\$ 14,013,858	\$ 12,696,582	\$ 11,492,798	\$ 10,650,057
<u>(14,013,858)</u>	<u>(12,696,582)</u>	<u>(11,492,798)</u>	<u>(10,650,057)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 34,439,607	\$ 37,273,957	\$ 37,352,212	\$ 36,151,966
40.69%	34.06%	30.77%	29.46%
6/30/2015	6/30/2014	6/30/2013	6/30/2012

were derived from the June 30, 2018 funding valuation report.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

General Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	\$ 16,222	\$ 35,526	\$ 57,712	\$ 70,585
Differences between actual and expected experience	-	106,639	-	150,123
Changes in assumptions	-	72,660	66,443	102,792
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(371,727)	(401,991)	(424,760)	(494,605)
Net change in the total pension liability	(355,505)	(187,166)	(300,605)	(171,105)
Total pension liability - beginning	1,808,072	1,995,238	2,295,843	2,466,948
Total pension liability - ending (a)	\$ 1,452,567	\$ 1,808,072	\$ 1,995,238	\$ 2,295,843
Plan Fiduciary Net Position				
Contributions - employer	\$ 345,348	\$ 319,025	\$ 503,714	\$ 812,561
Contributions - donations and other income	-	-	-	-
Contributions - member	-	-	-	-
Net investment income	3,617	5,501	23,724	8,124
Other additions	-	-	-	-
Benefit payments, including member contribution refunds	(371,727)	(401,991)	(424,760)	(494,605)
Administrative expenses	-	-	-	-
Other deductibles	-	-	-	-
Net change in the total pension liability	(22,762)	(77,465)	102,678	326,080
Plan fiduciary net position - beginning	1,093,026	1,170,491	1,067,813	741,733
Plan fiduciary net position - ending (b)	\$ 1,070,264	\$ 1,093,026	\$ 1,170,491	\$ 1,067,813
Net pension liability - ending (a) - (b)	\$ 382,303	\$ 715,046	\$ 824,747	\$ 1,228,030
Plan fiduciary net position as a percentage of the total pension liability	73.7%	60.5%	58.7%	46.5%
Covered payroll	n/a	n/a	n/a	n/a
Net pension liability as a percentage of covered payroll	n/a	n/a	n/a	n/a

* Fiscal year 2014 was the 1st year of implementation.

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 80,100	\$ 92,742	\$ 107,632	\$ 128,954	\$ 147,247
-	40,459	-	345,786	-
(20,669)	-	-	322,312	-
-	-	-	-	-
(524,939)	(584,272)	(623,662)	(672,546)	(592,105)
(465,508)	(451,071)	(516,030)	124,506	(444,858)
2,932,456	3,383,527	3,899,557	3,775,051	4,219,909
<u>\$ 2,466,948</u>	<u>\$ 2,932,456</u>	<u>\$ 3,383,527</u>	<u>\$ 3,899,557</u>	<u>\$ 3,775,051</u>
\$ 814,594	\$ 73,592	\$ 602,970	\$ 602,970	\$ 602,970
-	-	-	-	-
-	-	-	-	-
2,207	3,351	2,255	2,017	(837)
-	-	-	-	-
(524,939)	(584,272)	(623,662)	(672,546)	(592,105)
-	-	-	-	-
-	-	-	-	-
291,862	(507,329)	(18,437)	(67,559)	10,028
449,871	957,200	975,637	1,043,196	1,033,168
<u>\$ 741,733</u>	<u>\$ 449,871</u>	<u>\$ 957,200</u>	<u>\$ 975,637</u>	<u>\$ 1,043,196</u>
<u>\$ 1,725,215</u>	<u>\$ 2,482,585</u>	<u>\$ 2,426,327</u>	<u>\$ 2,923,920</u>	<u>\$ 2,731,855</u>
30.1%	15.3%	28.3%	25.0%	27.6%
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Police and Firemen's Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability				
Interest	\$ 283,996	\$ 561,163	\$ 606,022	\$ 952,312
Differences between actual and expected experience	-	(3,680,825)	-	(3,103,425)
Changes in assumptions	-	28,483	-	1,037,914
Benefit payments, including refunds of employee contributions	(1,117,194)	(1,412,673)	(1,793,082)	(2,170,136)
Net change in the total pension liability	(833,198)	(4,503,852)	(1,187,060)	(3,283,335)
Total pension liability - beginning	8,672,774	13,176,626	14,363,686	17,647,021
Total pension liability - ending (a)	\$ 7,839,576	\$ 8,672,774	\$ 13,176,626	\$ 14,363,686
Plan Fiduciary Net Position				
Contributions - employer	\$ -	\$ 937,004	\$ 937,004	\$ 1,270,466
Net investment income	(1,939,002)	2,527,138	584,954	645,593
Benefit payments, including member contribution refunds	(1,117,194)	(1,412,673)	(1,793,082)	(2,170,136)
Other deductibles	-	-	-	-
Net change in the total pension liability	(3,056,196)	2,051,469	(271,124)	(254,077)
Plan fiduciary net position - beginning	13,113,847	11,062,378	11,333,502	11,587,579
Plan fiduciary net position - ending (b)	\$ 10,057,651	\$ 13,113,847	\$ 11,062,378	\$ 11,333,502
Net pension liability - ending (a) - (b)	\$ (2,218,075)	\$ (4,441,073)	\$ 2,114,248	\$ 3,030,184
Plan fiduciary net position as a percentage percentage of the total pension liability	128.3%	151.2%	84.0%	78.9%
Covered payroll	n/a	n/a	n/a	n/a
Net pension liability as a percentage of covered payroll	n/a	n/a	n/a	n/a

* Fiscal year 2014 was the 1st year of implementation.

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 1,031,753	\$ 1,111,386	\$ 1,214,089	\$ 1,464,746	\$ 1,579,762
-	261,891	-	(323,462)	-
-	-	-	1,380,854	-
<u>(2,656,508)</u>	<u>(2,859,902)</u>	<u>(3,140,552)</u>	<u>(3,074,421)</u>	<u>(3,436,887)</u>
<u>(1,624,755)</u>	<u>(1,486,625)</u>	<u>(1,926,463)</u>	<u>(552,283)</u>	<u>(1,857,125)</u>
<u>19,271,776</u>	<u>20,758,401</u>	<u>22,684,864</u>	<u>23,237,147</u>	<u>25,094,272</u>
<u>\$ 17,647,021</u>	<u>\$ 19,271,776</u>	<u>\$ 20,758,401</u>	<u>\$ 22,684,864</u>	<u>\$ 23,237,147</u>
\$ 1,270,466	\$ 1,270,466	\$ 1,222,197	\$ 740,235	\$ 740,235
589,027	1,340,997	(165,490)	369,240	2,968,492
(2,656,508)	(2,859,902)	(3,140,552)	(3,074,421)	(3,436,887)
-	-	-	-	(3,424,568)
<u>(797,015)</u>	<u>(248,439)</u>	<u>(2,083,845)</u>	<u>(1,964,946)</u>	<u>(3,152,728)</u>
<u>12,384,594</u>	<u>12,633,033</u>	<u>14,716,878</u>	<u>16,681,824</u>	<u>19,834,552</u>
<u>\$ 11,587,579</u>	<u>\$ 12,384,594</u>	<u>\$ 12,633,033</u>	<u>\$ 14,716,878</u>	<u>\$ 16,681,824</u>
<u>\$ 6,059,442</u>	<u>\$ 6,887,182</u>	<u>\$ 8,125,368</u>	<u>\$ 7,967,986</u>	<u>\$ 6,555,323</u>
65.7%	64.3%	60.9%	64.9%	71.8%
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Garfield Pension Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability				
Interest	\$ 2,950	\$ 4,877	\$ 7,756	\$ 17,334
Differences between actual and expected experience	-	51,995	-	(220,079)
Changes in assumptions	-	10,397	10,225	(1,426)
Benefit payments, including refunds of employee contributions	(51,807)	(50,048)	(49,067)	(77,703)
Net change in the total pension liability	(48,857)	17,221	(31,086)	(281,874)
Total pension liability - beginning	320,914	303,693	334,779	616,653
Total pension liability - ending (a)	<u>\$ 272,057</u>	<u>\$ 320,914</u>	<u>\$ 303,693</u>	<u>\$ 334,779</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 12,408	\$ -	\$ -	\$ 102,140
Net investment income	(1,751)	1,984	6,914	7,024
Benefit payments, including member contribution refunds	(51,807)	(50,048)	(49,067)	(77,703)
Net change in the total pension liability	(41,150)	(48,064)	(42,153)	31,461
Plan fiduciary net position - beginning	249,005	297,069	339,222	307,761
Plan fiduciary net position - ending (b)	<u>\$ 207,855</u>	<u>\$ 249,005</u>	<u>\$ 297,069</u>	<u>\$ 339,222</u>
Net pension liability - ending (a) - (b)	<u>\$ 64,202</u>	<u>\$ 71,909</u>	<u>\$ 6,624</u>	<u>\$ (4,443)</u>
Plan fiduciary net position as a percentage percentage of the total pension liability	76.4%	77.6%	97.8%	101.3%
Covered payroll	n/a	n/a	n/a	n/a
Net pension liability as a percentage of covered payroll	n/a	n/a	n/a	n/a

* Fiscal year 2014 was the 1st year of implementation.

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 19,334	\$ 19,517	\$ 21,615	\$ 28,597	\$ 30,759
-	67,810	-	(45,458)	-
-	-	-	64,544	-
(94,323)	(92,474)	(90,660)	(88,883)	(87,140)
(74,989)	(5,147)	(69,045)	(41,200)	(56,381)
691,642	696,789	765,834	807,034	863,415
<u>\$ 616,653</u>	<u>\$ 691,642</u>	<u>\$ 696,789</u>	<u>\$ 765,834</u>	<u>\$ 807,034</u>
\$ 102,140	\$ 102,140	\$ 102,140	\$ 102,140	\$ 102,140
2,627	1,517	933	577	227
(94,323)	(92,474)	(90,660)	(88,883)	(87,141)
10,444	11,183	12,413	13,834	15,226
297,317	286,134	273,721	259,887	244,661
<u>\$ 307,761</u>	<u>\$ 297,317</u>	<u>\$ 286,134</u>	<u>\$ 273,721</u>	<u>\$ 259,887</u>
<u>\$ 308,892</u>	<u>\$ 394,325</u>	<u>\$ 410,655</u>	<u>\$ 492,113</u>	<u>\$ 547,147</u>
49.9%	43.0%	41.1%	35.7%	32.2%
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Schedule of Contributions - Last 10 Years

Fiscal Year Ended	(1) Actuarially Determined Contribution (ADC)	(2) Employer Contributions	(3) Contribution Deficiency (Excess) (1) - (2)	(4) Covered Employee Payroll	(5) ADC / Covered Employee Payroll (1) / (4)
General Pension Plan					
June 30, 2011	\$ 486,092	\$ 486,092	\$ -	n/a	n/a
June 30, 2012	455,662	148,186	307,476	n/a	n/a
June 30, 2013	502,278	660,992	(158,714)	n/a	n/a
June 30, 2014	602,970	602,970	-	n/a	n/a
June 30, 2015	602,970	602,970	-	n/a	n/a
June 30, 2016	750,016	602,970	147,046	n/a	n/a
June 30, 2017	750,016	73,592	676,424	n/a	n/a
June 30, 2018	947,219	814,594	132,625	n/a	n/a
June 30, 2019	947,219	812,561	134,658	n/a	n/a
June 30, 2020	469,402	503,714	(34,312)	n/a	n/a
June 30, 2021	312,462	319,025	(6,563)	n/a	n/a
June 30, 2022	345,348	345,348	-	n/a	n/a
Police & Firemen's Pension Plan					
June 30, 2011	\$ 2,257,912	\$ -	\$ 2,257,912	n/a	n/a
June 30, 2012	1,596,771	-	1,596,771	n/a	n/a
June 30, 2013	1,813,721	1,596,771	216,950	n/a	n/a
June 30, 2014	740,235	740,234	1	n/a	n/a
June 30, 2015	740,235	740,235	-	n/a	n/a
June 30, 2016	1,270,466	1,222,197	48,269	n/a	n/a
June 30, 2017	1,270,466	1,270,466	-	n/a	n/a
June 30, 2018	1,389,612	1,270,466	119,146	n/a	n/a
June 30, 2019	1,389,612	1,270,466	119,146	n/a	n/a
June 30, 2020	937,004	937,004	-	n/a	n/a
June 30, 2021	937,004	937,004	-	n/a	n/a
June 30, 2022	-	-	-	n/a	n/a
Garfield Pension Plan					
June 30, 2011	\$ 76,692	\$ 76,692	\$ -	n/a	n/a
June 30, 2012	78,731	-	78,731	n/a	n/a
June 30, 2013	92,092	77,000	15,092	n/a	n/a
June 30, 2014	102,140	102,140	-	n/a	n/a
June 30, 2015	102,140	102,140	-	n/a	n/a
June 30, 2016	78,987	102,140	(23,153)	n/a	n/a
June 30, 2017	78,987	102,140	(23,153)	n/a	n/a
June 30, 2018	86,103	102,140	(16,037)	n/a	n/a
June 30, 2019	86,103	102,140	(16,037)	n/a	n/a
June 30, 2020	-	-	-	n/a	n/a
June 30, 2021	-	-	-	n/a	n/a
June 30, 2022	12,408	12,408	-	n/a	n/a

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

Schedule of Contributions - Last 10 Years, Continued

Notes to Schedule:

	Police and Firemen's Plan	General Pension Plan	Garfield Pension Plan
Actuarially determined contribution rates are calculated as of the end of the fiscal year in which contributions are reported from the July 1, 2019 Actuarial Valuation.			
Methods and assumptions used to determine contribution rates:			
Actuarial cost method	Entry age normal cost	Entry age normal cost	Entry age normal cost
Amortization method	Investment Gains & Losses: Straight-line amortization over a closed 5-year period.		
	Effects of Assumptions Changes and Experience Gains and Losses:		
	Straight-line amortization over a closed period equal to the average of the expected remaining service lives of all members that are provided with pensions through the pension plan. Since the plan no longer has active members, the effects of assumption changes and experience are recognized immediately.		
Remaining amortization period	5 years	1 year	(A)
Asset valuation method	Market value of assets	Market value of assets	Market value of assets
Inflation (short-term)	2.00%	2.00%	2.00%
Salary increases used to estimate future increases to pensions	n/a	n/a	n/a
Discount rate, net of investment expenses	3.50%	1.00%	1.00%
Retirement age	Closed to new members	Closed to new members	Closed to new members
Mortality	California PERS Mortality Table in its 2017 experience study (based on CalPERS 1997 - 2015 experience)		

(A) There is no amortization of unfunded liability if the plan is more than 100% funded.

*Schedule of Investment Returns - Last 10 Years**

Annual money-weighted rate of return, net of investment expense	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Pension Plan	0.36%	0.44%	1.54%	0.64%	1.00%	0.50%	0.30%	0.30%	0.10%
Police and Firemen's Pension Plan	-15.40%	22.61%	5.11%	5.51%	4.90%	11.80%	-1.20%	2.40%	3.90%
Garfield Pension Plan	-0.77%	0.72%	2.18%	1.93%	1.00%	0.60%	0.40%	0.30%	0.40%

* Fiscal year 2014 was the 1st year of implementation.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES

OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan

*Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years**

For the Measurement Period Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total OPEB Liability				
Service cost	\$ 2,088,997	\$ 2,072,961	\$ 4,292,499	\$ 3,452,679
Interest	6,997,592	6,846,932	7,222,766	7,625,498
Changes in benefit terms	-	-	-	(19,910,800)
Differences between actual and expected experience	(11,982,490)	(140,135)	(28,723,614)	-
Changes in assumptions	(6,119,213)	1,173,106	(42,412,472)	(1,409,953)
Benefit payments	(7,272,797)	(7,011,178)	(7,753,129)	(7,247,073)
Net change in the total OPEB liability	(16,287,911)	2,941,686	(67,373,950)	(17,489,649)
Total OPEB liability - beginning	123,244,653	120,302,967	187,676,917	205,166,566
Total OPEB liability - ending (a)	\$ 106,956,742	\$ 123,244,653	\$ 120,302,967	\$ 187,676,917
Plan Fiduciary Net Position				
Contributions - employer	\$ 10,042,891	\$ 9,515,699	\$ 12,720,085	\$ 6,714,785
Contributions - employee	589,125	623,088	642,475	532,288
Net investment income	(4,613,857)	6,562,745	709,908	1,170,454
Administrative expense	(61,195)	(111,868)	(89,764)	(81,950)
Benefit payments	(7,272,797)	(7,011,178)	(7,753,129)	(7,247,073)
Plan to Plan transfer (1)	-	-	-	(1,879,640)
Net change in the total OPEB liability	(1,315,833)	9,578,486	6,229,575	(791,136)
Plan fiduciary net position - beginning	32,439,804	22,861,318	16,631,743	17,422,879
Plan fiduciary net position - ending (b)	\$ 31,123,971	\$ 32,439,804	\$ 22,861,318	\$ 16,631,743
Net OPEB liability - ending (a) - (b)	\$ 75,832,771	\$ 90,804,849	\$ 97,441,649	\$ 171,045,174
Plan fiduciary net position as a percentage of the total OPEB liability	29.10%	26.32%	19.00%	8.86%
Covered employee payroll	\$ 45,133,662	\$ 46,698,024	\$ 50,016,647	\$ 49,511,523
Net OPEB liability as a percentage of covered employee payroll	168.02%	194.45%	194.82%	345.47%

(1) Transferred to the RPOA Plan established in fiscal year 2019.

* Fiscal year 2017 was the 1st year of implementation.

6/30/2018	6/30/2017
\$ 6,730,397	\$ 7,558,987
7,927,217	7,064,307
-	-
(2,816,969)	-
8,715,168	(15,340,529)
(6,861,529)	(6,497,645)
13,694,284	(7,214,880)
191,472,282	198,687,162
<u>\$ 205,166,566</u>	<u>\$ 191,472,282</u>
\$ 13,599,120	\$ 13,218,475
765,475	278,850
632,089	227,394
(49,169)	(11,250)
(6,861,529)	(6,497,645)
-	-
8,085,986	7,215,824
9,336,893	2,121,069
<u>\$ 17,422,879</u>	<u>\$ 9,336,893</u>
<u>\$ 187,743,687</u>	<u>\$ 182,135,389</u>
8.49%	4.88%
\$ 65,359,713	\$ 66,774,795
287.25%	272.76%

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES, Continued

OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan, Continued

*Schedule of Plan Contributions - Last 10 Years**

<u>Fiscal Year Ended:</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Contractually required contributions (CRC) (1)/ Actuarially determined employer contribution (ADEC)	\$ 9,525,000	\$ 12,641,000	\$ 7,753,129	\$ 7,247,073
Contributions in relation to the CRC/ADEC	(10,042,891)	(9,515,697)	(7,753,129)	(7,247,073)
Contribution deficiency (excess)	<u>\$ (517,891)</u>	<u>\$ 3,125,303</u>	<u>\$ -</u>	<u>\$ -</u>

Notes:

- (1) Before FY2021, the City does not calculate an Actuarially Determined Contribution, but the City's agreements with its bargaining units provide for various benefit levels as discussed in the Notes to the Financial Statements. Contributions reported include the implicit subsidy.

*Schedule of Investment Returns - Last 10 Years**

<u>Fiscal Year Ended:</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Annual money weighted rate of return, net of investment expense	-13.92%	26.66%	3.48%	6.74%

* Fiscal year 2017 was the 1st year of implementation.

<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 6,861,529	\$ 6,497,645
<u>(6,861,529)</u>	<u>(6,497,645)</u>
<u>\$ -</u>	<u>\$ -</u>

<u>6/30/2018</u>	<u>6/30/2017</u>
6.30%	10.75%

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES, Continued

RPOA OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan

*Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years**

For the Measurement Period Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total OPEB Liability				
Service cost	\$ 1,027,120	\$ 1,871,012	\$ 2,053,367	\$ 1,939,517
Interest	1,107,706	800,939	850,944	764,597
Changes in benefit terms	-	-	-	21,995,467
Differences between actual and expected experience	(4,595,658)	10,367	(1,784,304)	-
Changes in assumptions	(323,325)	(9,082,375)	401,383	-
Benefit payments	(382,892)	(277,277)	(156,536)	(82,673)
Net change in the total OPEB liability	(3,167,049)	(6,677,334)	1,364,854	24,616,908
Total OPEB liability - beginning	19,304,428	25,981,762	24,616,908	-
Total OPEB liability - ending (a)	\$ 16,137,379	\$ 19,304,428	\$ 25,981,762	\$ 24,616,908
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,955,147	\$ 1,028,868	\$ 1,851,964	\$ -
Contributions - employee	403,650	453,163	425,213	82,673
Net investment income	(833,976)	935,134	170,322	-
Plan to Plan transfer (1)	-	-	-	1,879,640
Benefit payments	(382,892)	(277,277)	(156,536)	(82,673)
Administrative expense	(3,187)	(2,612)	-	-
Net change in the total OPEB liability	1,138,742	2,137,276	2,290,963	1,879,640
Plan fiduciary net position - beginning	6,307,879	4,170,603	1,879,640	-
Plan fiduciary net position - ending (b)	\$ 7,446,621	\$ 6,307,879	\$ 4,170,603	\$ 1,879,640
Net OPEB liability - ending (a) - (b)	\$ 8,690,758	\$ 12,996,549	\$ 21,811,159	\$ 22,737,268
Plan fiduciary net position as a percentage percentage of the total OPEB liability	46.15%	32.68%	16.05%	7.64%
Covered employee payroll	\$ 13,527,611	\$ 16,100,126	\$ 16,699,113	\$ 17,404,407
Net OPEB liability as a percentage of covered employee payroll	64.24%	80.72%	130.61%	130.64%

(1) Transferred from the OPEB Plan.

* Fiscal year 2019 was the 1st year of implementation.

City of Richmond
Required Supplementary Information
For the year ended June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES, Continued

RPOA OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan, Continued

*Schedule of Plan Contributions - Last 10 Years**

<u>Fiscal Year Ended:</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Contractually required(CRC)/ Actuarially determined employer contributions (ADEC) (1)	\$ 1,627,000	\$ 1,878,000	\$ 1,851,964	\$ 82,673
Contributions in relation to the CRC/ ADEC	<u>(1,955,147)</u>	<u>(1,028,868)</u>	<u>(1,851,964)</u>	<u>(82,673)</u>
Contribution deficiency (excess)	<u>\$ (328,147)</u>	<u>\$ 849,132</u>	<u>\$ -</u>	<u>\$ -</u>

Notes:

- (1) Before FY2021 the City does not calculate an Actuarially Determined Contribution, but the City's agreements with its bargaining units provide for various benefit levels as discussed in the Notes to the Financial Statements. Contributions reported include the implicit subsidy.

* Fiscal year 2019 was the 1st year of implementation.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

State Gas Tax Fund accounts for the subventions received from state gas taxes under the provision of the Streets and Highways Code. State gas taxes are restricted for street construction activities including location of underground utilities, geotechnical work relating to identification of soil and groundwater contamination, materials sampling, and testing.

General Purpose Fund accounts for other restricted monies that are to be used for the specific purposes for which the funds were set up.

Paratransit Operations Fund accounts for monies used to provide subsidized, accessible transportation to the seniors and disabled residents of the City of Richmond and the adjacent unincorporated areas of West Contra Costa County.

Employment & Training Fund is a fund set up to plan, administer and operate job training programs for the adult and youth residents of Richmond.

Public Safety Fund records the receipt and use of grant monies under the Local Law Enforcements Block Grant Program, Office of Traffic Safety Grants, OES Grants, FEMA Grants, and various other grants.

Lighting and Landscaping Districts Fund was set up to account for maintenance services in the nature of landscaping, lighting, cleaning provided to the Hilltop parking lot area, the Marina Way Development area, and the Marina Bay area.

Developer Impact Fees Fund is used to account for monies received from fees levied by the City on new commercial and residential projects. These funds will be used to mitigate the additional public safety and infrastructure costs resulting from these development projects.

Secured Pension Override Fund records the receipt of Pension Tax override collected through property taxes for payment of pension contributions.

Richmond Neighborhood Stabilization Corporation Fund accounts for the activities of the Corporation.

Rent Control Fund is used to account for fees paid by landlords to fund the operation of Richmond's Fair Rent, Just Cause for Eviction, and Homeowner Protection programs.

Cost Recovery Fund is used to record the receipt and use of monies for services provided to the public and developers.

Environmental and Community Investment Agreement (ECIA) Fund accounts for funding received from Chevron in conjunction with the Chevron Modernization Project Environmental and Community Investment Agreement to fund various projects and programs within the City of Richmond.

American Rescue Plan Act Fund accounts for funding received from federal government in conjunction with the American Rescue Plan Act to provide resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Debt Service Funds

2005 Pension Obligation Bonds Debt Service Fund receives transfers from the General Fund and the Pension Tax Override Fund, and pays the debt service on the 2005 Pension Obligation Bonds.

General Debt Service Fund accounts for monies received in connection with the 1995A and the 1999 Series A Pension Obligation Bonds and the related payments on such debt. The 1995 Series A bonds were to refinance the cost of capital improvements, and the 1999 Series A bonds were issued to fund a portion of the unfunded accrued actuarial liability in the Pension Fund.

Civic Center Debt Service Fund accounts for principal and interest payments on the Civic Center Project Lease Revenue Bonds.

Capital Projects Funds

General Capital Improvement Fund accounts for monies designated for capital improvement projects.

Measure C/J Fund was set up when the voters of Contra Costa County approved Measure C providing for the creation of the Contra Costa County Transportation Authority. The half-cent transportation sales tax was renewed under Measure J, effective April 1, 2009. The Authority collects one-half percent sales and use tax. Twenty percent of this tax is allocated to the City of Richmond to be used for the improvement of local transportation, including streets and roads in accordance with Measure C and Measure J compliance.

Harbor Navigation Fund records expenses relating to the construction of certain public improvements relating to the Port of Richmond consisting of dredging and deepening of the Richmond Harbor.

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City of Richmond
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	State Gas Tax Fund	General Purpose Fund	Paratransit Operations Fund	Employment and Training Fund
ASSETS				
Cash and investments	\$ 4,224,898	\$ 3,597,565	\$ 3,502	\$ 801,872
Restricted cash and investments	-	-	-	11,573
Receivables:				
Accounts, net	425,594	3	60	46,076
Interest	2,545	1,353	67	-
Grants	-	2,764,957	35,903	1,934,604
Loans	-	-	-	-
Total assets	4,653,037	6,363,878	39,532	2,794,125
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	705,486	432,606	21,923	250,069
Refundable deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	1,977,605	-	206,005
Total liabilities	705,486	2,410,211	21,923	456,074
Deferred inflows of resources:				
Unavailable revenue	-	2,013,166	35,903	1,222,191
Total deferred inflows of resources	-	2,013,166	35,903	1,222,191
Fund Balances:				
Restricted	3,947,551	1,940,501	-	1,115,860
Assigned	-	-	-	-
Unassigned	-	-	(18,294)	-
Total fund balances	3,947,551	1,940,501	(18,294)	1,115,860
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,653,037	\$ 6,363,878	\$ 39,532	\$ 2,794,125

Special Revenue Funds					
Public Safety Fund	Lighting and Landscaping Districts Fund	Developer Impact Fees Fund	Secured Pension Override Fund	Richmond Neighborhood Stabilization Corporation Fund	Rent Control Fund
\$ 307,075	\$ 1,519,163	\$ 9,994,327	\$ -	\$ -	\$ 1,324,958
-	-	-	-	124,772	-
-	1,496	-	-	-	2,939
246	922	6,376	-	-	991
-	-	-	-	-	-
-	-	-	-	779,013	-
307,321	1,521,581	10,000,703	-	903,785	1,328,888
-	42,237	137,545	-	7,581	27,806
-	-	-	-	-	-
-	-	-	-	41,505	-
-	-	-	-	-	5,615
-	42,237	137,545	-	49,086	33,421
-	1,496	-	-	779,013	-
-	1,496	-	-	779,013	-
307,321	1,477,848	9,863,158	-	75,686	1,295,467
-	-	-	-	-	-
-	-	-	-	-	-
307,321	1,477,848	9,863,158	-	75,686	1,295,467
\$ 307,321	\$ 1,521,581	\$ 10,000,703	\$ -	\$ 903,785	\$ 1,328,888

City of Richmond
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Cost Recovery Fund	Environmental and Community Investment Agreement Fund	American Rescue Plan Act Fund	2005 Pension Obligation Bonds Fund
ASSETS				
Cash and investments	\$ 2,970,964	\$ 20,069,562	\$ 13,593,732	\$ -
Restricted cash and investments	-	-	-	12,779,202
Receivables:				
Accounts, net	619,032	-	-	-
Interest	4,973	10,090	8,643	-
Grants	6,980,951	-	-	-
Loans	-	-	-	-
Total assets	10,575,920	20,079,652	13,602,375	12,779,202
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	1,389,947	4,222,376	172,378	18,950
Refundable deposits	669,256	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	70,093	-	13,388,208	-
Total liabilities	2,129,296	4,222,376	13,560,586	18,950
Deferred inflows of resources:				
Unavailable revenue	5,451,612	-	-	-
Total deferred inflows of resources	5,451,612	-	-	-
Fund Balances:				
Restricted	2,995,012	15,857,276	41,789	12,760,252
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	2,995,012	15,857,276	41,789	12,760,252
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,575,920	\$ 20,079,652	\$ 13,602,375	\$ 12,779,202

Debt Service Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
General Debt Service Fund	Civic Center Debt Service Fund	General Capital Improvement Fund	Measure C/J Fund	Harbor Navigation Fund	
\$ 113	\$ 1,075,213	\$ 2,646,914	\$ 878,887	\$ 45,589	\$ 63,054,334
-	52	89,516	-	-	13,005,115
-	-	93,500	-	-	1,188,700
94	370	-	349	29	37,048
-	-	-	2,965,609	-	14,682,024
-	-	-	-	-	779,013
207	1,075,635	2,829,930	3,844,845	45,618	92,746,234
-	-	171,283	356,455	-	7,956,642
-	-	-	-	-	669,256
-	-	-	-	-	41,505
-	2,432,668	-	-	-	18,080,194
-	2,432,668	171,283	356,455	-	26,747,597
-	-	-	1,060,456	-	10,563,837
-	-	-	1,060,456	-	10,563,837
207	-	2,658,647	2,427,934	-	56,764,509
-	-	-	-	45,618	45,618
-	(1,357,033)	-	-	-	(1,375,327)
207	(1,357,033)	2,658,647	2,427,934	45,618	55,434,800
\$ 207	\$ 1,075,635	\$ 2,829,930	\$ 3,844,845	\$ 45,618	\$ 92,746,234

City of Richmond
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

	Special Revenue Funds			
	State Gas Tax Fund	General Purpose Fund	Paratransit Operations Fund	Employment and Training Fund
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	25,000	-	-
Fines, forfeitures and penalties	-	2,054	-	-
Use of money and property	13,215	6,491	671	-
Intergovernmental	4,783,957	3,569,100	345,658	1,613,446
Charges for services	-	610,784	8,299	-
Other	-	5,666	92,003	942
Total revenues	4,797,172	4,219,095	446,631	1,614,388
EXPENDITURES:				
Current:				
General government	-	835,671	814,328	-
Public safety	-	1,713,198	-	-
Public works	3,010,542	15,780	-	-
Community development	-	-	12,616	5,160,389
Cultural and recreational	-	182,147	-	-
Housing and redevelopment	-	-	-	-
Capital outlay	1,080,666	16,000	-	3,109
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	4,091,208	2,762,796	826,944	5,163,498
REVENUES OVER (UNDER)				
EXPENDITURES	705,964	1,456,299	(380,313)	(3,549,110)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	224,865	-	2,189,330
Transfers out	-	(24,630)	-	-
Total other financing sources (uses)	-	200,235	-	2,189,330
Net change in fund balances	705,964	1,656,534	(380,313)	(1,359,780)
FUND BALANCES (DEFICITS):				
Beginning of year	3,241,587	283,967	362,019	2,475,640
End of year	\$ 3,947,551	\$ 1,940,501	\$ (18,294)	\$ 1,115,860

Special Revenue Funds					
Public Safety Fund	Lighting and Landscaping Districts Fund	Developer Impact Fees Fund	Secured Pension Override Fund	Richmond Neighborhood Stabilization Corporation Fund	Rent Control Fund
\$ -	\$ 1,731,159	\$ -	\$ 10,609,053	\$ -	\$ -
-	-	926,649	-	-	2,332,429
-	-	-	-	-	-
1,252	4,401	35,705	-	2	6,803
-	-	-	-	-	-
-	-	-	-	-	-
2,918	-	-	-	-	14,641
4,170	1,735,560	962,354	10,609,053	2	2,353,873
-	-	-	64,820	-	-
3,967	-	105,073	-	-	-
-	2,280,250	487,778	-	-	-
-	-	-	-	-	-
-	-	6,627	-	-	-
-	-	-	-	57,336	2,207,882
-	-	351,940	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,967	2,280,250	951,418	64,820	57,336	2,207,882
203	(544,690)	10,936	10,544,233	(57,334)	145,991
-	664,930	-	-	10,000	-
-	-	-	(10,689,231)	-	-
-	664,930	-	(10,689,231)	10,000	-
203	120,240	10,936	(144,998)	(47,334)	145,991
307,118	1,357,608	9,852,222	144,998	123,020	1,149,476
\$ 307,321	\$ 1,477,848	\$ 9,863,158	\$ -	\$ 75,686	\$ 1,295,467

City of Richmond
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

	Special Revenue Funds			
	Cost Recovery Fund	Environmental and Community Investment Agreement Fund	American Rescue Plan Act Fund	2005 Pension Obligation Bonds Fund
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ 12,659,853
Licenses, permits and fees	8,668,203	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	26,251	54,117	41,790	11,136
Intergovernmental	6,608,306	7,000,000	482,154	-
Charges for services	1,214,398	-	-	-
Other	6,438	417	-	-
Total revenues	16,523,596	7,054,534	523,944	12,670,989
EXPENDITURES:				
Current:				
General government	8,720,804	4,442,789	3,671	-
Public safety	-	58,465	-	-
Public works	891,597	264,412	-	-
Community development	-	-	-	-
Cultural and recreational	-	39,390	86,115	-
Housing and redevelopment	-	-	357,094	-
Capital outlay	8,286,737	1,798,779	35,275	-
Debt service:				
Principal	-	-	-	10,302,000
Interest and fiscal charges	-	-	-	1,458,010
Total expenditures	17,899,138	6,603,835	482,155	11,760,010
REVENUES OVER (UNDER) EXPENDITURES	(1,375,542)	450,699	41,789	910,979
OTHER FINANCING SOURCES (USES):				
Transfers in	4,150,293	-	-	8,089
Transfers out	-	-	-	-
Total other financing sources (uses)	4,150,293	-	-	8,089
Net change in fund balances	2,774,751	450,699	41,789	919,068
FUND BALANCES (DEFICITS):				
Beginning of year	220,261	15,406,577	-	11,841,184
End of year	\$ 2,995,012	\$ 15,857,276	\$ 41,789	\$ 12,760,252

Debt Service Funds		Capital Projects Funds			Total
General Debt Service Fund	Civic Center Debt Service Fund	General Capital Improvement Fund	Measure C/J Fund	Harbor Navigation Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000,065
-	-	-	-	-	11,952,281
-	-	-	-	-	2,054
576	2,174	162	2,064	159	206,969
-	-	-	2,993,244	-	27,395,865
-	5,564,718	-	-	-	7,398,199
-	-	121,500	-	-	244,525
576	5,566,892	121,662	2,995,308	159	72,199,958
-	-	-	-	-	14,882,083
-	-	-	-	-	1,880,703
-	-	106,089	1,420,494	-	8,476,942
-	-	-	-	-	5,173,005
-	-	-	-	-	314,279
-	-	-	-	-	2,622,312
-	-	636,757	723,104	-	12,932,367
710,000	3,440,000	-	-	-	14,452,000
239,961	4,294,097	-	-	-	5,992,068
949,961	7,734,097	742,846	2,143,598	-	66,725,759
(949,385)	(2,167,205)	(621,184)	851,710	159	5,474,199
940,700	2,406,458	289,515	-	-	10,884,180
-	-	-	-	-	(10,713,861)
940,700	2,406,458	289,515	-	-	170,319
(8,685)	239,253	(331,669)	851,710	159	5,644,518
8,892	(1,596,286)	2,990,316	1,576,224	45,459	49,790,282
\$ 207	\$ (1,357,033)	\$ 2,658,647	\$ 2,427,934	\$ 45,618	\$ 55,434,800

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
State Gas Tax Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 13,215	\$ 13,215
Intergovernmental	4,978,671	4,978,671	4,783,957	(194,714)
Total revenues	4,978,671	4,978,671	4,797,172	(181,499)
EXPENDITURES:				
Current:				
Public works	2,651,894	3,361,018	3,010,542	350,476
Capital outlay	2,326,797	2,222,568	1,080,666	1,141,902
Total expenditures	4,978,691	5,583,586	4,091,208	1,492,378
Net change in fund balances	\$ (20)	\$ (604,915)	705,964	\$ 1,310,879
FUND BALANCES (DEFICITS):				
Beginning of year			3,241,587	
End of year			\$ 3,947,551	

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Purpose Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Licenses, permits and fees	\$ 149,207	\$ 149,207	\$ 25,000	\$ (124,207)
Fines, forfeitures and penalties	-	-	2,054	2,054
Use of money and property	-	-	6,491	6,491
Intergovernmental	1,688,649	11,014,906	3,569,100	(7,445,806)
Charges for services	-	79,368	610,784	531,416
Other	-	7,500	5,666	(1,834)
Total revenues	1,837,856	11,250,981	4,219,095	(7,031,886)
EXPENDITURES:				
Current:				
General government	501,869	8,230,619	835,671	7,394,948
Public safety	1,364,264	3,361,344	1,713,198	1,648,146
Public works	1,037	257,925	15,780	242,145
Cultural and recreational	259,301	417,125	182,147	234,978
Capital outlay	284,000	504,000	16,000	488,000
Total expenditures	2,410,471	12,771,013	2,762,796	10,008,217
REVENUES OVER (UNDER)				
EXPENDITURES	(572,615)	(1,520,032)	1,456,299	2,976,331
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	224,865	224,865
Transfers out	-	-	(24,630)	(24,630)
Total other financing sources (uses)	-	-	200,235	200,235
Net change in fund balances	\$ (572,615)	\$ (1,520,032)	1,656,534	\$ 3,176,566
FUND BALANCES (DEFICITS):				
Beginning of year			283,967	
End of year			<u>\$ 1,940,501</u>	

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Paratransit Operations Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 671	\$ 671
Intergovernmental	840,000	840,000	345,658	(494,342)
Charges for services	-	-	8,299	8,299
Other	-	-	92,003	92,003
Total revenues	840,000	840,000	446,631	(393,369)
EXPENDITURES:				
Current:				
General government	776,844	789,644	814,328	(24,684)
Community development	13,400	600	12,616	(12,016)
Total expenditures	790,244	790,244	826,944	(36,700)
Net change in fund balances	\$ 49,756	\$ 49,756	(380,313)	\$ (430,069)
FUND BALANCES (DEFICITS):				
Beginning of year			362,019	
End of year			<u>\$ (18,294)</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 6,250,873	\$ 6,847,112	\$ 1,613,446	\$ (5,233,666)
Charges for services	193,536	193,536	-	(193,536)
Other	151,738	151,738	942	(150,796)
Total revenues	6,596,147	7,192,386	1,614,388	(5,577,998)
EXPENDITURES:				
Current:				
Community development	8,154,537	10,715,013	5,160,389	5,554,624
Capital outlay	100,000	108,000	3,109	104,891
Total expenditures	8,254,537	10,823,013	5,163,498	5,659,515
REVENUES OVER (UNDER)				
EXPENDITURES	(1,658,390)	(3,630,627)	(3,549,110)	81,517
OTHER FINANCING SOURCES (USES):				
Transfers in	1,445,705	3,425,705	2,189,330	(1,236,375)
Total other financing sources (uses)	1,445,705	3,425,705	2,189,330	(1,236,375)
Net change in fund balances	\$ (212,685)	\$ (204,922)	(1,359,780)	\$ (1,154,858)
FUND BALANCES (DEFICITS):				
Beginning of year			2,475,640	
End of year			\$ 1,115,860	

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Public Safety Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 1,252	\$ 1,252
Intergovernmental	360,335	360,335	-	(360,335)
Other	-	-	2,918	2,918
Total revenues	360,335	360,335	4,170	(356,165)
EXPENDITURES:				
Current:				
Public safety	579,835	579,835	3,967	575,868
Total expenditures	579,835	579,835	3,967	575,868
Net change in fund balances	\$ (219,500)	\$ (219,500)	203	\$ 219,703
FUND BALANCES (DEFICITS):				
Beginning of year			307,118	
End of year			<u>\$ 307,321</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Property taxes	\$ 1,728,833	\$ 1,728,833	\$ 1,731,159	\$ 2,326
Use of money and property	-	-	4,401	4,401
Total revenues	1,728,833	1,728,833	1,735,560	6,727
EXPENDITURES:				
Current:				
Public works	2,509,414	2,603,414	2,280,250	323,164
Total expenditures	2,509,414	2,603,414	2,280,250	323,164
REVENUES OVER (UNDER)				
EXPENDITURES	(780,581)	(874,581)	(544,690)	329,891
OTHER FINANCING SOURCES (USES):				
Transfers in	664,930	664,930	664,930	-
Total other financing sources (uses)	664,930	664,930	664,930	-
Net change in fund balances	\$ (115,651)	\$ (209,651)	120,240	\$ 329,891
FUND BALANCES (DEFICITS):				
Beginning of year			1,357,608	
End of year			\$ 1,477,848	

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Developer Impact Fees Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Licenses, permits and fees	\$ -	\$ 783,321	\$ 926,649	\$ 143,328
Use of money and property	-	-	35,705	35,705
Total revenues	-	783,321	962,354	179,033
EXPENDITURES:				
Current:				
Public safety	167,762	173,400	105,073	68,327
Public works	515,000	730,358	487,778	242,580
Cultural and recreational	523,334	524,698	6,627	518,071
Capital outlay	1,376,311	2,516,393	351,940	2,164,453
Total expenditures	2,582,407	3,944,849	951,418	2,993,431
Net change in fund balances	<u>\$ (2,582,407)</u>	<u>\$ (3,161,528)</u>	10,936	<u>\$ 3,172,464</u>
FUND BALANCES (DEFICITS):				
Beginning of year			9,852,222	
End of year			<u>\$ 9,863,158</u>	

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Secured Pension Override Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Property taxes	\$ 11,420,605	\$ 11,420,605	\$ 10,609,053	\$ (811,552)
Total revenues	11,420,605	11,420,605	10,609,053	(811,552)
EXPENDITURES:				
Current:				
General government	-	-	64,820	(64,820)
Public safety	937,004	937,004	-	937,004
Total expenditures	937,004	937,004	64,820	872,184
REVENUES OVER (UNDER)				
EXPENDITURES	10,483,601	10,483,601	10,544,233	60,632
OTHER FINANCING SOURCES (USES):				
Transfers out	(10,858,742)	(10,337,600)	(10,689,231)	(351,631)
Total other financing sources (uses)	(10,858,742)	(10,337,600)	(10,689,231)	(351,631)
Net change in fund balances	\$ (375,141)	\$ 146,001	(144,998)	\$ (290,999)
FUND BALANCES (DEFICITS):				
Beginning of year			144,998	
End of year			\$ -	

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Richmond Neighborhood Stabilization Corporation Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 144	\$ 144	\$ 2	\$ (142)
Other	15,000	15,000	-	(15,000)
Total revenues	15,144	15,144	2	(15,142)
EXPENDITURES:				
Current:				
Housing and redevelopment	41,991	41,991	57,336	(15,345)
Total expenditures	41,991	41,991	57,336	(15,345)
REVENUES OVER (UNDER)				
EXPENDITURES	(26,847)	(26,847)	(57,334)	(30,487)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	10,000	10,000
Total other financing sources (uses)	-	-	10,000	10,000
Net change in fund balances	<u>\$ (26,847)</u>	<u>\$ (26,847)</u>	(47,334)	<u>\$ (20,487)</u>
FUND BALANCES (DEFICITS):				
Beginning of year			123,020	
End of year			<u>\$ 75,686</u>	

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Rent Control Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Licenses, permits and fees	\$ 2,893,854	\$ 2,893,854	\$ 2,332,429	\$ (561,425)
Use of money and property	14,460	14,460	6,803	(7,657)
Other	30,000	30,000	14,641	(15,359)
Total revenues	2,938,314	2,938,314	2,353,873	(584,441)
EXPENDITURES:				
Current:				
Housing and redevelopment	2,613,278	2,616,278	2,207,882	408,396
Total expenditures	2,613,278	2,616,278	2,207,882	408,396
Net change in fund balances	\$ 325,036	\$ 322,036	145,991	\$ (176,045)
FUND BALANCES (DEFICITS):				
Beginning of year			1,149,476	
End of year			\$ 1,295,467	

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Cost Recovery Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Licenses, permits and fees	\$ 7,065,663	\$ 7,093,462	\$ 8,668,203	\$ 1,574,741
Use of money and property	-	-	26,251	26,251
Intergovernmental	15,333,845	17,208,845	6,608,306	(10,600,539)
Charges for services	3,786,000	3,786,000	1,214,398	(2,571,602)
Other	-	-	6,438	6,438
Total revenues	26,185,508	28,088,307	16,523,596	(11,564,711)
EXPENDITURES:				
Current:				
General government	10,788,567	13,939,498	8,720,804	5,218,694
Public works	878,609	1,345,292	891,597	453,695
Capital outlay	14,673,845	25,751,314	8,286,737	17,464,577
Total expenditures	26,341,021	41,036,104	17,899,138	23,136,966
REVENUES OVER (UNDER)				
EXPENDITURES	(155,513)	(12,947,797)	(1,375,542)	11,572,255
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,800,000	4,150,293	2,350,293
Total other financing sources (uses)	-	1,800,000	4,150,293	2,350,293
Net change in fund balances	\$ (155,513)	\$ (11,147,797)	2,774,751	\$ 13,922,548
FUND BALANCES (DEFICITS):				
Beginning of year			220,261	
End of year			\$ 2,995,012	

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Environmental and Community Investment Agreement Fund For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 54,117	\$ 54,117
Intergovernmental	58,000	58,000	7,000,000	6,942,000
Other	-	-	417	417
Total revenues	58,000	58,000	7,054,534	6,996,534
EXPENDITURES:				
Current:				
General government	7,886,030	7,186,030	4,442,789	2,743,241
Public safety	148,000	148,000	58,465	89,535
Public works	271,800	384,089	264,412	119,677
Community development	-	-	-	-
Cultural and recreational	534,430	534,430	39,390	495,040
Capital outlay	1,512,678	2,968,658	1,798,779	1,169,879
Total expenditures	10,352,938	11,221,207	6,603,835	4,617,372
Net change in fund balances	\$ (10,294,938)	\$ (11,163,207)	450,699	\$ 11,613,906
FUND BALANCES (DEFICITS):				
Beginning of year			15,406,577	
End of year			\$ 15,857,276	

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

American Rescue Plan Act Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 41,790	\$ 41,790
Intergovernmental	-	-	482,154	482,154
Total revenues	-	-	523,944	523,944
EXPENDITURES:				
Current:				
General government	-	300,000	3,671	296,329
Cultural and recreational	-	250,000	86,115	163,885
Housing and redevelopment	-	1,000,000	357,094	642,906
Capital outlay	-	3,000,000	35,275	2,964,725
Total expenditures	-	4,550,000	482,155	4,067,845
Net change in fund balances	\$ -	\$ (4,550,000)	41,789	\$ 4,591,789
FUND BALANCES (DEFICITS):				
Beginning of year			-	
End of year			\$ 41,789	

City of Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

2005 Pension Obligation Bonds Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Property taxes	\$ 12,659,853	\$ 12,659,853	\$ 12,659,853	\$ -
Use of money and property	-	-	11,136	11,136
Total revenues	12,659,853	12,659,853	12,670,989	11,136
EXPENDITURES:				
Debt service:				
Principal	10,302,000	10,302,000	10,302,000	-
Interest and fiscal charges	3,560,146	3,560,146	1,458,010	2,102,136
Total expenditures	13,862,146	13,862,146	11,760,010	2,102,136
REVENUES OVER (UNDER)				
EXPENDITURES	(1,202,293)	(1,202,293)	910,979	2,113,272
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	8,089	8,089
Total other financing sources (uses)	-	-	8,089	8,089
Net change in fund balances	\$ (1,202,293)	\$ (1,202,293)	919,068	\$ 2,121,361
FUND BALANCES (DEFICITS):				
Beginning of year			11,841,184	
End of year			\$ 12,760,252	

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Debt Service Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 576	\$ 576
Total revenues	-	-	576	576
EXPENDITURES:				
Debt service:				
Principal	710,000	710,000	710,000	-
Interest and fiscal charges	239,396	239,396	239,961	(565)
Total expenditures	949,396	949,396	949,961	(565)
REVENUES OVER (UNDER)				
EXPENDITURES	(949,396)	(949,396)	(949,385)	11
OTHER FINANCING SOURCES (USES):				
Transfers in	1,092,338	1,092,338	940,700	(151,638)
Total other financing sources (uses)	1,092,338	1,092,338	940,700	(151,638)
Net change in fund balances	\$ 142,942	\$ 142,942	(8,685)	\$ (151,627)
FUND BALANCES (DEFICITS):				
Beginning of year			8,892	
End of year			\$ 207	

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Civic Center Debt Service Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 2,174	2,174
Charges for services	5,445,541	5,445,541	5,564,718	119,177
Total revenues	5,445,541	5,445,541	5,566,892	121,351
EXPENDITURES:				
Debt service:				
Principal	3,440,000	3,440,000	3,440,000	-
Interest and fiscal charges	4,285,100	4,285,100	4,294,097	(8,997)
Total expenditures	7,725,100	7,725,100	7,734,097	(8,997)
REVENUES OVER (UNDER)				
EXPENDITURES	(2,279,559)	(2,279,559)	(2,167,205)	112,354
OTHER FINANCING SOURCES (USES):				
Transfers in	2,406,458	2,406,458	2,406,458	-
Total other financing sources (uses)	2,406,458	2,406,458	2,406,458	-
Net change in fund balances	\$ 126,899	\$ 126,899	239,253	\$ 112,354
FUND BALANCES (DEFICITS):				
Beginning of year			(1,596,286)	
End of year			\$ (1,357,033)	

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Capital Improvement Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 162	\$ 162
Other	-	-	121,500	121,500
Total revenues	-	-	121,662	121,662
EXPENDITURES:				
Current:				
Public works	-	160,610	106,089	54,521
Capital outlay	6,053,380	3,534,569	636,757	2,897,812
Total expenditures	6,053,380	3,695,179	742,846	2,952,333
REVENUES OVER (UNDER)				
EXPENDITURES	(6,053,380)	(3,695,179)	(621,184)	3,073,995
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,520,000	289,515	(1,230,485)
Total other financing sources (uses)	-	1,520,000	289,515	(1,230,485)
Net change in fund balances	<u>\$ (6,053,380)</u>	<u>\$ (2,175,179)</u>	<u>(331,669)</u>	<u>\$ 1,843,510</u>
FUND BALANCES (DEFICITS):				
Beginning of year			2,990,316	
End of year			<u>\$ 2,658,647</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 2,064	\$ 2,064
Intergovernmental	4,446,194	4,446,194	2,993,244	(1,452,950)
Total revenues	4,446,194	4,446,194	2,995,308	(1,450,886)
EXPENDITURES:				
Current:				
Public works	1,324,957	2,156,704	1,420,494	736,210
Capital outlay	3,096,513	3,754,351	723,104	3,031,247
Total expenditures	4,421,470	5,911,055	2,143,598	3,767,457
REVENUES OVER (UNDER)				
EXPENDITURES	24,724	(1,464,861)	851,710	2,316,571
Net change in fund balances	\$ 24,724	\$ (1,464,861)	851,710	\$ 2,316,571
FUND BALANCES (DEFICITS):				
Beginning of year			1,576,224	
End of year			\$ 2,427,934	

City of Richmond
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Harbor Navigation Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 159	\$ 159
Total revenues	-	-	159	159
Net change in fund balances	\$ -	\$ -	159	\$ 159
FUND BALANCES (DEFICITS):				
Beginning of year			45,459	
End of year			\$ 45,618	

NONMAJOR ENTERPRISE FUNDS

Richmond Marina Fund records revenues collected from berth rentals and the use of the marina facilities. The fund also records expenses incurred for the operation of the facility and for the payment of the loan from the California Department of Boating and Waterways.

Storm Sewer Fund records the revenues from storm sewer fees and transfers from operations reserves. It also records the expenses of maintaining a clean storm sewer system so that the City is in compliance with the federally mandated Storm Water Pollution Prevention Program.

Cable TV Fund was setup for the administration and enforcement of the franchise agreements with two cable television systems, management of municipal cable channel, departmental video services, media and public information, and telecommunications planning. The fund records revenue received from franchise fees and indirect charges to other funds and administration expenses incurred in operating the system.

City of Richmond
Combining Statement of Net Position
Nonmajor Enterprise Funds
For the year ended June 30, 2022

	Richmond Marina Fund	Storm Sewer Fund	Cable TV Fund	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and investments	\$ 4,534,858	\$ 1,730,786	\$ 737,865	\$ 7,003,509
Restricted cash and investments	86,625	-	-	86,625
Receivables:				
Accounts, net	87,577	4,432	258,351	350,360
Interest	2,796	955	471	4,222
Total current assets	4,711,856	1,736,173	996,687	7,444,716
Noncurrent assets:				
Receivables:				
Lease receivables	5,396,449	-	-	5,396,449
Capital assets:				
Nondepreciable	330,794	3,566,834	-	3,897,628
Depreciable	4,338,356	30,889,661	140,882	35,368,899
Less accumulated depreciation	(3,235,723)	(29,892,160)	(122,805)	(33,250,688)
Net capital assets	1,433,427	4,564,335	18,077	6,015,839
Total noncurrent assets	6,829,876	4,564,335	18,077	11,412,288
Total assets	11,541,732	6,300,508	1,014,764	18,857,004
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	-	12,788	204,702	217,490
Deferred outflows of resources - OPEB	-	4,918	35,121	40,039
Total deferred outflows of resources	-	17,706	239,823	257,529
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	16,994	525,581	13,258	555,833
Interest payable	92,202	-	-	92,202
Refundable deposits	88,466	1,200	-	89,666
Compensated absences - current	-	-	40,598	40,598
Long-term debt - current	106,231	-	-	106,231
Total current liabilities	303,893	526,781	53,856	884,530
Noncurrent liabilities:				
Unearned revenue	-	591,867	-	591,867
Compensated absences	-	-	11,091	11,091
Long-term debt	2,128,971	-	-	2,128,971
Net pension liability	-	61,899	990,883	1,052,782
Net OPEB liability	-	111,989	799,924	911,913
Total noncurrent liabilities	2,128,971	765,755	1,801,898	4,696,624
Total liabilities	2,432,864	1,292,536	1,855,754	5,581,154
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	-	39,070	625,433	664,503
Deferred inflows of resources - OPEB	-	53,316	380,828	434,144
Deferred inflows of resources - leases	5,371,636	-	-	5,371,636
Total deferred inflows of resources	5,371,636	92,386	1,006,261	6,470,283
NET POSITION (DEFICIT)				
Net investment in capital assets	(801,775)	4,564,335	18,077	3,780,637
Restricted for debt service	86,625	-	-	86,625
Unrestricted	4,452,382	368,957	(1,625,505)	3,195,834
Total net position	\$ 3,737,232	\$ 4,933,292	\$ (1,607,428)	\$ 7,063,096

City of Richmond
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the year ended June 30, 2022

	Richmond Marina Fund	Storm Sewer Fund	Cable TV Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES:				
Rental	\$ 162,777	\$ -	\$ -	\$ 162,777
Service charges	-	2,056,362	1,103,873	3,160,235
Lease income	361,875	5,453	-	367,328
Total operating revenues	524,652	2,061,815	1,103,873	3,690,340
OPERATING EXPENSES:				
Salaries and benefits	-	(235,910)	395,746	159,836
General and administrative	59,643	1,399,958	264,038	1,723,639
Maintenance	-	-	3,048	3,048
Depreciation	85,456	45,037	1,824	132,317
Total operating expenses	145,099	1,209,085	664,656	2,018,840
OPERATING INCOME (LOSS)	379,553	852,730	439,217	1,671,500
NONOPERATING REVENUES (EXPENSES):				
Interest income	116,926	3,454	2,538	122,918
Interest expense	(100,965)	(73,491)	-	(174,456)
Total nonoperating revenues (expenses)	15,961	(70,037)	2,538	(51,538)
Income (loss) before contributions and transfers	395,514	782,693	441,755	1,619,962
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	-	2,654,027	-	2,654,027
Transfers out	(86,778)	-	-	(86,778)
Total contributions and transfers	(86,778)	2,654,027	-	2,567,249
Change in net position	308,736	3,436,720	441,755	4,187,211
NET POSITION:				
Beginning of year	3,428,496	1,496,572	(2,049,183)	2,875,885
End of year	\$ 3,737,232	\$ 4,933,292	\$ (1,607,428)	\$ 7,063,096

City of Richmond
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended June 30, 2022

	Richmond Marina Fund	Storm Sewer Fund	Cable TV Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 551,149	\$ 2,062,962	\$ 1,135,845	\$ 3,749,956
Payments to suppliers	(42,156)	(1,197,987)	(264,155)	(1,504,298)
Payments to employees	-	(46,923)	(786,116)	(833,039)
Net cash provided by (used in) operating activities	508,993	818,052	85,574	1,412,619
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund receipts (payments)	-	(2,580,535)	-	(2,580,535)
Transfers in	-	2,654,027	-	2,654,027
Transfers out	(86,778)	-	-	(86,778)
Net cash provided by (used in) noncapital financing activities	(86,778)	73,492	-	(13,286)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	(42,934)	(19,901)	(62,835)
Principal payments on capital debt	(101,656)	-	-	(101,656)
Interest paid	(105,158)	(73,491)	-	(178,649)
Net cash provided by (used in) capital and related financing activities	(206,814)	(116,425)	(19,901)	(343,140)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest	115,428	2,499	2,256	120,183
Net cash provided by (used in) investing activities	115,428	2,499	2,256	120,183
Net cash flows	330,829	777,618	67,929	1,176,376
CASH AND INVESTMENTS - Beginning of year	4,290,654	953,168	669,936	5,913,758
CASH AND INVESTMENTS - End of year	\$ 4,621,483	\$ 1,730,786	\$ 737,865	\$ 7,090,134
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 379,553	\$ 852,730	\$ 439,217	\$ 1,671,500
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	85,456	45,037	1,824	132,317
Changes in assets and liabilities:				
Receivables, net	51,310	1,147	31,972	84,429
Accounts payable and accrued liabilities	16,994	201,971	2,931	221,896
Refundable deposits	493	-	-	493
Compensated absences payable	-	-	4,114	4,114
Net pension liability and deferred outflows/inflows	-	(227,241)	(371,283)	(598,524)
Net OPEB liability and deferred outflows/inflows	-	(55,592)	(23,201)	(78,793)
lease receivable and deferred outflows/inflows	(24,813)	-	-	(24,813)
Net cash provided by (used in) operating activities	\$ 508,993	\$ 818,052	\$ 85,574	\$ 1,412,619

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds introduced by GASB Statement No. 34 does not extend to internal service funds because they do not do business with outside parties. GASB Statement No. 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the fund financial statements, including the funds below.

Insurance Reserves Fund is used to report activities related to employees' claims due to industrial injuries and activities related to general claims against the City for damages incurred.

Equipment Services and Replacement Fund is used to report activities related to maintenance and replacement of City vehicles.

Compensated Absences Fund is used to account for sick, vacation and compensatory time leave payouts related to employee retirements.

City of Richmond
Combining Statement of Net Position
Internal Service Funds
For the year ended June 30, 2022

	Insurance Reserves	Equipment Services and Replacement	Compensated Absences	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 49,671,087	\$ 3,807,444	\$ 1,079,336	\$ 54,557,867
Receivables:				
Accounts, net	-	3,312	-	3,312
Interest	29,982	2,093	-	32,075
Grants	3,290,326	-	-	3,290,326
Total current assets	52,991,395	3,812,849	1,079,336	57,883,580
Noncurrent assets:				
Capital assets:				
Depreciable	-	31,213,838	-	31,213,838
Less accumulated depreciation	-	(20,988,195)	-	(20,988,195)
Net capital assets	-	10,225,643	-	10,225,643
Total noncurrent assets	-	10,225,643	-	10,225,643
Total assets	52,991,395	14,038,492	1,079,336	68,109,223
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	232,347	-	-	232,347
Deferred outflows of resources - OPEB	26,903	-	-	26,903
Total deferred outflows of resources	259,250	-	-	259,250
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	983,366	2,342	-	985,708
Interest payable	-	8,485	-	8,485
Compensated absences - current	66,303	-	-	66,303
Claims payable - current	14,606,071	-	-	14,606,071
Long-term debt - current	-	261,947	-	261,947
Total current liabilities	15,655,740	272,774	-	15,928,514
Noncurrent liabilities:				
Claims payable	36,486,531	-	-	36,486,531
Long-term debt	-	1,474,133	-	1,474,133
Net pension liability	1,124,702	-	-	1,124,702
Net OPEB liability	612,742	-	-	612,742
Total noncurrent liabilities	38,223,975	1,474,133	-	39,698,108
Total liabilities	53,879,715	1,746,907	-	55,626,622
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	709,898	-	-	709,898
Deferred inflows of resources - OPEB	291,715	-	-	291,715
Total deferred inflows of resources	1,001,613	-	-	1,001,613
NET POSITION (DEFICIT)				
Net investment in capital assets	-	8,489,563	-	8,489,563
Unrestricted	(1,630,683)	3,802,022	1,079,336	3,250,675
Total net position	\$ (1,630,683)	\$ 12,291,585	\$ 1,079,336	\$ 11,740,238

City of Richmond
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the year ended June 30, 2022

	Insurance Reserves	Equipment Services and Replacement	Compensated Absences	Total Internal Service Funds
OPERATING REVENUES:				
Service charges - internal	\$ 17,113,205	\$ 2,416,000	\$ 2,600,000	\$ 22,129,205
Other	-	101,003	-	101,003
Total operating revenues	17,113,205	2,517,003	2,600,000	22,230,208
OPERATING EXPENSES:				
Salaries and benefits	(1,878,475)	-	2,431,615	553,140
General and administrative	1,151,902	-	-	1,151,902
Maintenance	7,744,626	(201,092)	-	7,543,534
Depreciation	-	2,254,908	-	2,254,908
Claims losses	21,145,703	-	-	21,145,703
Total operating expenses	28,163,756	2,053,816	2,431,615	32,649,187
OPERATING INCOME (LOSS)	(11,050,551)	463,187	168,385	(10,418,979)
NONOPERATING REVENUES (EXPENSES):				
Gain (loss) from retirement of capital assets	-	(3,361)	-	(3,361)
Interest income	241,212	6,788	-	248,000
Grants	7,217,327	-	-	7,217,327
Interest expense	-	(72,836)	-	(72,836)
Total nonoperating revenues (expenses)	7,458,539	(69,409)	-	7,389,130
Income (loss) before contributions and transfers	(3,592,012)	393,778	168,385	(3,029,849)
CONTRIBUTIONS AND TRANSFERS:				
Capital contributions	-	1,358,413	-	1,358,413
Transfers in	-	601,018	-	601,018
Total contributions and transfers	-	1,959,431	-	1,959,431
Change in net position	(3,592,012)	2,353,209	168,385	(1,070,418)
NET POSITION:				
Beginning of year, as restated	1,961,329	9,938,376	910,951	12,810,656
End of year	<u>\$ (1,630,683)</u>	<u>\$ 12,291,585</u>	<u>\$ 1,079,336</u>	<u>\$ 11,740,238</u>

City of Richmond
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2022

	Insurance Reserves	Equipment Services and Replacement	Compensated Absences	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from interfund services	\$ 17,122,205	\$ 2,513,691	\$ 2,600,000	\$ 22,235,896
Payments to suppliers	(9,522,895)	203,434	-	(9,319,461)
Payments to employees	(1,030,138)	-	(2,431,615)	(3,461,753)
Insurance premiums and claims paid	(14,445,440)	-	-	(14,445,440)
Net cash provided by (used in) operating activities	(7,876,268)	2,717,125	168,385	(4,990,758)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund receipts (payments)	2,580,535	-	-	2,580,535
Transfers in	-	601,018	-	601,018
Net cash provided by (used in) noncapital financing activities	2,580,535	601,018	-	3,181,553
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Grant receipts	3,927,001	-	-	3,927,001
Acquisition of capital assets	-	(736,759)	-	(736,759)
Principal payments on capital debt	-	(251,950)	-	(251,950)
Interest paid	-	(74,068)	-	(74,068)
Net cash provided by (used in) capital and related financing activities	3,927,001	(1,062,777)	-	2,864,224
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest	227,360	4,757	-	232,117
Net cash provided by (used in) investing activities	227,360	4,757	-	232,117
Net cash flows	(1,141,372)	2,260,123	168,385	1,287,136
CASH AND INVESTMENTS - Beginning of year	50,812,459	1,547,321	910,951	53,270,731
CASH AND INVESTMENTS - End of year	\$ 49,671,087	\$ 3,807,444	\$ 1,079,336	\$ 54,557,867
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (11,050,551)	\$ 463,187	\$ 168,385	\$ (10,418,979)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	2,254,908	-	2,254,908
Changes in assets and liabilities:				
Receivables, net	9,000	(3,312)	-	5,688
Prepays and other assets	-	-	-	-
Accounts payable and accrued liabilities	(626,367)	2,342	-	(624,025)
Compensated absences payable	(44,924)	-	-	(44,924)
Claims payable	6,700,263	-	-	6,700,263
Net pension liability and deferred outflows/inflows	(1,657,674)	-	-	(1,657,674)
Net OPEB liability and deferred outflows/inflows	(1,206,015)	-	-	(1,206,015)
Net cash provided by (used in) operating activities	\$ (7,876,268)	\$ 2,717,125	\$ 168,385	\$ (4,990,758)

TRUST FUNDS

Pension Trust Funds

General Pension Fund records the activity of the General Pension Plan, a defined benefit plan that covers 28 former City employees not covered by PERS, all of whom have retired.

Police and Firemen's Pension Fund records the activity of the Police and Firemen's Pension Plan, a defined benefit pension plan that covers 75 police and fire personnel employed prior to October 1964.

Garfield Pension Fund records the activity of the Garfield Pension Plan, a defined contribution pension plan that was set up for a retired police chief.

Private-Purpose Trust Funds

Pt. Molate Fund is used to account for assets held by the City as an agent for the U.S. Navy and a private developer for the cleanup of Point Molate.

Successor Agency to the Richmond Community Redevelopment Agency Fund accounts for the activities of the Successor Agency to the former Redevelopment Agency.

City of Richmond
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2022

	Pension			Total
	General Pension	Police and Firemen's Pension	Garfield Pension	
ASSETS				
Restricted cash and investments	\$ 1,069,561	\$ 53,324	\$ 23,671	\$ 1,146,556
Local Agency Investment Fund	-	-	184,164	184,164
Mutual fund investments	-	10,001,639	-	10,001,639
Interest receivable	704	142	20	866
Total assets	1,070,265	10,055,105	207,855	11,333,225
NET POSITION:				
Restricted for employees' pension and OPEB benefits	1,070,265	10,055,105	207,855	11,333,225
Total net position	\$ 1,070,265	\$ 10,055,105	\$ 207,855	\$ 11,333,225

City of Richmond
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the year ended June 30, 2022

	Pension			
	General Pension	Police and Firemen's Pension	Garfield Pension	Total
ADDITIONS:				
Contributions to trust - employers	\$ 345,348	\$ -	\$ 12,408	\$ 357,756
Net investment income:				
Net increase (decrease) in fair value of investments	502	(2,097,001)	(2,382)	(2,098,881)
Interest income	3,116	235,257	631	239,004
Less investment management fees	-	(77,258)	-	(77,258)
Total additions	348,966	(1,939,002)	10,657	(1,579,379)
DEDUCTIONS:				
Pension benefits	371,727	1,119,740	51,807	1,543,274
Total deductions	371,727	1,119,740	51,807	1,543,274
Change in net position	(22,761)	(3,058,742)	(41,150)	(3,122,653)
NET POSITION:				
Beginning of year	1,093,026	13,113,847	249,005	14,455,878
End of year	<u>\$ 1,070,265</u>	<u>\$ 10,055,105</u>	<u>\$ 207,855</u>	<u>\$ 11,333,225</u>

City of Richmond
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2022

	Pt. Molate	Successor Agency to the Richmond Community Redevelopment Agency	Total
ASSETS			
Cash and investments	\$ -	\$ 6,909,914	\$ 6,909,914
Restricted cash and investments	1,458,779	16,667,383	18,126,162
Accounts receivable	-	523	523
Interest receivable	6	-	6
Prepays and other assets	-	5,485,179	5,485,179
Total assets	1,458,785	29,062,999	30,521,784
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - deferred loss on refunding	-	391,179	391,179
Total deferred outflows of resources	-	391,179	391,179
LIABILITIES			
Accounts payable and accrued liabilities	167,655	66,551	234,206
Interest payable	-	593,945	593,945
Long-term debt:			
Due within one year	-	6,590,000	6,590,000
Due in more than one year	-	47,043,648	47,043,648
Total liabilities	167,655	54,294,144	54,461,799
NET POSITION:			
Held in trust for other governments	1,291,130	(24,839,966)	(23,548,836)
Total net position	\$ 1,291,130	\$ (24,839,966)	\$ (23,548,836)

City of Richmond
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the year ended June 30, 2022

	Pt. Molate	Successor Agency to the Richmond Community Redevelopment Agency	Total
ADDITIONS:			
Property taxes	\$ -	\$ 8,306,100	\$ 8,306,100
Interest income	231	218,764	218,995
Gain from sale of property	-	954,500	954,500
Total additions	231	9,479,364	9,479,595
DEDUCTIONS:			
Community development	-	1,459,882	1,459,882
Payments in accordance with trust agreements	903,639	-	903,639
Interest and fiscal charges	-	2,052,525	2,052,525
Total deductions	903,639	3,512,407	4,416,046
Change in net position	(903,408)	5,966,957	5,063,549
NET POSITION:			
Beginning of year	2,194,538	(30,806,923)	(28,612,385)
End of year	\$ 1,291,130	\$ (24,839,966)	\$ (23,548,836)

City of Richmond
Subcombining Statement of Fiduciary Net Position
Successor Agency to the Richmond Community Redevelopment Agency
June 30, 2022

	Redevelopment Property Tax Trust Fund	Administration	Capital Projects	Bond Funded Capital Projects
ASSETS				
Cash and investments	\$ 2,558,733	\$ 467	\$ 4,350,714	\$ -
Restricted cash and investments	-	-	3,485,447	-
Accounts receivable	-	-	523	-
Prepays and other assets	-	-	5,485,179	-
Total assets	2,558,733	467	13,321,863	-
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - deferred loss on refunding	-	-	-	-
Total deferred outflows of resources	-	-	-	-
LIABILITIES				
Accounts payable and accrued liabilities	-	467	66,084	-
Interest payable	-	-	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	-	467	66,084	-
NET POSITION:				
Held in trust for successor agency	2,558,733	-	13,255,779	-
Total net position	\$ 2,558,733	\$ -	\$ 13,255,779	\$ -

Bond Payments	Intrafund Eliminations	Total
\$ -	\$ -	\$ 6,909,914
13,181,936	-	16,667,383
-	-	523
-	-	5,485,179
13,181,936	-	29,062,999
391,179	-	391,179
391,179	-	391,179
-	-	66,551
593,945	-	593,945
6,590,000	-	6,590,000
47,043,648	-	47,043,648
54,227,593	-	54,294,144
(40,654,478)	-	(24,839,966)
\$ (40,654,478)	\$ -	\$ (24,839,966)

City of Richmond
Subcombining Statement of Changes in Fiduciary Net Position
Successor Agency to the Richmond Community Redevelopment Agency
For the year ended June 30, 2022

	Redevelopment Property Tax Trust Fund	Administration	Capital Projects	Bond Funded Capital Projects
ADDITIONS:				
Property taxes	\$ 8,306,100	\$ -	\$ -	\$ -
Net investment income:				
Interest income	-	-	118,263	-
Less investment management fees	-	-	-	-
Transfers from other funds	-	409,709	48,613	-
Gain from sale of property	-	-	954,500	-
Total additions	8,306,100	409,709	1,121,376	-
DEDUCTIONS:				
Community development	-	409,709	473,232	-
Interest and fiscal charges	-	-	-	-
Transfers to other funds	10,913,829	-	30,067	-
Total deductions	10,913,829	409,709	503,299	-
Change in net position	(2,607,729)	-	618,077	-
NET POSITION:				
Beginning of year	5,166,462	-	12,637,702	-
End of year	<u>\$ 2,558,733</u>	<u>\$ -</u>	<u>\$ 13,255,779</u>	<u>\$ -</u>

Bond Payments	Intrafund Eliminations	Total
\$ -	\$ -	\$ 8,306,100
100,501	-	218,764
-	-	-
10,500,574	(10,958,896)	-
-	-	954,500
10,601,075	(10,958,896)	9,479,364
576,941	-	1,459,882
2,052,525	-	2,052,525
15,000	(10,958,896)	-
2,644,466	(10,958,896)	3,512,407
7,956,609	-	5,966,957
(48,611,087)	-	(30,806,923)
\$ (40,654,478)	\$ -	\$ (24,839,966)

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CUSTODIAL FUNDS

Custodial Funds

Special Assessment Fund accounts for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.

General Agency Fund accounts for the assets held by the City as an agent for individuals, private organizations, and other governments.

Johnson Library Fund accounts for nonexpendable funds to be used to provide funding for special library projects.

Senior Center Fund accounts for assets held by the City in an agent capacity for programs benefiting the senior citizens residing within the City.

JPFA Reassessment Fund receives secured tax payments (from assessment rolls), and makes payments on the JPFA Revenue Reassessment Bonds; Series 2011A.

2016 A&B Reassessment District Fund receives payments of principal and interest on prior assessment bonds, and makes payment on the JPFA Reassessment Revenue Bonds Series A and B.

City of Richmond
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	Special Assessment	General Agency	Johnson Library
ASSETS			
Cash and investments	\$ 895,475	\$ 2,861,960	\$ 10,799
Restricted cash and investments	342,267	18,161	-
Interest receivable	529	1,779	7
Total assets	1,238,271	2,881,900	10,806
LIABILITIES			
Accounts payable and accrued liabilities	-	-	-
Total liabilities	-	-	-
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	1,238,271	2,881,900	10,806
Total net position	\$ 1,238,271	\$ 2,881,900	\$ 10,806

Senior Center	JPFA Reassessment	2016 A&B Reassessment District	Total Custodial Funds
\$ 64,292	\$ 1,851,403	\$ 740,712	\$ 6,424,641
-	-	187,154	547,582
39	1,158	392	3,904
64,331	1,852,561	928,258	6,976,127
4,801	-	-	4,801
4,801	-	-	4,801
59,530	1,852,561	928,258	6,971,326
\$ 59,530	\$ 1,852,561	\$ 928,258	\$ 6,971,326

City of Richmond

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the year ended June 30, 2022

	Special Assessment	General Agency	Johnson Library
ADDITIONS:			
Property taxes	\$ 318,947	\$ -	\$ -
Contributions	-	265,011	-
Net investment income:			
Interest income	2,879	9,343	37
Total additions	321,826	274,354	37
DEDUCTIONS:			
Interest and fiscal charges	321,448	-	-
Other	-	98,728	-
Total deductions	321,448	98,728	-
Change in net position	378	175,626	37
NET POSITION:			
Beginning of year	1,237,893	2,706,274	10,769
End of year	<u>\$ 1,238,271</u>	<u>\$ 2,881,900</u>	<u>\$ 10,806</u>

Senior Center	JPFA Reassessment	2016 A&B Reassessment District	Total Custodial Funds
\$ -	\$ -	\$ 889,454	\$ 1,208,401
14,686	-	-	279,697
218	6,418	2,259	21,154
14,904	6,418	891,713	1,509,252
-	-	1,591,472	1,912,920
18,357	-	-	117,085
18,357	-	1,591,472	2,030,005
(3,453)	6,418	(699,759)	(520,753)
62,983	1,846,143	1,628,017	7,492,079
\$ 59,530	\$ 1,852,561	\$ 928,258	\$ 6,971,326

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STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Tax Payers
4. Property Tax Levies and Collections
5. Utility Users Tax Collections
6. Utility Users Tax Direct Rates
7. Top Ten Utility Users Taxpayers

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Revenue Bond Coverage - 1999, 2006, 2008, 2010A & 2010B Wastewater Revenue Bonds
3. Revenue Bond Coverage - 1996, 1999, 2004, 2007, and 2009 Port Terminal Lease Revenue Bonds, Note and Point Potrero Lease Revenue Bonds.
4. General Bonded Debt - Pension Obligation Bonds
5. Bonded Debt Pledged Revenue Coverage - Tax Allocation Bonds all Refunding Bonds
6. Computation of Direct and Overlapping Debt
7. Computation of Legal Bonded Debt Margin

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

CITY OF RICHMOND
JUNE 30, 2022

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

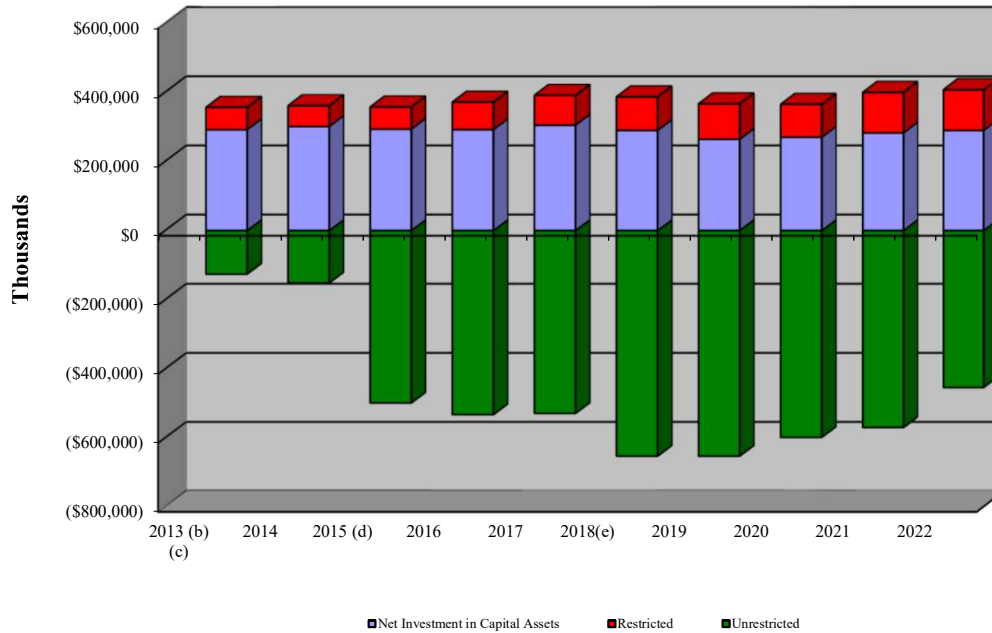
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Financial Reports for the relevant year.

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CITY OF RICHMOND
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



	Fiscal Year Ended June 30				
	2013 (b) (c)	2014	2015 (d)	2016	2017
Governmental activities					
Net investment in capital assets	\$214,572,546	\$227,828,243	\$218,144,811	\$228,292,389	\$233,619,046
Restricted	55,396,056	50,461,923	54,578,939	70,322,707	76,810,440
Unrestricted	(119,231,699)	(148,161,106)	(479,961,080)	(508,981,299)	(504,602,583)
Total governmental activities net position	<u>\$150,736,903</u>	<u>\$130,129,060</u>	<u>(\$207,237,330)</u>	<u>(\$210,366,203)</u>	<u>(\$194,173,097)</u>
Business-type activities					
Net investment in capital assets	\$76,966,448	\$72,911,000	\$74,922,303	\$63,405,228	\$71,000,240
Restricted	9,196,255	9,793,767	9,408,237	9,008,038	9,441,288
Unrestricted	(6,365,742)	(3,096,845)	(18,432,590)	(23,382,659)	(24,096,174)
Total business-type activities net position	<u>\$79,796,961</u>	<u>\$79,607,922</u>	<u>\$65,897,950</u>	<u>\$49,030,607</u>	<u>\$56,345,354</u>
Primary government					
Net investment in capital assets	\$291,538,994	\$300,739,243	\$293,067,114	\$291,697,617	\$304,619,286
Restricted	64,592,311	60,255,690	63,987,176	79,330,745	86,251,728
Unrestricted	(125,597,441)	(151,257,951)	(498,393,670)	(532,363,958)	(528,698,757)
Total primary government net position	<u>\$230,533,864</u>	<u>\$209,736,982</u>	<u>(\$141,339,380)</u>	<u>(\$161,335,596)</u>	<u>(\$137,827,743)</u>

(a) Balance was restated in fiscal year 2013. Years prior to 2012 have not been restated.

(b) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position".

(c) Balance was restated in fiscal year 2014. Years prior to 2013 have not been restated.

(d) The City implemented the provisions of GASB Statement No. 68 in fiscal year 2015. Years prior to 2015 have not been restated.

(e) The City implemented the provisions of GASB Statement No. 75 in fiscal year 2018. Years prior to 2018 have not been restated.

Fiscal Year Ended June 30				
2018(e)	2019	2020	2021	2022
\$221,336,363	\$211,717,676	\$205,374,054	\$206,419,763	\$213,930,154
87,380,363	93,157,922	93,703,974	103,401,613	117,136,516
(625,067,289)	(644,341,826)	(597,270,745)	(568,565,683)	(491,415,035)
<u>(\$316,350,563)</u>	<u>(\$339,466,228)</u>	<u>(\$298,192,717)</u>	<u>(\$258,744,307)</u>	<u>(\$160,348,365)</u>
\$68,213,687	\$52,161,380	\$64,270,898	\$75,738,268	\$75,469,292
9,514,522	9,440,965	1,517,087	13,859,999	607,958
(27,908,968)	(8,644,683)	(1,045,003)	(1,417,443)	37,774,604
<u>\$49,819,241</u>	<u>\$52,957,662</u>	<u>\$64,742,982</u>	<u>\$88,180,824</u>	<u>\$113,851,854</u>
\$289,550,050	\$263,879,056	\$269,644,952	\$282,158,031	\$289,399,446
96,894,885	102,598,887	95,221,061	117,261,612	117,744,474
(652,976,257)	(652,986,509)	(598,315,748)	(569,983,126)	(453,640,431)
<u>(\$266,531,322)</u>	<u>(\$286,508,566)</u>	<u>(\$233,449,735)</u>	<u>(\$170,563,483)</u>	<u>(\$46,496,511)</u>

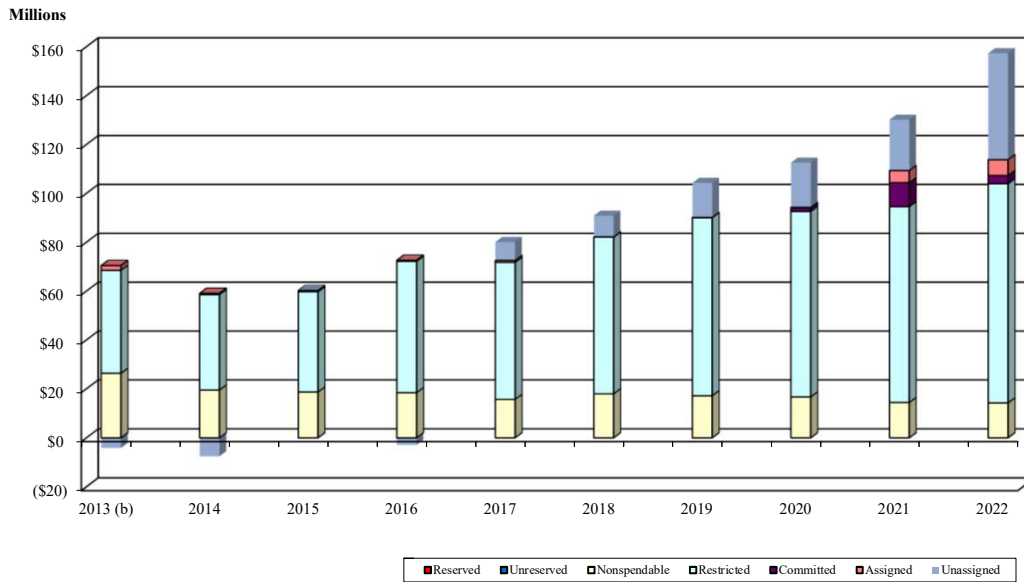
CITY OF RICHMOND
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2013 (b)	2014	2015 (c)	2016	2017
Expenses					
Governmental Activities:					
General Government	\$35,272,517	\$36,119,297	\$28,879,074	\$32,197,941	\$34,851,005
Public Safety	97,136,602	102,664,551	102,732,652	107,380,286	104,919,259
Public Works	46,011,618	46,403,830	43,363,799	44,410,102	41,558,084
Community Development	4,909,158	4,618,101	4,771,875	5,003,045	3,290,142
Cultural and Recreational	12,129,962	10,808,931	10,492,020	11,021,226	10,996,526
Housing and Redevelopment	2,816,094	1,984,908	2,751,290	2,051,898	7,449,423
Interest and Fiscal Charges	15,411,831	19,439,248	17,219,905	18,902,831	16,387,887
Total Governmental Activities Expenses	213,687,782	222,038,866	210,210,615	220,967,329	219,452,326
Business-Type Activities:					
Richmond Housing Authority	28,992,229	29,771,151	28,049,474	26,385,133	26,241,916
Port of Richmond	9,337,252	9,530,693	9,923,282	11,132,997	10,102,104
Richmond Marina	266,918	253,190	235,054	237,129	230,621
Municipal Sewer	16,964,175	16,298,623	15,965,608	16,446,626	17,720,735
Storm Sewer	2,815,541	3,210,678	3,282,406	2,465,929	2,320,723
Cable TV	990,802	890,846	948,426	2,114,436	1,028,185
Total Business-Type Activities Expenses	59,366,917	59,955,181	58,404,250	58,782,250	57,644,284
Total Primary Government Expenses	\$273,054,699	\$281,994,047	\$268,614,865	\$279,749,579	\$277,096,610
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$11,596,612	\$16,917,113	\$11,107,654	\$12,468,525	\$15,543,381
Public Safety	5,400,290	6,217,749	10,466,292	7,271,472	8,932,212
Public Works	3,090,211	4,160,804	3,609,577	3,936,242	4,796,586
Community Development	234,836	405,404	1,385,689	1,069,767	615,388
Cultural and Recreational	516,499	584,475	475,091	1,128,267	1,252,192
Housing and Redevelopment				42,040	
Operating Grants and Contributions	9,703,416	8,434,018	9,231,039	20,994,534	16,083,370
Capital Grants and Contributions	11,360,153	34,530,908	21,097,186	17,534,992	14,008,833
Total Government Activities Program Revenues	41,902,017	71,250,471	57,372,528	64,445,839	61,231,962
Business-Type Activities:					
Charges for Services:					
Richmond Housing Authority	2,619,669	2,638,834	1,917,602	1,851,337	3,067,020
Port of Richmond	9,043,026	10,201,751	9,480,367	10,581,419	10,182,777
Municipal Sewer	17,733,454	18,569,191	19,033,406	19,757,863	20,767,925
Richmond Marina	466,921	456,956	488,201	517,108	540,567
Storm Sewer	1,842,001	1,869,064	1,845,648	1,966,537	1,992,758
Cable TV	1,320,552	1,228,864	1,376,194	1,320,486	1,339,104
Operating Grants and Contributions	22,323,336	21,953,401	22,112,391	21,951,328	22,636,922
Capital Grants and Contributions	10,087,538	1,673,398	2,189,724	2,155,686	969,910
Total Business-Type Activities Program Revenue	65,436,497	58,591,459	58,443,533	60,101,764	61,496,983
Total Primary Government Program Revenues	\$107,338,514	\$129,841,930	\$115,816,061	\$124,547,603	\$122,728,945
Net (Expense)/Revenue					
Governmental Activities	(\$171,785,765)	(\$150,788,395)	(\$152,838,087)	(\$156,521,490)	(\$158,220,364)
Business-Type Activities	6,069,580	(1,363,722)	39,283	1,319,514	3,852,699
Total Primary Government Net Expense	(\$165,716,185)	(\$152,152,117)	(\$152,798,804)	(\$155,201,976)	(\$154,367,665)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes:					
Current Collections	\$47,207,734	\$42,226,820	\$45,129,392	\$51,302,638	\$56,588,547
Sales Taxes	29,865,548	29,627,711	33,155,376	40,877,125	41,620,189
Utility User Taxes	48,398,349	48,033,706	48,299,958	43,365,249	44,966,489
Documentary Transfer Taxes	2,957,834	3,461,473	4,818,936	6,187,096	7,452,985
Other Taxes	3,289,518	3,592,218	5,099,511	5,734,802	5,329,465
Unrestricted Intergovernmental	44,814		1,806,532	43,312	49,448
Use of Money and Property	11,331,823	(1,164,987)	(4,752,198)	1,198,266	12,230,256
Gain From Sale of Capital Assets		174,874	268,927	262,667	64,651
Miscellaneous	3,461,402	3,229,898	2,151,042	4,258,061	5,138,724
Pension Stabilization Revenue	2,549,922	998,839	954,202	915,860	885,938
Developer Revenue Sharing					
Transfers	(590,394)		178,487	600,000	86,778
Special/Extraordinary Items:					
Swap Termination				(16,321,171)	
Transfer of Loans to Housing Successor					
Assets Transferred To/Liabilities Assumed By				14,968,712	
Housing Successor/Successor Agency	(5,328,244)				
Total Government Activities	143,188,306	130,180,552	137,110,165	153,392,617	174,413,470
Business-Type Activities:					
Taxes:					
Property Taxes					
Use of Money and Property	4,054,073	(185,246)	(563,129)	(3,076,857)	3,548,826
Settlement					
Other					
Special Item				(14,510,000)	
Transfers	590,394		(178,487)	(600,000)	(86,778)
Extraordinary Items	9,023,704	1,359,929			
Total Business-Type Activities	13,668,171	1,174,683	(741,616)	(18,186,857)	3,462,048
Total Primary Government	\$156,856,477	\$131,355,235	\$136,368,549	\$135,205,760	\$177,875,518
Change in Net Position					
Governmental Activities	(\$28,597,459)	(\$20,607,843)	(\$15,727,922)	(\$3,128,873)	\$16,193,106
Business-Type Activities	19,737,751	(189,039)	(702,333)	(16,867,343)	7,314,747
Total Primary Government	(\$8,859,708)	(\$20,796,882)	(\$16,430,255)	(\$19,996,216)	\$23,507,853

- (a) The Redevelopment Agency was dissolved effective January 31, 2012 and its net position transferred to a Successor Agency.
- (b) The City implemented the provisions of GASB Statement 63 in fiscal year 2013, which replaced the term "net assets" with the term "net position".
- (c) The City implemented the provisions of GASB Statement No. 68 in fiscal year 2015. Years prior to 2015 have not been restated.
- (d) The City implemented the provisions of GASB Statement No. 75 in fiscal year 2018. Years prior to 2018 have not been restated.

Fiscal Year Ended June 30				
2018 (d)	2019	2020	2021	2022
\$45,715,329	\$45,626,305	\$43,495,871	\$46,917,122	\$48,312,143
114,932,219	116,621,006	108,947,688	94,378,715	68,259,779
48,617,290	49,893,124	45,051,479	33,979,639	35,554,874
4,589,328	5,791,630	4,115,214	4,534,280	3,552,363
14,280,985	15,074,312	10,409,881	9,006,470	9,969,799
3,442,239	2,676,897	2,807,611	3,007,152	3,375,875
16,127,479	15,380,005	14,896,558	12,825,356	12,322,289
247,704,869	251,063,279	229,724,302	204,648,734	181,347,122
30,978,813	36,766,319	5,834,686	3,607,603	(1,750,799)
10,257,553	8,811,486	7,744,773	6,263,232	4,763,557
327,442	273,929	21,767,690	20,466,640	246,064
21,696,370	19,259,997	241,445	227,391	18,140,943
1,661,808	1,643,453	1,965,353	1,796,422	1,282,576
1,697,155	973,747	671,790	788,957	664,656
66,619,141	67,728,931	38,225,737	33,150,245	23,346,997
\$314,324,010	\$318,792,210	\$267,950,039	\$237,798,979	\$204,694,119
\$16,838,782	\$15,310,347	\$13,211,033	\$13,777,010	\$18,422,370
8,147,458	7,124,227	6,631,900	3,674,412	3,448,026
6,529,172	5,118,216	7,792,157	7,198,221	4,405,851
1,748,222	1,603,581	827,055	665,999	110,552
1,545,399	2,200,702	1,111,472	814,073	577,978
1,878,958	2,189,703			
20,556,989	20,514,833	25,354,387	29,316,141	37,756,494
10,471,376	5,778,572	4,987,273	4,386,950	10,787,022
67,716,356	59,840,181	59,915,277	59,832,806	75,508,293
1,740,399	3,329,072	841,319	861,943	782,951
10,580,246	10,629,229	10,454,061	10,704,024	10,530,653
22,447,439	24,476,967	27,934,684	27,759,474	28,168,977
537,438	602,591	564,988	574,453	524,652
2,068,110	1,942,171	2,087,561	2,103,928	2,061,815
1,281,952	1,240,754	1,203,837	1,145,936	1,103,873
26,098,804	28,666,300	4,027,791	3,771,674	2,211,712
1,155,536	2,170,137	322,164	13,167	
65,909,924	73,057,221	47,436,405	46,934,599	45,384,633
\$133,626,280	\$132,897,402	\$107,351,682	\$106,767,405	\$120,892,926
(\$179,988,513)	(\$191,223,098)	(\$169,809,025)	(\$144,815,928)	(\$105,838,829)
(709,217)	5,328,290	9,210,668	13,784,354	22,037,636
(\$180,697,730)	(\$185,894,808)	(\$160,598,357)	(\$131,031,574)	(\$83,801,193)
59,441,796	60,592,022	63,004,942	65,075,408	65,248,507
44,474,973	47,659,481	44,537,156	48,998,406	53,453,323
46,079,755	45,905,937	45,552,523	45,240,705	48,373,587
6,486,347	8,011,672	8,707,564	19,857,680	18,612,087
6,144,968	6,227,213	7,127,375	7,424,135	8,176,511
58,842	4,705,047	5,367,784	6,593,602	7,241,103
7,000,785	(6,825,744)	2,946,978	1,461,004	1,593,846
39,226	71,779	82,036	71,458	88,477
4,195,794	1,980,973	1,992,600	1,357,022	2,140,211
86,778	(220,947)	86,778	(11,279,988)	(3,516,663)
1,208,259				
175,217,523	168,107,433	179,405,736	184,799,432	201,410,989
3,431,293	(1,015,459)	770,319	145,810	909,597
(86,778)	220,947	(86,778)	11,279,988	3,516,663
3,344,515	(794,512)	683,541	11,425,798	4,426,260
\$178,562,038	\$167,312,921	\$180,089,277	\$196,225,230	\$205,837,249
(\$4,770,990)	(\$23,115,665)	\$9,596,711	\$39,983,504	\$95,572,160
2,635,298	4,533,778	9,894,209	25,210,152	26,463,896
(\$2,135,692)	(\$18,581,887)	\$19,490,920	\$65,193,656	\$122,036,056

CITY OF RICHMOND
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	2013 (b)	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$26,366,829	\$19,505,987	\$18,708,682	\$18,404,669	\$15,697,680	\$17,967,653	\$17,170,714	\$16,705,993	\$14,399,738	\$14,242,186
Restricted										\$1,505,053
Committed								\$1,500,000	\$9,800,000	\$3,383,453
Assigned	219,646	56,786	23,934	4,460	10,013	72,506	63,180	113,349	2,436,475	6,397,688
Unassigned	10,238,862	7,979,055	9,949,120	10,988,266	19,709,197	17,590,764	19,534,660	20,326,889	22,477,829	44,935,389
Total General Fund	<u>\$36,825,337</u>	<u>\$27,541,828</u>	<u>\$28,681,736</u>	<u>\$29,397,395</u>	<u>\$35,416,890</u>	<u>\$35,630,923</u>	<u>\$36,768,554</u>	<u>\$38,646,231</u>	<u>\$49,114,042</u>	<u>\$70,463,769</u> (a)
All Other Governmental Funds										
Nonspendable			\$484	\$550						
Restricted	\$42,117,459	\$39,066,351	41,017,602	53,752,247	\$56,052,014	\$64,125,353	\$72,865,392	\$75,880,927	\$80,161,994	\$88,191,500
Committed										
Assigned	1,734,260	428,766	430,083	431,867	782,617	43,906	44,602	45,264	2,521,099	45,618
Unassigned	(14,357,112)	(15,499,990)	(9,755,130)	(13,824,433)	(12,190,388)	(8,939,781)	(5,403,755)	(2,000,302)	(1,677,775)	(1,375,327)
Total all other governmental funds	<u>\$29,494,607</u>	<u>\$23,995,127</u>	<u>\$31,693,039</u>	<u>\$40,360,231</u>	<u>\$44,644,243</u>	<u>\$55,229,478</u>	<u>\$67,506,239</u>	<u>\$73,925,889</u>	<u>\$81,005,318</u>	<u>\$86,861,791</u> (a)

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

(b) Balance was restated in fiscal year 2014. Years prior to 2013 have not been restated.

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CITY OF RICHMOND
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
Revenues					
Property taxes	\$48,518,328	\$43,559,305	\$46,498,061	\$52,714,540	\$58,042,766
Sales taxes	29,865,548	29,627,711	33,131,486	40,877,125	41,620,189
Utility user fees	48,398,349	48,033,706	48,299,958	43,365,249	44,966,489
Other taxes	6,247,352	7,053,691	9,918,447	11,628,519	12,566,579
Licenses, permits and fees	11,830,426	7,713,634	12,409,625	12,235,483	16,577,695
Developer revenue sharing					
Fines, forfeitures and penalties	617,509	821,411	1,353,518	901,838	1,065,421
Use of money and property	557,936	153,958	225,529	212,787	422,324
Intergovernmental	19,995,922	17,078,035	19,228,997	14,440,543	19,913,858
Private grants				12,971,138	5,000,000
Charges for services	9,350,051	20,022,968	13,607,840	13,462,270	15,947,909
Pension stabilization revenue	2,549,922	998,839	954,202	915,860	885,938
Rent	681,141	708,626	809,113	768,753	839,821
Other	2,703,133	2,845,117	1,977,688	4,300,150	5,472,719
Total Revenues	181,315,617	178,617,001	188,414,464	208,794,255	223,321,708
Expenditures					
Current:					
General government	33,251,610	32,005,878	29,786,089	31,819,369	36,973,645
Public safety	87,573,539	91,676,955	90,219,981	94,774,545	95,479,682
Public works	26,065,996	26,363,885	25,806,437	25,690,663	30,327,553
Community development	4,709,478	4,357,885	4,586,333	4,843,687	6,374,607
Cultural and recreational	11,175,362	10,223,708	10,021,481	10,551,337	10,786,216
Housing and redevelopment	3,089,640	2,266,265	2,625,533	3,038,135	7,672,540
SERAF					
Capital outlay	15,704,486	14,365,888	8,178,649	8,566,563	3,667,134
Debt service:					
Principal repayment	8,691,629	6,775,769	7,842,830	9,148,909	9,966,416
Interest and fiscal charges	7,504,922	10,989,996	13,407,604	12,503,442	11,471,169
Swap termination payment				28,554,000	
Total Expenditures	197,766,662	199,026,229	192,474,937	229,490,650	212,718,962
Excess (deficiency) of revenues over (under) expenditures	(16,451,045)	(20,409,228)	(4,060,473)	(20,696,395)	10,602,746
Other Financing Sources (Uses)					
Proceeds from sale of property	53,618	174,874	268,927	262,667	181,022
Transfers in	21,145,031	20,145,264	12,879,975	12,124,166	18,770,780
Transfers out	(19,666,470)	(20,859,344)	(13,815,569)	(12,091,206)	(19,251,041)
Payment to refund bond escrow agent					
Issuance of long-term debt	2,621,558	6,165,445	11,175,436	28,390,000	
Bond issuance premium	106,740		82,880	1,393,619	
Total other financing sources (uses)	4,260,477	5,626,239	10,591,649	30,079,246	(299,239)
Special and Extraordinary Items					
Assets transferred to/liabilities assumed by Housing Successor/Successor Agency					
Transfer of loans to housing successor					
Interfund advance restructuring	745,119				
Total Special and Extraordinary Items	745,119				
Net Change in fund balances	(\$11,445,449)	(\$14,782,989)	\$6,531,176	\$9,382,851	\$10,303,507
Debt service as a percentage of noncapital expenditures	8.7%	9.4%	11.4%	9.8%	10.3%

Fiscal Year Ended June 30,				
2018	2019	2020	2021	2022
\$60,963,189	\$66,816,032	\$68,285,321	\$70,294,487	\$72,362,382
44,474,973	47,659,481	44,537,156	48,998,406	53,453,323
46,079,755	45,905,937	45,552,523	45,240,705	48,373,588
12,413,127	14,020,347	15,619,151	27,066,292	26,573,077
21,552,883	18,865,730	15,385,538	18,316,552	20,710,335
1,001,927	964,255	815,910	455,470	407,493
746,525	1,302,922	1,302,020	472,216	622,268
20,137,593	17,691,976	24,284,779	23,912,334	28,014,581
9,000,000	9,000,000			
17,045,201	16,625,733	16,807,806	15,371,589	13,551,503
852,940	988,741	892,579	699,301	723,596
4,418,779	2,999,947	1,998,535	1,491,314	2,157,113
238,686,892	242,841,101	235,481,318	252,318,666	266,949,259
44,009,256	42,470,628	47,122,400	47,429,988	48,844,022
96,546,035	99,824,574	100,037,206	97,682,457	96,752,490
35,016,495	37,133,097	34,207,196	32,067,844	33,922,641
8,057,638	5,126,848	5,189,613	5,606,322	5,680,870
11,347,436	12,713,460	11,482,027	9,717,875	10,583,266
1,942,637	3,436,988	3,544,492	3,225,876	3,357,987
10,000,595	5,774,234	4,871,461	6,135,189	13,403,045
11,032,933	12,518,807	12,552,283	14,423,082	17,234,527
10,785,342	10,026,887	10,431,652	7,044,795	6,117,847
228,738,367	229,025,523	229,438,330	223,333,428	235,896,695
9,948,525	13,815,578	6,042,988	28,985,238	31,052,564
39,226	71,779	82,036	71,458	88,477
14,472,164	19,215,848	18,336,677	15,524,305	20,744,118
(14,868,906)	(19,688,813)	(18,221,126)	(27,033,761)	(24,861,799)
		(77,315,000)		
		79,171,752		
(357,516)	(401,186)	2,054,339	(11,437,998)	(4,029,204)
1,208,259				
1,208,259				
\$10,799,268	\$13,414,392	\$8,097,327	\$17,547,240	\$27,023,360
10.0%	10.2%	10.3%	9.9%	10.5%

CITY OF RICHMOND
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ASSESSED VALUE ⁽¹⁾										
Land	\$3,216,147	\$3,218,339	\$3,781,609	\$4,186,239	\$4,520,312	\$4,946,654	\$5,423,245	\$5,888,775	\$6,277,934	\$6,573,641
Improvements	9,268,934	7,181,567	8,187,280	8,683,770	9,216,704	9,400,903	10,129,347	10,214,867	10,541,291	10,494,291
Total Real Property	12,485,081	10,399,906	11,968,889	12,870,009	13,737,016	14,347,557	15,552,592	16,103,642	16,819,225	17,067,932
Personal Property	795,573	53,195	460,661	669,634	585,832	\$589,457	\$584,968	\$617,157	\$652,386	\$635,202
TOTAL	\$13,280,654	\$10,453,101	\$12,429,550	\$13,539,643	\$14,322,848	\$14,937,014	\$16,137,560	\$16,720,799	\$17,471,611	17,703,134.00
EXEMPTIONS ⁽²⁾										
Homeowners ^(a)	\$104,144	\$100,680	\$98,456	\$96,539	\$95,052	\$94,266	\$93,219	\$91,907	\$91,372	\$91,348
Other ^(b)	\$19,976	\$27,179	\$87,350	\$41,475	\$68,713	\$76,841	\$89,325	\$92,222	\$1,008,837	\$1,214,858
TOTAL	\$624,120	\$627,859	\$685,806	\$738,014	\$783,765	\$855,107	\$902,544	\$1,024,129	\$1,100,209	\$1,306,206
ASSESSED VALUE										
(Net of Exemptions)	\$12,656,534	\$9,825,242	\$11,743,744	\$12,801,629	\$13,539,083	\$14,081,907	\$15,235,016	\$15,696,670	\$16,371,402	\$16,396,928
Redevelopment Tax Increments ⁽³⁾	1,558,233	1,595,033	1,799,831	2,055,811	2,248,742	2,567,061	2,892,823	3,175,294	3,175,294	3,175,294
NET ASSESSED VALUE	\$11,098,301	\$8,230,209	\$9,943,913	\$10,745,818	\$11,290,341	\$11,514,846	\$12,342,193	\$12,521,376	\$13,196,108	\$13,221,634
NET INCREASE (DECREASE)	\$1,855,654	(\$2,868,092)	\$1,713,704	\$801,905	\$544,523	\$224,505	\$827,347	\$179,183	\$853,915	\$700,258
% OF INCREASE (DECREASE)	20.08%	-25.84%	20.82%	8.06%	5.07%	1.99%	7.19%	1.45%	6.92%	5.59%
Total Direct Tax Rate⁽⁴⁾	0.38653%	0.41948%	0.41930%	0.43781%	0.43675%	0.43591%	0.43540%	0.43473%	0.43360%	0.43360%

⁽¹⁾ Assessed value (full cash value) of taxable property represents all property within the City. For the fiscal year 1981-82 and thereafter, the assessed value is 100% of the full cash value in accordance with State legislation. The maximum tax rate is 1% of the full cash value or \$1/\$100 of the assessed value, excluding the tax rate for debt service.

⁽²⁾ Exemptions are summarized as follows:
(a) Homeowners' exemption arises from Article XIII(25) which reimburses local governments for revenues lost through the homeowners' exemption in Article XIII(3)(k).
(b) Other exemptions are revenues lost to the City because of provisions of California Constitution, Article XIII(3).

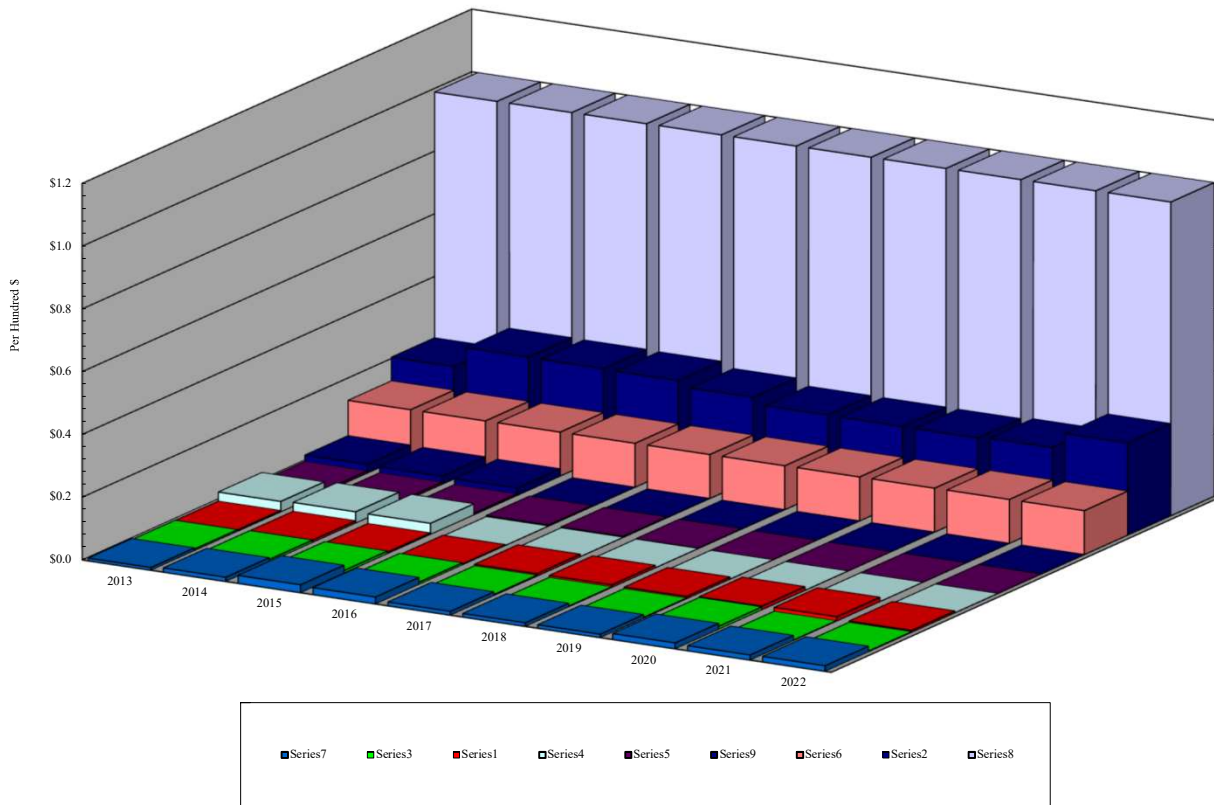
⁽³⁾ Tax increments are allocations made to the Redevelopment Agency under authority of California Constitution, Article XVI.

⁽⁴⁾ California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Richmond encompasses more than 92 tax rate areas. See Property Tax Rates statistics for additional information.

Source: County of Contra Costa, Office of the Auditor-Controller
HdL reports

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**CITY OF RICHMOND
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



Fiscal Year	Basic County Wide Levy (1)	City of Richmond 1981 Pension Liability (2)	BART	East Bay Regional Parks District	Acalanes Union	East Bay MUD Dist. 1 Bond	Orinda Elementary	West Contra Costa Unified	Contra Costa Community College	Total Direct & Overlapping Tax Rates (2)
2013	1.00000	0.14000	0.00430	0.00510	0.03330	0.00680	0.02730	0.21570	0.00870	1.44120
2014	1.00000	0.14000	0.00750	0.00780	0.03610	0.00660	0.02550	0.28180	0.01330	1.51860
2015	1.00000	0.14000	0.00450	0.00850	0.03500	0.00470	0.02320	0.28030	0.02520	1.52140
2016	1.00000	0.14000	0.00260	0.00670	0.00000	0.00340	0.00000	0.27810	0.02200	1.45280
2017	1.00000	0.14000	0.00800	0.00320	0.00000	0.00280	0.00000	0.26040	0.01200	1.42640
2018	1.00000	0.14000	0.00840	0.00210	0.00000	0.00110	0.00000	0.23970	0.01140	1.40270
2019	1.00000	0.14000	0.00700	0.00210	0.00000	0.00000	0.00000	0.23900	0.01100	1.39910
2020	1.00000	0.14000	0.01200	0.00940	0.00000	0.00000	0.00000	0.23790	0.01880	1.41810
2021	1.00000	0.14000	0.01390	0.00140	0.00000	0.00000	0.00000	0.24320	0.01610	1.41460
2022	1.00000	0.14000	0.00600	0.00200	0.00000	0.00000	0.00000	0.29390	0.01760	1.45950

NOTES:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest next taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.
- (4) Redevelopment Rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California state statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied by the City preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: County of Contra Costa Assessor

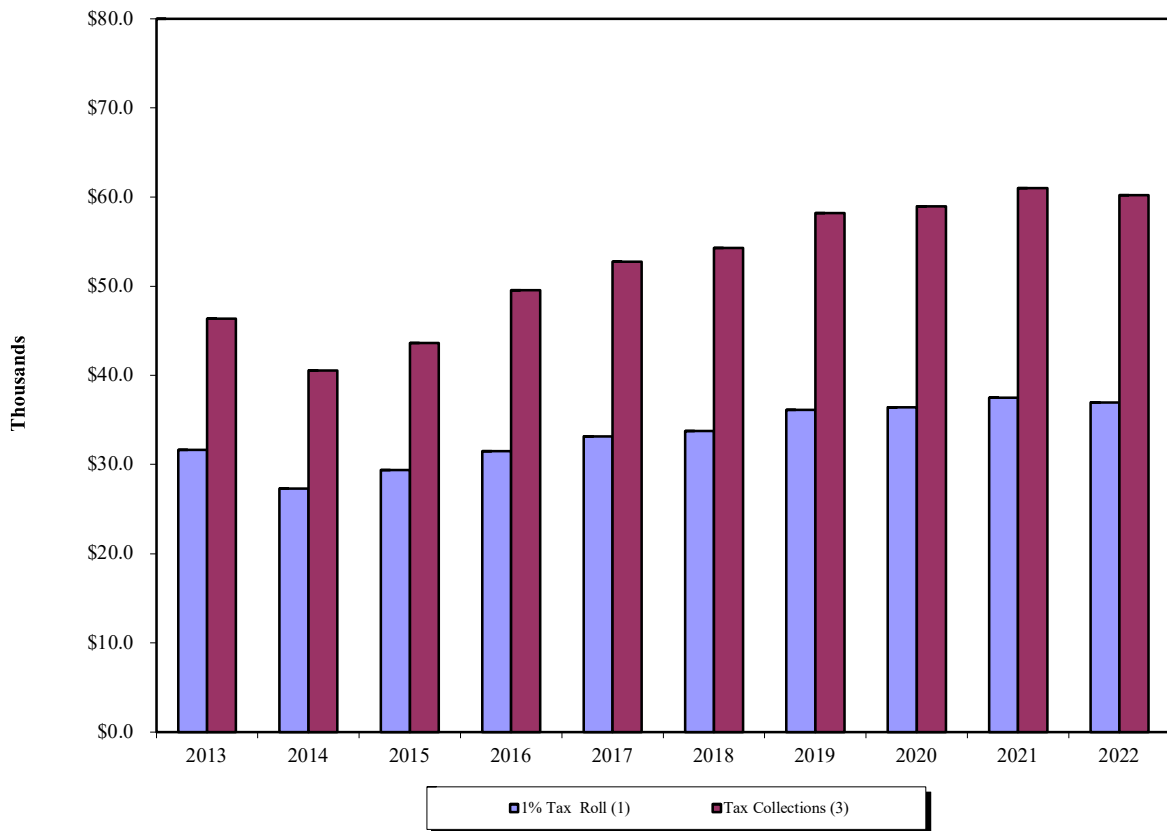
City's Share of 1% Levy Per Prop 13 (3)	General Obligation Debt Rate	Redevelopment Rate (4)	Total Direct Rate (5)
0.28784	0.14000	0.00000	0.38653
0.28784	0.14000	0.00000	0.41948
0.28784	0.14000	0.00000	0.41930
0.28784	0.14000	0.00000	0.43781
0.28784	0.14000	0.00000	0.43675
0.28784	0.14000	0.00000	0.43591
0.28784	0.14000	0.00000	0.43540
0.28784	0.14000	0.00000	0.43473
0.28784	0.14000	0.00000	0.43394
0.28784	0.14000	0.00000	0.43360

CITY OF RICHMOND
Principal Property Tax Payers
Current Year and Nine Years Ago
(In Thousands)

Taxpayer	Type of Business	2021-2022			2012-2013		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Chevron USA Inc.	Industrial	\$3,112,362	1	18.98%	\$5,194,308	1	41.04%
Guardian KW Hilltop LLC	Residential	212,657	2	1.30%	143,382	2	1.13%
LIPT Giant Road Inc.	Industrial	90,150	3	0.55%			
Richmond Essex, LP	Residential	82,699	4	0.50%	60,694	5	0.48%
Kaiser Foundation Hospitals	Industrial	82,557	5	0.50%	76,677	3	0.61%
Transmontaigne Partners LP	Industrial	58,459	6	0.36%			
2995 Atlas Road Associates LLC	Industrial	57,921	7	0.35%			
IPT Richmond DC LP	Industrial	56,909	8	0.35%			
Exeter 700 702 National LP	Institutional	50,138	9	0.31%			
Phillips 66 Company	Industrial	50,132	10	0.31%			
US Bank	Commerical				75,184	4	0.59%
Biorichland LLC	Industrial				59,777	6	0.47%
Cherokee Simeon Venture I LLC	Commercial				46,477	7	0.37%
Pacific Atlantic Terminals LLC	Industrial				45,295	8	0.36%
Auto Warehousing Company	Unsecured				42,817	9	0.34%
Foss Maritime Company	Unsecured				42,314	10	0.33%
Subtotal		<u>\$3,853,984</u>		<u>23.50%</u>	<u>\$5,786,925</u>		<u>45.72%</u>
Total Net Assessed Valuation:							
Fiscal Year 2021-2022		\$16,396,928					
Fiscal Year 2012-2013		\$12,656,534					

Source: Contra Costa County Assessor Fiscal Year Combined Tax Rolls and the SBE Non Unitary Tax Roll

**CITY OF RICHMOND
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)**

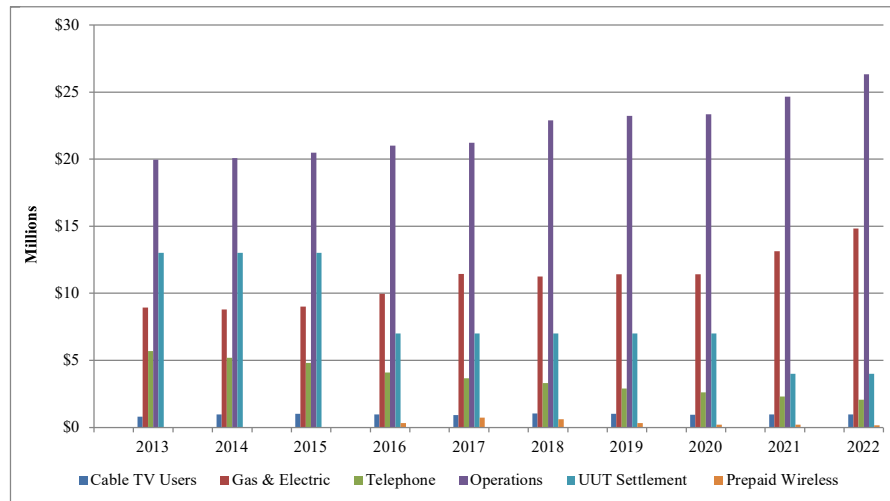


Fiscal Year	1% Tax Roll (1)	Voter Approve Debt Tax Rolls (2)	Total Tax Collections (3)	Percent of Total Tax Collections to Tax Levy
2013	31,638	14,718	46,356	100%
2014	27,289	13,267	40,556	100%
2015	29,392	14,225	43,617	100%
2016	31,490	18,071	49,561	100%
2017	33,152	19,618	52,770	100%
2018	33,780	20,481	54,261	100%
2019	36,116	22,078	58,194	100%
2020	36,435	22,513	58,948	100%
2021	37,506	23,477	60,983	100%
2022	36,930	23,269	60,199	100%

Source: City of Richmond Records

- NOTES: (1) The maximum tax rate is 1% of the assessed value or \$1/\$100 of the assessed value, excluding the tax rate for debt.
- (2) Voter approved tax roll for debt is in addition to the 1% rate shown in note (1).
- (3) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

**CITY OF RICHMOND
UTILITY USERS TAX COLLECTIONS
LAST TEN FISCAL YEARS**



	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cable TV Users	\$809,972	\$983,465	\$1,016,552	\$988,547	\$924,912	\$1,036,854	\$1,025,549	\$951,147	\$961,286	\$975,219
Gas & Electric	8,943,183	8,787,715	9,003,928	9,966,642	11,433,006	11,250,415	11,404,175	11,416,601	13,118,252	14,833,325
Telephone	5,688,505	5,183,418	4,807,499	4,093,128	3,668,092	3,300,001	2,910,450	2,621,565	2,302,969	2,065,243
Operations	19,956,689	20,079,108	20,471,979	21,004,080	21,209,540	22,884,443	23,230,610	23,351,283	24,657,999	26,330,964
UUT Settlement	13,000,000	13,000,000	13,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	4,000,000	4,000,000
Prepaid Wireless				312,852	730,939	608,042	335,153	211,927	200,199	168,836
Combined (A)										
	<u>\$48,398,349</u>	<u>\$48,033,706</u>	<u>\$48,299,958</u>	<u>\$43,365,249</u>	<u>\$44,966,489</u>	<u>\$46,079,755</u>	<u>\$45,905,937</u>	<u>\$45,552,523</u>	<u>\$45,240,705</u>	<u>\$48,373,587</u>

NOTES:

(A) Components of collections by type are not available, therefore amount represents total UUT collections for the fiscal year, and these amounts have been excluded from the graph

SOURCE: City of Richmond, Finance Department (Revenue)

**CITY OF RICHMOND
UTILITY USERS TAX DIRECT RATES
ON CHARGES FOR SERVICES
LAST TEN FISCAL YEARS (A)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Cable TV Users	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Gas & Electric	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Telephone	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
Operations	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
UUT Settlement	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)

NOTES:

- (A) Based on the Cap Provision in the City of Richmond Municipal Code
Section 13.52.100 - Maximum Tax Payable of the Richmond Municipal Code.
- (B) Annual amount is per agreement signed by a Major Taxpayer and the City in 2010.

SOURCE: City of Richmond, Finance Department (Revenue)

**CITY OF RICHMOND
TOP TEN UTILITY USERS TAXPAYERS
(ALPHABETICAL ORDER)
Current Year**

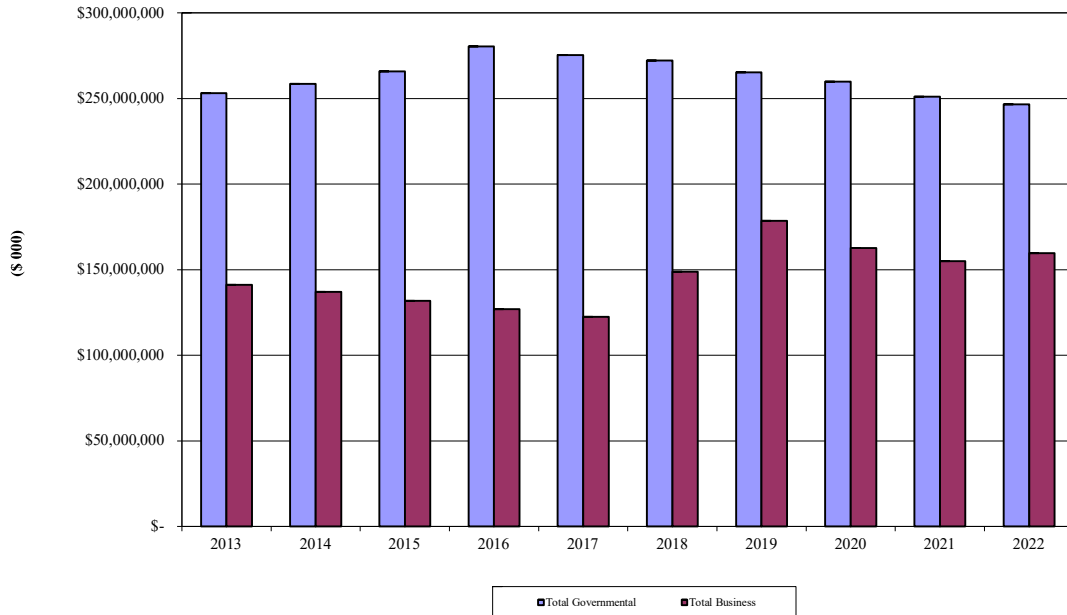
Taxpayer	Type of Business (A)
CHEVRON	Industrial
COMCAST	Cable
CONSTELLATION NEW ENERGY	Utility
DIRECT ENERGY	Utility
GTE MOBILNET OF CALIFORNIA LTD	Telecommunications
MARIN CLEAN ENERGY	Utility
NEW CINGULAR WIRELESS	Telecommunications
PACIFIC BELL	Telecommunications
PG&E	Utility
SHELL ENERGY	Utility

NOTES:

(A) Revenue base information by taxpayer is confidential.

SOURCE: City of Richmond, Finance Department (Revenue)

CITY OF RICHMOND
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



Governmental Activities								
Fiscal Year	Tax Allocation Bonds	Pension Obligation Bonds	Revenue Bonds	Loans and Notes Payable	Financed Purchases	Lease Liability	Total	
2013	(B)	\$ 156,483,676	\$ 87,121,545	\$ 1,231,880	\$ 8,269,494	\$ -	\$ 253,106,595	
2014	(B)	157,555,624	87,121,545	2,631,887	11,186,685	-	258,495,741	
2015	(B)	156,491,679	87,121,545	12,970,813	9,295,123	-	265,879,160	
2016	(B)	155,070,539	115,218,619	2,143,560	7,944,891	-	280,377,609	
2017	(B)	153,058,033	113,275,266	1,993,820	6,872,843	-	275,199,962	
2018	(B)	150,485,289	111,241,920	1,844,775	8,650,840	-	272,222,824	
2019	(B)	147,275,826	109,098,574	1,287,277	7,640,339	-	265,302,016	
2020	(B)	144,339,640	107,666,888	1,156,441	6,661,805	-	259,824,774	
2021	(B)	140,816,305	103,543,451	1,023,223	5,642,605	-	251,025,584	
2022	(B)	136,976,078	99,240,012	887,622	4,581,187	4,852,956	246,537,855	
Business-Type Activities								
Fiscal Year	Wastewater Revenue Bonds	Port Lease Revenue Bonds	Loans and Notes Payable	Lease Liability	Total	Total Primary Government	Percentage of Personal Income (A)	Per Capita (A)
2013	\$ 90,096,593 (C)	\$ 47,834,187	\$ 3,007,372	\$ -	140,938,152	\$ 394,044,747	15.51%	\$ 3,757
2014	89,012,056	44,944,399	2,935,889	-	136,892,344	395,388,085	15.11%	3,746
2015	86,867,520	41,984,610	2,861,189	-	131,713,319	397,592,479	14.62%	3,746
2016	84,637,983	39,354,875	2,783,127	-	126,775,985	407,153,594	15.04%	3,827
2017	82,313,447	36,588,791	3,401,553	-	122,303,791	397,503,753	14.49%	3,601
2018	111,698,772	33,587,707	3,316,308	-	148,602,787	420,825,611	15.04%	3,765
2019	144,811,738	30,331,623	3,227,227	-	178,370,588	443,672,604	15.19%	3,969
2020	141,391,552	17,940,892	3,134,137	-	162,466,581	422,291,355	13.95%	3,834
2021	137,886,366	13,604,419	3,338,388	-	154,829,173	405,854,757	13.41%	3,685
2022	134,416,180	9,112,946	15,229,299	814,745	159,573,170	406,111,025	12.53%	3,652

Notes: Debt amounts exclude any premiums, discounts, or other amortization amounts.

(A) See Demographic Statistics for personal income and population data.

(B) Due to the dissolution of the Redevelopment Agency, the Tax Allocation Bonds and the Loans and Notes Payable that were related to the Redevelopment Agency were transferred to the Successor Agency as of February 1, 2012 and are no longer governmental commitments.

(C) With the implementation of GASB Statement No. 65, the deferred amount on refunding previously reported as a component of the long-term debt balance is not reported as a deferred inflows of resources.

Sources: City of Richmond
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

CITY OF RICHMOND
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022

2021-2022 Assessed Valuation: \$16,488,274,761

	Total Debt June 30, 2022	% Applicable (1)	City's Share of Debt June 30, 2022
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit District	\$2,521,570,000	1.853%	\$46,724,692
Contra Costa Community College District	598,780,000	7.068%	\$42,321,770
West Contra Costa Unified School District	1,244,985,065	45.625%	\$568,024,436
West Contra Costa Healthcare District Parcel Tax Obligations	44,580,000	43.032%	\$19,183,666
East Bay Regional Park District	184,590,000	2.959%	\$5,462,018
City of Richmond Community Facilities District No. 1998-1	1,775,000	100%	\$1,775,000
City of Richmond 1915 Act Bonds	4,530,000	100%	\$4,530,000
California Statewide Community Development Authority 1915 Act Bonds	1,402,835	100%	\$1,402,835
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT			689,424,417
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Contra Costa County General Fund Obligations	\$224,500,000	7.045%	15,816,025
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	5.558%	647,785
West Contra Costa Unified School District Certificates of Participation	6,005,000	45.625%	2,739,781
City of Richmond General Fund Obligations	93,755,000	100%	93,755,000
City of Richmond Pension Obligations Bonds	55,326,745	100%	55,326,745
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			168,285,336
Less: Contra Costa County general fund obligations supported by revenue funds			4,417,748
City of Richmond obligations supported by port revenues			8,330,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			155,537,588
OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	\$43,387,925	100%	43,387,925
TOTAL GROSS DIRECT DEBT			\$149,081,745
TOTAL NET DIRECT DEBT			\$140,751,745
TOTAL GROSS OVERLAPPING DEBT			\$752,015,933
TOTAL NET OVERLAPPING DEBT			\$747,598,185
GROSS COMBINED TOTAL DEBT			\$901,097,678 (2)
NET COMBINED TOTAL DEBT			\$888,349,930

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 4.18%

Ratios to Adjusted Assessed Valuation:

Gross Total Direct Debt (\$163,777,525) 0.90%

Net Total Direct Debt (\$151,347,525) 0.85%

Gross Combined Total Debt 5.47%

Net Combined Total Debt 5.39%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$3,692,257,204):

Total Overlapping Tax Increment Debt 1.18%

Source: California Municipal Statistics, Inc.

CITY OF RICHMOND
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2022

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$ 16,396,928,000
---	-------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$ 614,884,800
---	----------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$ -
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	-
Amount of debt subject to limit	-

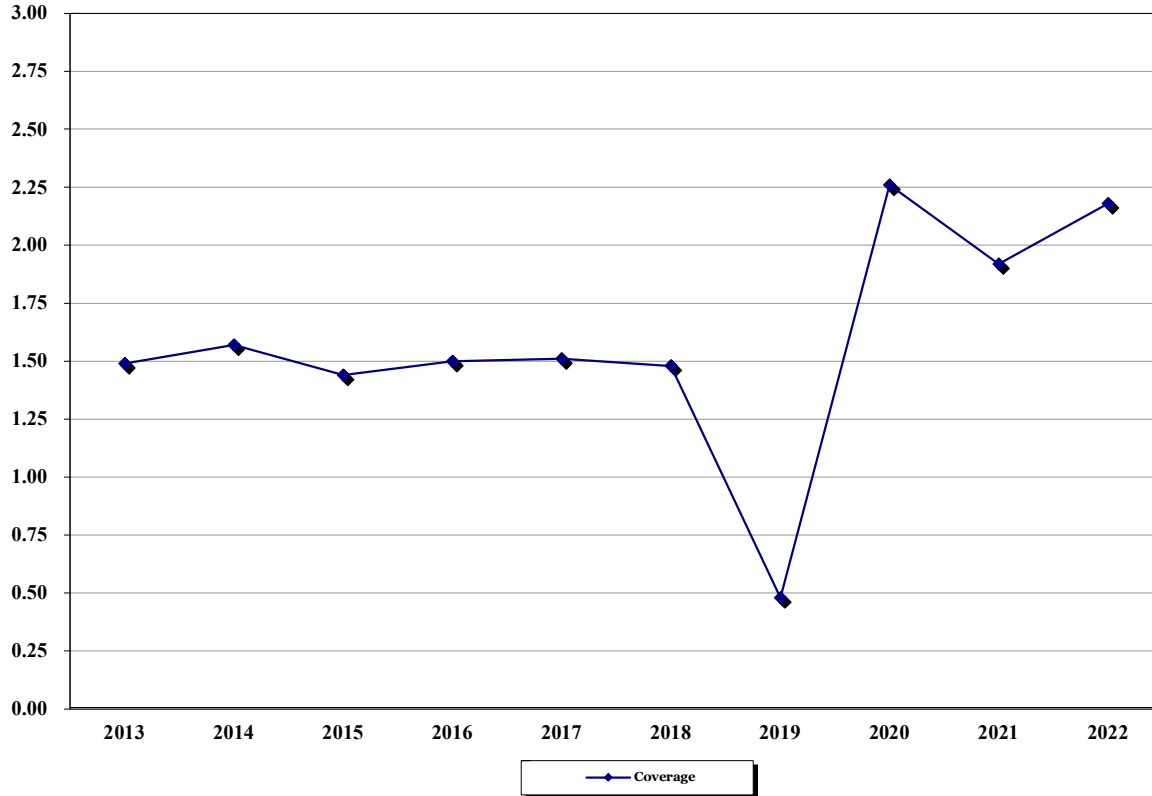
LEGAL BONDED DEBT MARGIN	\$ 614,884,800
--------------------------	----------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2012	\$ 405,777,338	\$ -	\$ 405,777,338	0.00%
2013	474,620,025	-	474,620,025	0.00%
2014	368,446,575	-	368,446,575	0.00%
2015	440,390,400	-	440,390,400	0.00%
2016	480,061,088	-	480,061,088	0.00%
2017	507,715,613	-	507,715,613	0.00%
2018	528,071,513	-	528,071,513	0.00%
2019	571,313,100	-	571,313,100	0.00%
2020	588,625,125	-	588,625,125	0.00%
2021	613,927,575	-	613,927,575	0.00%
2022	614,884,800	-	614,884,800	0.00%

NOTE:

- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

CITY OF RICHMOND
REVENUE BOND COVERAGE
1999, 2006, 2008, 2010A, 2010B, 2017A, 2019A and 2019B WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS

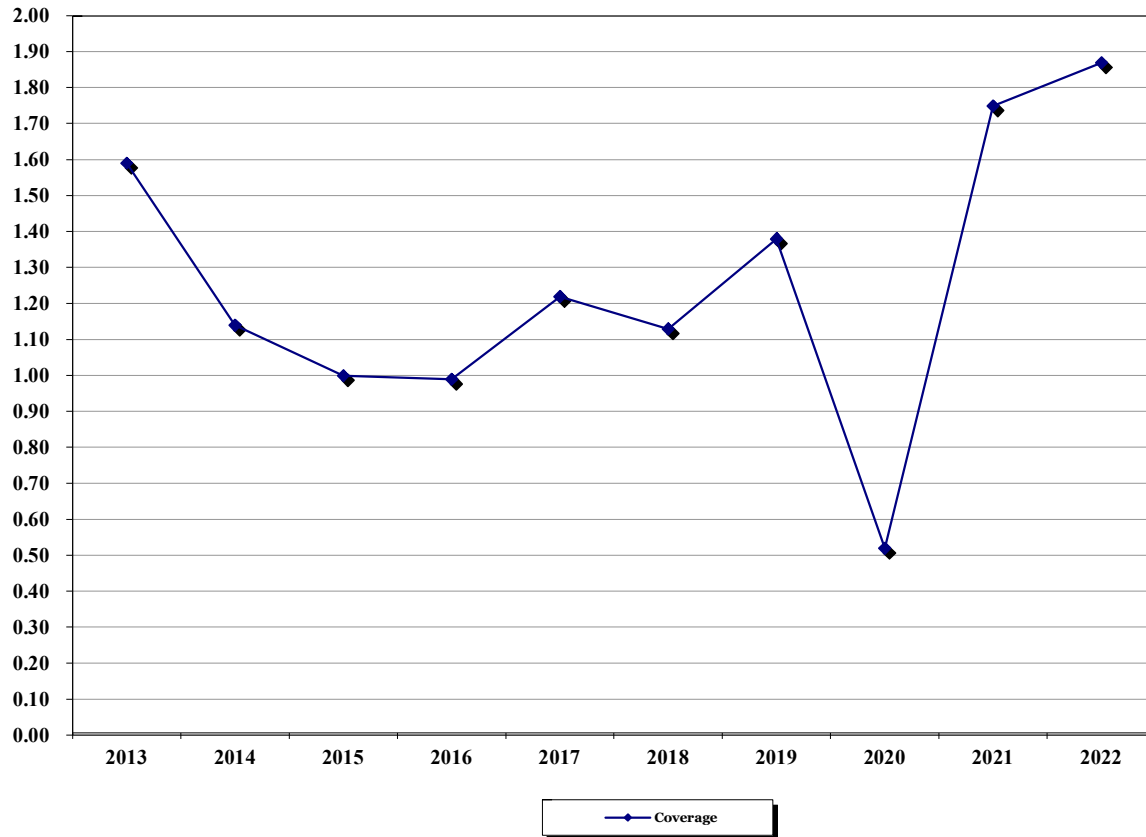


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 17,840,042	\$ 9,447,236	\$ 8,392,806	\$ 1,005,000	\$ 4,613,635	\$ 5,618,635	1.49
2014	18,569,191	9,734,277	8,834,914	1,055,000	4,560,528	5,615,528	1.57
2015	19,098,835	9,524,878	9,573,957	2,115,000	4,536,302	6,651,302	1.44
2016	19,843,677	9,954,037	9,889,640	2,200,000	4,393,375	6,593,375	1.50
2017	20,880,739	10,831,250	10,049,489	2,295,000	4,344,233	6,639,233	1.51
2018	23,752,946	11,885,819	11,867,127	2,400,000	5,599,008	7,999,008	1.48
2019	29,993,700	10,647,739	19,345,961	35,240,000	5,286,578	40,526,578	0.48
2020	28,589,996	13,183,065	15,406,931	3,420,186	3,386,178	6,806,364	2.26 (3)
2021	27,876,716	12,214,607	15,662,109	2,515,000	5,633,851	8,148,851	1.92
2022	28,277,557	10,874,658	17,402,899	2,480,000	5,516,663	7,996,663	2.18

- Notes: (1) Includes all Municipal Sewer Operating Revenues and Non-operating Interest Revenue excluding Derivative Investment Interest.
- (2) Includes all Municipal Sewer Operating Expenses less Depreciation and Pension and OPEB Expense related to GASB Statements 68 and 75.
- (3) Includes the current refunding of the 2008A Wastewater Revenue Refunding Bonds

Source: City of Richmond Annual Financial Statements

CITY OF RICHMOND
REVENUE BOND COVERAGE
1996, 1999, 2004, 2007 AND 2009 PORT TERMINAL LEASE REVENUE BONDS, NOTE
AND POINT POTRERO LEASE REVENUE BONDS
LAST TEN FISCAL YEARS

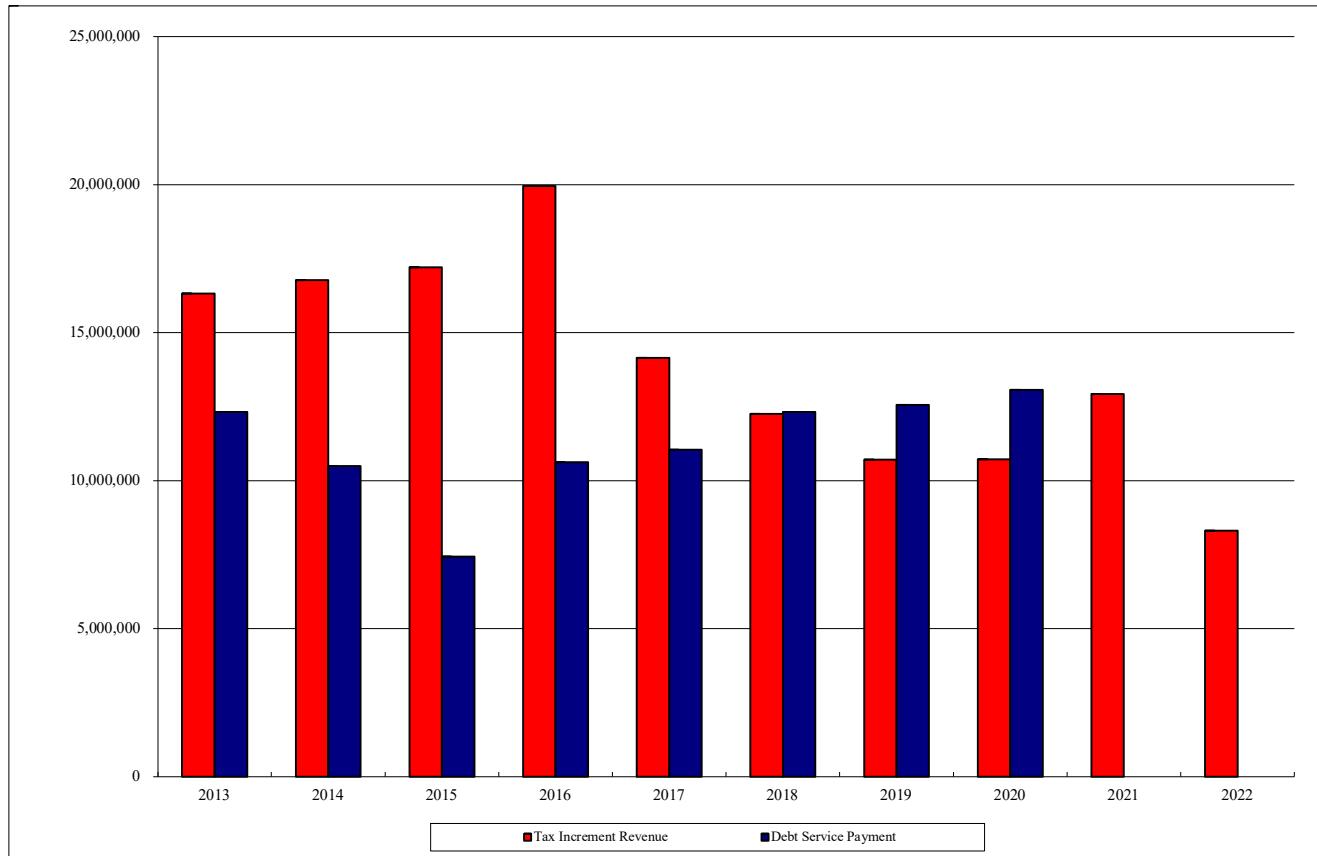


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 9,138,193	\$ 2,964,060	\$ 6,174,133	\$ 525,000	\$ 3,348,154	\$ 3,873,154	1.59
2014	10,280,894	3,189,866	7,091,028	2,955,000	3,255,221	6,210,221	1.14
2015	9,481,315	3,380,916	6,100,399	3,025,000	3,077,165	6,102,165	1.00
2016	10,081,074	4,533,796	5,547,278	2,723,455	2,869,343	5,592,798	0.99
2017	10,194,121	3,522,216	6,671,905	2,830,000	2,641,797	5,471,797	1.22
2018	10,633,233	4,450,592	6,182,641	3,065,000	2,393,977	5,458,977	1.13
2019	10,783,561	3,289,965	7,493,596	3,320,000	2,126,229	5,446,229	1.38
2020	10,511,283	2,972,218	7,539,065	12,390,731	2,141,506	14,532,237	0.52
2021	10,707,743	2,495,128	8,212,615	3,945,000	748,210	4,693,210	1.75
2022	11,193,765	2,442,047	8,751,718	4,100,000	587,679	4,687,679	1.87

Notes: (1) Includes all Port of Richmond Operating Revenues and Non-operating Interest Revenue excluding Derivative Investment Interest.
(2) Includes all Port of Richmond Operating Expenses, less Depreciation and Pension and OPEB Expense related to GASB Statements 68 and 75.

Source: City of Richmond Annual Financial Statements

**CITY OF RICHMOND
BONDED DEBT PLEDGED REVENUE COVERAGE
TAX ALLOCATION BONDS AND REFUNDING BONDS (1)
LAST TEN FISCAL YEARS**

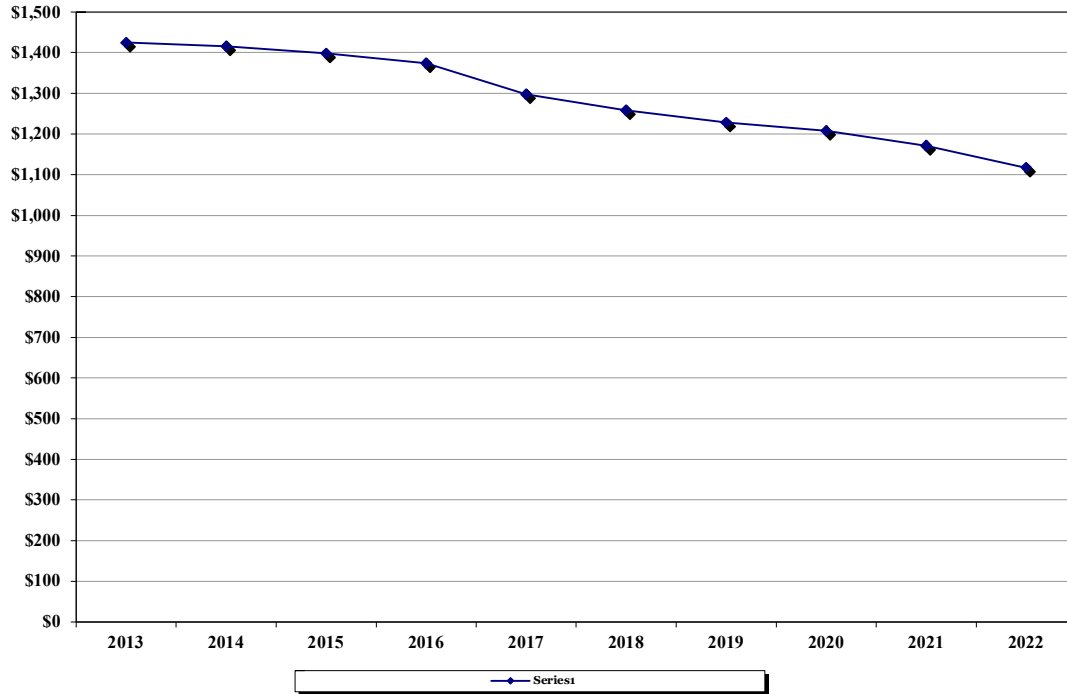


Fiscal Year	Tax Revenue		Debt Service Requirements			Coverage
			Principal	Interest	Total	
2013	16,320,481	(2)	6,565,000	5,754,825	12,319,825	1.32
2014	16,776,169	(2)	5,030,000	5,461,989	10,491,989	1.60
2015	17,206,306	(2)	2,930,000	4,500,409	7,430,409	2.32
2016	19,953,198	(2)	6,180,000	4,445,674	10,625,674	1.88
2017	14,156,746	(2)	6,395,000	4,653,678	11,048,678	1.28
2018	12,255,069	(2)	7,575,000	4,746,564	12,321,564	0.99
2019	10,714,239	(2)	7,895,000	4,662,021	12,557,021	0.85
2020	10,720,489	(2)	8,820,000	4,244,580	13,064,580	0.82
2021	12,927,768	(2)	12,949,294	4,128,651	17,077,945	0.76
2022	8,306,100	(2)	6,645,000	2,052,525	8,697,525	0.95

Note: (1) Includes the 1991, 1998, 2000, 2003, 2004, 2007, 2010 and 2014 Bonds.
(2) Beginning in fiscal year 2012, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.

Source: City of Richmond Annual Financial Statements

**CITY OF RICHMOND
GENERAL BONDED DEBT
PENSION OBLIGATION BONDS (1)
LAST TEN FISCAL YEARS**

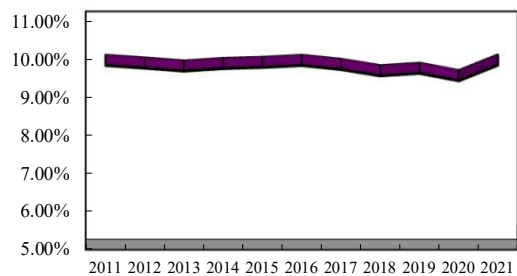


Fiscal Year	Bonds Outstanding	Restricted Cash and Investments (2)	Net Bonds Outstanding	Net Assessed Value of Property	Ratio of General Bonded Debt to Net Assessed Value of Property	Net General Bonded Debt per Capita
2013	156,483,676	7,054,942	149,428,734	11,098,301,000	1.35%	1,425
2014	157,555,624	8,089,647	149,465,977	8,230,209,000	1.82%	1,416
2015	156,491,679	8,148,121	148,343,558	9,943,913,000	1.49%	1,398
2016	155,070,539	8,936,523	146,134,016	10,745,818,000	1.36%	1,374
2017	153,058,033	9,777,863	143,280,170	11,290,341,000	1.27%	1,298
2018	150,485,289	9,844,431	140,640,858	11,514,846,000	1.22%	1,258
2019	147,275,826	10,041,550	137,234,276	12,342,193,000	1.11%	1,228
2020	144,339,640	11,315,256	133,024,384	12,521,376,000	1.06%	1,208
2021	140,816,305	11,845,153	128,971,152	13,196,108,000	0.98%	1,171
2022	136,976,078	12,779,202	124,196,876	13,221,634,000	0.94%	1,117

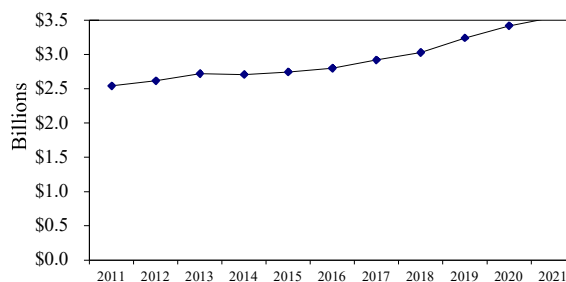
Note: (1) Includes the 1999 Bonds issued in fiscal year 2000, and the 2005 Bonds issued in fiscal year 2006.
(2) Restricted cash is being held with the City's fiscal agent, Union Bank, and is restricted for the payment of the bonds.

Source: City of Richmond Annual Financial Statements

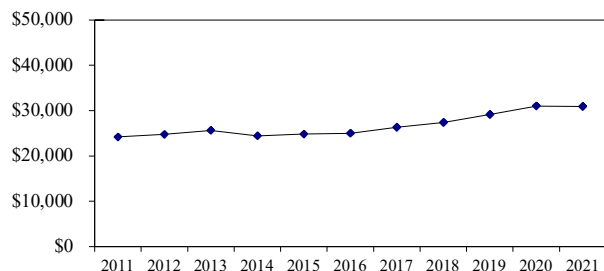
CITY OF RICHMOND
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS



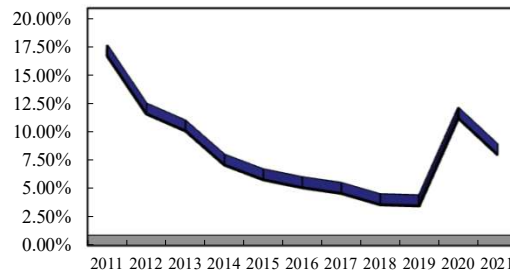
Series1



Series1



Per Capita Personal Income



Series1

Calendar Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Contra Costa County Population	City Population % of County
2011	104,887	2,540,888,000	24,225	16.7%	1,065,117	9.85%
2012	105,562	2,615,932,000	24,781	11.6%	1,079,597	9.78%
2013	106,138	2,718,619,000	25,614	10.1%	1,094,205	9.70%
2014	106,388	2,707,894,000	24,453	7.1%	1,089,291	9.77%
2015	110,378	2,743,560,000	24,856	5.8%	1,126,745	9.80%
2016	111,785	2,797,360,000	25,024	5.1%	1,135,127	9.85%
2017	111,785	2,920,370,000	26,317	4.6%	1,147,439	9.74%
2018	110,146	3,027,471,000	27,413	3.6%	1,150,215	9.58%
2019	111,217	3,240,034,000	29,132	3.5%	1,153,526	9.64%
2020	110,130	3,416,146,000	31,019	11.2%	1,165,927	9.45%
2021	114,489	3,541,074,000	30,929	8.0%	1,161,413	9.86%

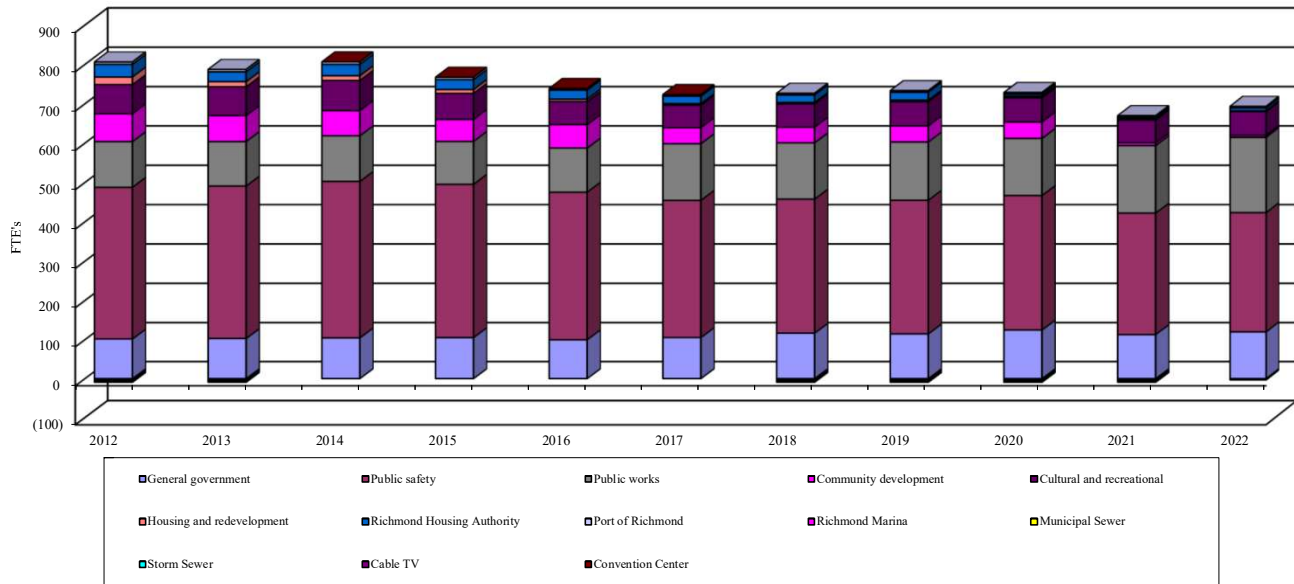
Source: HdL, Coren & Cone

CITY OF RICHMOND
Principal Employers
Current Year and Nine Years Ago

Employer	2021-2022			2012-2013		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Chevron Refinery	3,195	1	3.0%	2,191	1	2.1%
West Contra Costa Unified School District	1,640	2	1.5%	1,580	2	1.5%
Kaiser Foundation Hospitals	1,442	3	1.3%	426	8	0.4%
United Parcel Service	1,332	4	1.2%			
Social Security Administration	1,259	5	1.2%	1,259	3	1.2%
Amazon.com Services	1,121	6	1.0%			
The Permanente Medical Group	1,051	7	1.0%	694	7	0.7%
U.S. Postal Service	1,047	8	1.0%	1,047	4	1.0%
City of Richmond	876	9	0.8%	844	5	0.8%
Contra Costa County	844	10	0.8%	776	6	0.7%
Bio-RAD Laboratories				473	9	0.5%
Michael Stead Auto Depot & Sales				472	10	0.5%
Subtotal	<u>13,807</u>		<u>12.9%</u>	<u>9,762</u>		<u>9.3%</u>
Total City Day Population	<u>107,404</u>			<u>104,887</u>		

Source: City of Richmond Community Development Department

CITY OF RICHMOND
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	Adopted for Fiscal Year Ended June 30										
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (re-stated)	2021	2022
Function											
General government	101.7	102.9	104.4	105.2	99.8	105.4	116.5	114.7	124.7	113.1	120.1
Public safety	386.0	388.0	398.0	390.0	375.5	349.0	341.0	340.0	342.0	309.0	303.0
Public works	116.0	113.0	116.0	109.0	112.0	144.0	143.0	148.0	145.0	171.5	191.4
Community development	71.0	66.0	64.0	56.0	59.5	41.0	40.0	41.0	42.0	7.0	5.0
Cultural and recreational	73.8	73.2	76.8	66.0	59.0	57.0	59.1	61.7	61.7	58.1	60.7
Housing and redevelopment	19.6	13.0	12.0	10.0	5.9	3.8	3.8	3.8	3.8	2.8	2.0
Richmond Housing Authority and RHA Properties	32.0	25.0	29.0	25.0	23.0	19.0	19.0	20.0	5.3	4.0	7.0
Port of Richmond	6.0	6.0	6.0	6.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Richmond Marina	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Municipal Sewer	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Storm Sewer	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Cable TV	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Convention Center	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Total	806.1	787.1	806.2	767.2	738.7	723.2	726.4	733.2	728.5	669.5	693.2

Source: City of Richmond Budget

Notes:

- (1) These services are provided by outside contractors.
- (2) Convention Center closed during renovation and staff moved under cultural and recreational.
- (3) Staff that perform these functions are included under General Government and Cultural and Recreational.

CITY OF RICHMOND
Operating Indicators by Function/Program
Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function/Program										
Public safety:										
Fire:										
Fire calls for service	12,868	12,988	13,670	14,497	14,372	14,375	13,900	14,318	18,150	18,210
Primary fire inspections conducted	2,716	3,000	1,569	1,134	1,160	5,378	3,929	2,919	3,320	1,510
Number of firefighters	93	85	94	91	90	91	90	89	89	89
Number of firefighters and civilians per thousand population	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Police:										
Number of police officers per thousand population	1.8	1.7	1.8	1.7	1.6	1.6	1.6	1.6	1.3	1.3
Number of sworn officers	195	186	196	185	182	178	178	178	157	145
Water										
Daily average consumption in gallons per family	250	250	250	250	250	250	250	160	194	145

Source: City of Richmond

CITY OF RICHMOND
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
Public safety:										
Fire stations	7	7	7	7	7	7	7	7	7	7
Police stations	4	4	4	4	4	4	4	4	4	4
Library (#) of Locations	3	3	3	3	3	3	3	3	3	3
Public works										
Miles of streets	280	280	280	280	280	280	280	290	280	289
Street lights	7,000	6,543	8,343	8,543	9,000	9,000	9,000	7,801	9,000	9,000
Urban Forest (trees) (a)	26,000	21,609	22,009	35,620	35,782	36,231	36,499	36,766	36,700	38,000
Culture and recreation:										
Community services:										
City parks	55	55	55	55	55	55	55	55	55	56
City parks acreage	336.6	336.6	336.6	336.6	336.6	336.6	336.6	336.6	336.6	340.0
Open Space & Public Landscapes acreage	510.0	510.0	510.0	510.0	510.0	510.0	510.0	510.0	510.0	510.0
Lawn bowling	1	1	1	1	1	1	1	1	1	0
Recreation centers	8	8	8	8	8	8	8	8	8	8
Auditorium/Theater	1	1	1	1	1	1	1	1	1	1
Gymnasiums	3	3	3	3	3	3	3	3	3	2
Senior centers	2	2	2	2	2	2	2	2	2	2
Headstart centers/day cares	6	6	6	6	6	6	6	6	6	6
Putting green	1	1	1	1	1	1	1	1	1	0
Basketball courts	28	28	28	28	28	28	28	28	28	28
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	20	20	20	20	20	20	20	20	20	20
Baseball/softball diamonds	26	26	26	26	26	26	26	26	26	26
Soccer/football fields	17	17	17	17	17	17	17	17	17	17
Cricket fields	2	2	2	2	2	2	2	2	2	0
Water										
Fire hydrants	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	3,153	2,163
Wastewater										
Miles of sanitary sewers	183	183	183	183	183	183	230	189	194	194
Miles of storm sewers	310	310	310	310	310	310	310	198	310	173
Land Area (square miles)	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7
Miles of waterfront	32	32	32	32	32	32	32	32	32	32

Source: City of Richmond

(a) Trees managed by the City for 2013 to present.

Data Prior to 2013 includes trees managed by other entities, such as East Bay Regional Park District, National Parks and Privately owned.