A Component Unit of the
City of Richmond • Virginia

# RICHMOND CITY PUBLIC SCHOOLS

# 2011

## 2011 Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED JUNE 30, 2011

A Component Unit of the

City of Richmond · Virginia

# Richmond Public Schools

## 2011 Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED JUNE 30, 2011

Prepared By:

**DEPARTMENT OF BUDGET AND FINANCIAL REPORTING**

**Yvonne W. Brandon, Ed.D.**

Superintendent

**Paul A. Hawkins**

Chief Operations Officer

**Lynn G. Bragga, M.B.A.**

Director, Budget and Financial Reporting

**Angela R. Anderson**

Chief of Financial Reporting

# THE SCHOOL BOARD OF THE CITY OF RICHMOND
# COMPREHENSIVE ANNUAL FINANCIAL REPORT
# FOR THE FISCAL YEAR ENDED JUNE 30, 2011

## TABLE OF CONTENTS


### INTRODUCTORY SECTION (unaudited)

| | | |
|---|---|---|
| | Letter of Transmittal | i |
| | School Board Members and School Board Officials | xvi |
| | Organizational Chart | xvii |
| | GFOA Certificate of Achievement for Excellence in Financial Reporting | xviii |
| | ASBO Certificate of Excellence in Financial Reporting | xix |

### FINANCIAL SECTION

| | | |
|---|---|---|
| | Independent Auditors' Report | 1 |
| | Management's Discussion and Analysis | 5 |
| | **BASIC FINANCIAL STATEMENTS:** | |
| | **Government-wide Financial Statements** | |
| Exhibit A | Statement of Net Assets – Governmental Activities | 22 |
| Exhibit B | Statement of Activities – Governmental Activities | 23 |
| | **Fund Financial Statements** | |
| | Governmental Funds' Financial Statements and Reconciliations: | |
| Exhibit C | Balance Sheet – Governmental Funds | 25 |
| Exhibit D | Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Assets | 26 |
| Exhibit E | Statement of Revenues, Expenditures and Changes in Fund Balances | 27 |
| Exhibit F | Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities | 28 |
| | **Fiduciary Funds Financial Statements** | |
| Exhibit G | Statement of Fiduciary Net Assets | 29 |
| Exhibit H | Statement of Changes in Fiduciary Net Assets | 30 |

## THE SCHOOL BOARD OF THE CITY OF RICHMOND
## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2011

## TABLE OF CONTENTS


| | | |
|---|---|---|
| | **Notes to Basic Financial Statements** | 31 |
| | **REQUIRED SUPPLEMENTARY INFORMATION** (unaudited): | |
| Exhibit I | General Fund: Budgetary Comparison Schedule – Budget and Actual | 61 |
| | **Defined Benefit Pension Plan Information:** | |
| Exhibit J | Virginia Retirement System Agent Multiple-Employer Defined Benefit Pension Plan Participation – Schedule of Funding Progress | 65 |
| Exhibit K | Early Retirement Incentive Plan for Employees of Richmond Public Schools – Schedules of Funding Progress and Employer Contributions | 66 |
| Exhibit L | Other Post employment Employee Benefits – Schedules of Funding Progress and Employer Contributions | 67 |
| | **OTHER SUPPLEMENTARY INFORMATION**: | |
| Exhibit M | Fiduciary Funds Financial Statements: Statement of Changes in Assets and Liabilities-Agency Funds | 71 |
| | **STATISTICAL SECTION** (unaudited) | |
| | **The School Board of the City of Richmond, Virginia:** | |
| Table 1 | General Fund Expenditures by Function – Last Ten Fiscal Years | 73 |
| Table 2 | General Fund Revenues by Source – Last Ten Fiscal Years | 75 |
| Table 3 | Net Assets of Governmental Activities – Last Ten Fiscal Years | 76 |
| Table 4 | Changes in Net Assets of Governmental Activities – Last Ten Fiscal Years | 77 |
| Table 5 | Fund Balances of Government Funds – Last Ten Years | 78 |
| Table 6 | Changes in Fund Balances of Government Funds – Last Ten Years | 79 |
| Table 7 | Schedule of Expenditures of Federal Awards | 80 |
| Table 8 | Annual per Pupil Cost – Last Ten Fiscal Years | 82 |
| Table 9 | Attendance/Membership Statistics – Last Ten Fiscal Years | 83 |
| Table 10 | Free & Reduced Lunch Data – Last Ten Fiscal Years | 84 |

## THE SCHOOL BOARD OF THE CITY OF RICHMOND
## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2011

## TABLE OF CONTENTS


Table 11 Full-Time Equivalent Employees by Function – Last Ten Fiscal Years ... ..... 85

Table 12 Teacher Data – Last Ten Fiscal Years..... 86

Table 13 Pupil/Teacher Ratios – Last Ten Fiscal Years ..... 87

Table 14 Schedule of School Buildings..... 88

Table 15 Schools with Accreditation Scores Reported to the State ..... 90

Table 16 Ratios of Outstanding Debt – Last Two Fiscal Years..... 91

**City of Richmond, Virginia:**

Table 17 Net Assets by Component of the City of Richmond – Last Ten Fiscal Years..... 92

Table 18 Changes in Net Assets of the City of Richmond – Last Ten Fiscal Years..... 93

Table 19 Fund Balances of Governmental Funds of the City of Richmond –
Last Ten Fiscal Years ..... 96

Table 20 Changes in Fund Balance of Governmental Funds of the City of Richmond –
Last Ten Fiscal Years..... 97

Table 21 Governmental Activities Tax Revenue by Source of the City of Richmond –
Last Ten Fiscal Years ..... 98

Table 22 General Governmental Tax Revenues by Source of the City of Richmond –
Last Ten Fiscal Years ..... 99

Assessed Value and Estimated Actual Value of Taxable Property of the
City of Richmond- Last Ten Fiscal Years ..... 99

Table 23 Real Estate Tax Levies and Collections of the City of Richmond –
Last Ten Years ..... 100

Personal Property Tax Levies and Collections of the City of Richmond –
Last Ten Years ..... 100

## THE SCHOOL BOARD OF THE CITY OF RICHMOND
## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2011

## TABLE OF CONTENTS


Table 24 Principal Property Tax Payers of the City of Richmond ..... 101

Principal Employers of the City of Richmond ..... 101

Table 25 Pledged Revenue Coverage of the City of Richmond – Last Ten Years ..... 102

Table 26 Legal Debt Margin Information of the City of Richmond – Last Ten Fiscal Years ..... 103

Table 27 Ratios of Outstanding Debt by Type of the City of Richmond –

Last Ten Fiscal Years ..... 104

Ratios of General Bonded Debt Outstanding of the City of Richmond –

Last Ten Fiscal Years ..... 104

Table 28 Demographic and Economic Statistics of the City of Richmond –

Last Ten Years ..... 105

Table 29 Full-Time Equivalent City Government Employees by Function of the

City of Richmond – Last Ten Fiscal Years ..... 106

Table 30 Operating Indicators by Function of the City of Richmond –

Last Ten Fiscal Years ..... 107

Table 31 Capital Assets Statistics by Function of the City of Richmond –

Last Ten Fiscal Years ..... 108

**Acknowledgements** ..... 109

# Introductory Section (unaudited)

# SCHOOL BOARD OF THE CITY OF RICHMOND

SCHOOL BOARD ROOM - 17TH FLOOR, CITY HALL
301 NORTH NINTH STREET RICHMOND, VA 23219-1927 (804) 780-7716



**MEMBERS**

THE HONORABLE:

DAWN C. PAGE
DISTRICT 8
CHAIR

MAURICE A. HENDERSON
DISTRICT 5
VICE CHAIR

KIMBERLY M. BRIDGES
DISTRICT 1

KIMBERLY B. GRAY
DISTRICT 2

NORMA H. MURDOCH-KITT
DISTRICT 3

ADRIA A. GRAHAM SCOTT
DISTRICT 4

CHANDRA H. SMITH
DISTRICT 6

DONALD L. COLEMAN
DISTRICT 7

EVETTE WILSON
DISTRICT 9

**OFFICERS**

YVONNE W. BRANDON, ED.D.
SUPERINTENDENT

ANGELA C. LEWIS
CLERK

ANGELA R. ANDERSON
DEPUTY CLERK

PAUL A. HAWKINS
AGENT

RONALD L. CAREY, ED.D.
DEPUTY AGENT


January 13, 2012

**The Members of the School Board of the City of Richmond, Virginia:**

The Comprehensive Annual Financial Report (CAFR) of the School Board of the City of Richmond, Virginia (the School Board) for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management of the School Board. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and account groups of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities are included.

The financial statements included in the CAFR have been prepared in conformance with United States generally accepted accounting principles (GAAP) for governmental units as promulgated by the Governmental Accounting Standards Board (GASB). The public accounting firm of Cherry, Bekaert & Holland, L.L.P. (CBH) has audited the financial statements contained in this report. The auditors' report precedes the basic financial statements. The unqualified auditors' report expresses their opinion that the School Board's basic financial statements are fairly presented in all material respects in accordance with GAAP.

The School Board is required to undergo an annual single audit in conformity with provisions of the Single Audit Act Amendments of 1996 and the U. S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' report on internal control and compliance with applicable laws, regulations, contracts and grant agreements, and a schedule of findings and questioned costs, if any, are included in a separately issued City of Richmond, Virginia (the City) and School Board combined single audit report.

GAAP requires management to 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 MD&A and should be read in conjunction with it. The School Board's MD&A can be found immediately following the report of the independent auditors.

The School Board is a component unit of the City, accordingly, the financial position and results of operations of the School Board are reflected in the financial statements included in the CAFR of the City. The City makes the annual appropriation for the School Board's operating budget. The City Council is prohibited; however, from exercising control over specific expenditures of the School Board's operating fund.

# PROFILE OF THE SCHOOL DISTRICT

## OVERVIEW

Richmond Public Schools (RPS) serves over 24,000 students, representing the region's diverse socioeconomic mix. RPS is comprised of 28 elementary schools, including one charter school, eight middle schools, five comprehensive high schools and three specialty schools. The district also operates two regional Governor's School programs. Gifted and talented students are served by SPACE (Special Program for Academic and Creative Excellence) at the elementary and middle school levels, and by advanced placement and dual enrollment courses at the high school level. Academically advanced students may also earn the prestigious International Baccalaureate (IB) diploma at Thomas Jefferson High School.

The School Board was established in 1868 to provide educational opportunities to the residents of the City. It is governed by a nine-member board, one for each City district, elected by the citizens of the City. Board members are elected by the citizens to a four-year term of office. The Chairman, Vice Chairman and other officers are elected by the other members of the School Board.

The School Board's CAFR includes all activities, which the School Board is directly responsible for managing, as well as the following organizations for which the School Board has a fiduciary responsibility in its capacity as fiscal agent:

- The Governor's School for Government and International Studies (the Governor's School). The Governor's School operates as an educational consortium and provides specialized and gifted training for students of participating cities and counties from throughout central and southern Virginia. A separate board that includes one member from each of the participating localities governs it. The School Board does not have a continuing financial interest in the Governor's School.

- The MathScience Innovation Center (the Center). The Center operates as an educational consortium and provides specialized training to students of area jurisdictions. A separate board that includes two officials from each of the participating jurisdictions governs the Center. The School Board does not have a continuing financial interest in the Center.

- The School Activity Funds are reported as an Agency Fund. State Department of Education regulations restrict the uses of and accounting for School Activity Funds. Thus, the School Board is not responsible for the management of these funds and does not have a continuing financial interest in the School Activity Funds.

In August 2010, Richmond Public Schools opened its first charter school, Patrick Henry School for Science and Arts (PHSSA). The school offers kindergarten through fifth grade based on parent, educator and community involvement. The school provides an academically rigorous science- and arts-based curriculum that emphasizes environmental awareness and social responsibility.

Richmond Public Schools established two regional preschool learning centers, which opened during the 2010-2011 school year. These regional preschool learning centers provide the district's youngest learners with two centrally based, premier educational experiences.

The regional preschool learning centers are located at the rounds at Martin Luther King Jr. middle school and Maymont elementary school. The Martin Luther King Center serves approximately 190 preschool students who live in the east end of Richmond. Maymont serves approximately 250 preschool students who live in the John B. Cary, Mary Munford, William Fox, Clark Springs and Maymont neighborhoods.

Richmond Public Schools is a fiscally dependent school division pursuant to State law. As a fiscally dependent school division, Richmond Public Schools does not levy taxes or issue debt. The School Board derives its authority from the State and has the constitutional responsibility to provide public education to the residents of Richmond.

The School Board revenues consist of City appropriations from local taxation, state revenue based on student populations and sales tax receipts, federal revenue usually targeted to specific programs, and other revenues such as school cafeteria sales, tuition and building rental fees. The main sources of revenue for the operating budget are the City of Richmond and Virginia Department of Education.

## Economic condition and outlook

### Economy

Richmond is located in the eastern-central part of the state of Virginia 100 miles from the nation's capital. The quality of life in the City offers a low cost of living, pleasant climate, unique architecture, and an average 24-minute commute between the surrounding jurisdictions in the central region.

Three outstanding higher educational institutions are located in Richmond: Virginia Commonwealth University, one of the nation's top research universities, as well as University of Richmond and Virginia Union University. In addition to these universities, J. Sargeant Reynolds, the state's third largest community college , also has a downtown academic campus that provides one and two-year occupational and technical programs in a number of allied health, business, and community service areas, as well as college transfer programs in liberal arts, business, education, science, and computer science.

There are two fortune 500 companies headquartered in Richmond, Mead Westvaco and Dominion Resources.

In June 2011, Forbes Magazine ranked the Richmond metropolitan area 50 on its "Best Places for Businesses and Careers. The City also received the Foreign Direct Investment (fDi) magazine's Best Small American City of the Future award in June 2011, a notable recognition for the City's small business strategies.

## Economic Development

Economic development activities of the City are carried out through the City's Department of Economic Development (DED). Retail, professional services, technology and light industry are essential anchors for Richmond's neighborhood economies.

A major initiative forthcoming for the City is the announcement by Health Diagnostic Laboratory, Inc. (HDL, Inc.) of its investment of $4.2 million in its future operation in the City, which will be located in the Virginia Biotechnology Research Park. The HDL, Inc. project will create 213 new jobs in the area.

The City is also investing in small business development through its economic development programs like Richmond's Commercial Area Revitalization Effort (CARE) program. The CARE program offers an alternative source of lower interest lending for small businesses as well as incentives for businesses looking to invest in rehabilitation or revitalization projects.

During the 2011 session, the Virginia General Assembly approved a number of bills that expand opportunities and funding for renewable energy generation, renewable energy siting, funding, and job creation. In the spring 2011, the City issued a Green Government Order and launched a comprehensive sustainability planning process called RVA Green. One of the focus areas of the Sustainability Plan is Economic Development. The City's plan includes green and local job initiatives, sustainability businesses and urban agriculture. RVA Green attempts to meet the needs of the present without compromising the future by ensuring a clean a health environment; a competitive economic advantage; and fair access to livelihood, education, and resources for the present and future community.

## Employment

The combined Federal, State and local government industry employs the largest number of workers in the City and Richmond Public Schools ranks as the City's third largest employer. The unemployment rate for the metro Richmond area is reported at 7.0 percent as of June 2011, 1.0 percent higher than the state average of 6.0 percent and 2.2 percent lower than the national average of 9.2 percent according to the Virginia Employment Commission.

## Demographics

The City's population, as estimated by the U.S. Census Bureau, is approximately 205,000, and is 41% White, 52% African-American, 6% Hispanic and 1% other and mixed race. The population of the City has grown by approximately 3.2% between the 2000 and 2010 Census count. The fastest sector of population growth has occurred within Richmond's Hispanic population, which has grown 95% since the 2000 census.

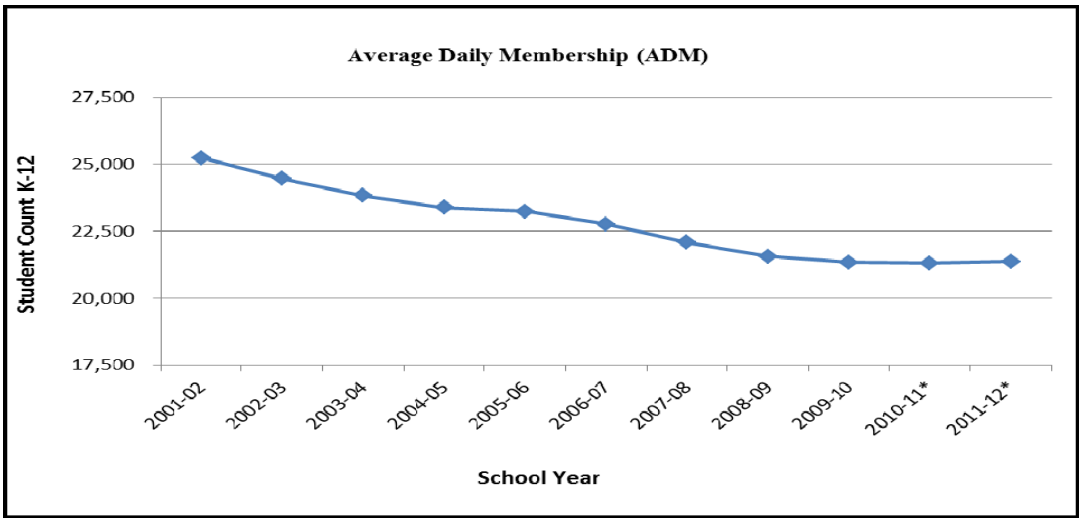
## Additional Information

In the Statistical Section, Tables 1 through 15 are the financial trends and demographic information for Richmond Public Schools. Tables 16 through 30 illustrate financial trends, demographics, economic analyses, business and residential tax and assessment valuations and collection statistics that pertain to the City of Richmond, Virginia.

## Enrollment

Student enrollment drives the amount of state and federal funding the school division receives. It is also significant because it impacts instructional and support staffing needs that must continue to improve educational and support services to students.

K-12 Average Daily Membership (ADM) is the total aggregate daily membership divided by the number of days school is in session. Virginia school divisions receive state funding based on their students' ADM as of March 31 of the fiscal year. The division's March 2011 ADM as reported to the Virginia Department of Education is 21,398. This is 362 more students than the budgeted March 2011 projection of 21,036.

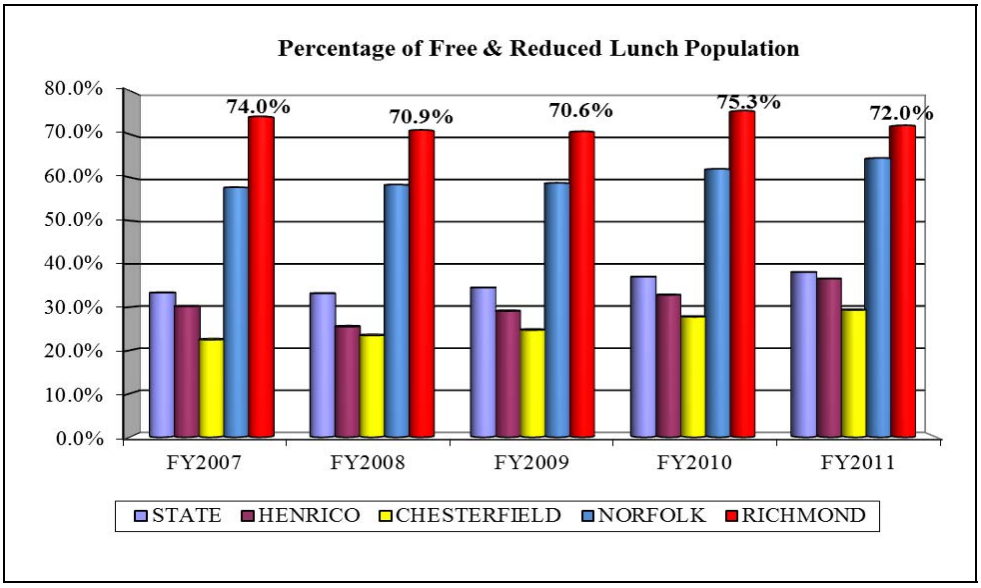



Two additional measures of student population are fall membership and enrollment. Fall membership reflects the number of students enrolled in Richmond Public Schools on September 30. Excluded from the September 30 count are special education preschool pupils, pupils in hospitals, clinics or detention homes, and local programs such as vocational and alternative education centers. September 2010 membership totaled 23,454.

The third measure of student population is enrollment. Student enrollment reflects the actual number of all children, Pre-K through 12, served in Richmond Public Schools. Enrollment as of October 2010 totaled 24,111.

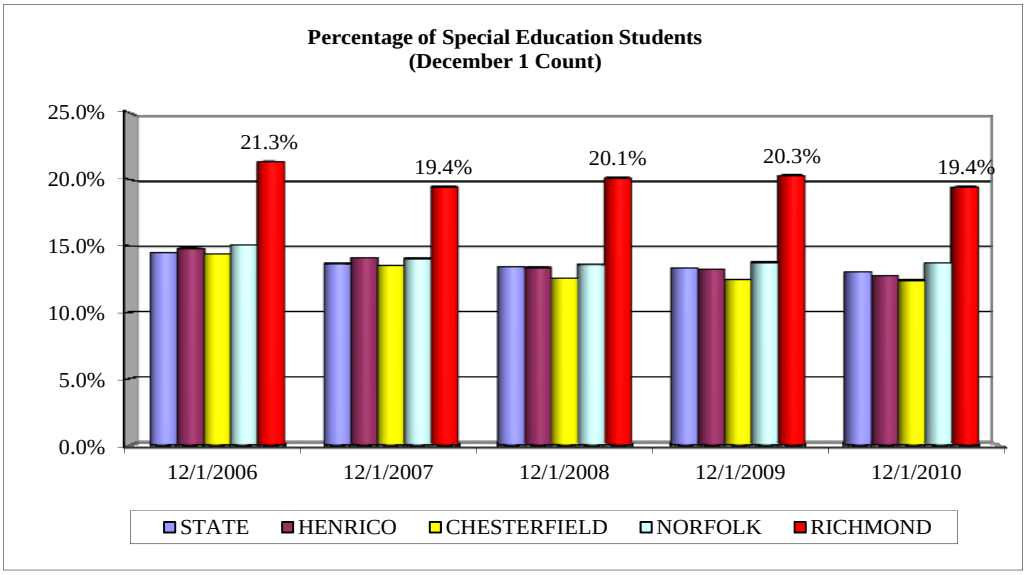
## Free and Reduced – Price Meals

Free and reduced lunch population is a measure of poverty. RPS ranks as the eighth highest free and reduced lunch population in the Commonwealth with 16,681 or approximately seventy-two percent of students receiving subsidized meals under the Federal school lunch program. The graph shown below depicts Richmond's status as compared to neighboring districts and the state average.




## Special Education Services

Approximately 4,557 or slightly over nineteen percent of students qualify for special education services. The following graph represents the percentage of special education students benched against statewide averages and surrounding districts RPS = 19.4%, state avera13.0%.



# MAJOR INITIATIVES

Richmond Public Schools is a story of phenomenal success and unparalleled student achievement. Great achievements have been attained in developing and meeting federal, state and local educational standards for the children of Richmond Public Schools. The School Board of the City of Richmond and its Administration are extremely proud of these achievements, and they will be discussed in the succeeding paragraphs.

## Accountability

Richmond Public Schools has embraced a comprehensive data-driven accountability structure called the Balanced Score Card (BSC). This system defines the district's mission, vision, goals and strategies for achieving success. The BSC, which uses baseline data and benchmark targets, measures how effectively each strategy is working to ascertain, in a dynamic manner, the school divisions overall progress and performance. The BSC system clearly defines where the district seeks to go in the future.

Further, it outlines a series of challenging tasks to be performed district-wide, while also holding employees accountable for achieving these targets. This system represents a series of proven techniques traditionally used in the private sector to help deliver high quality services. In Richmond Public Schools, the successful implementation of the Balanced Score Card ensures that efforts remain focused on improving academic achievement for all students and improving effectiveness in all operations.

## Strategic Planning

During the FY2011 school year, the School Board embarked on a new strategic planning session to develop our core beliefs, mission, parameters, objectives, and strategies. The Strategic Planning Process consisted of the Planning Team and the Action Team. The Planning Team was comprised of 30 members from the community and educational administrators. This team set the course of action to be followed by developing the Beliefs, Mission, Parameters, Objectives, and Strategy statements during their meetings on October 26 - 28, 2010. During the month of November 2010 Action Teams were developed (comprised of 150 members) and Action Team Leaders were appointed and trained. Each Action Team Leader was assigned a single 'strategy' to develop Action Plans to be implemented by the school division over the next five years. During the months of January 2011 through March 2011, Action Teams met and developed plans which were submitted to the Planning Team in April 2011, for review.

The Action Team and the Planning Team will reach an agreement on numerous Action Plans which are scheduled for implementation over the next five years with year one implementation beginning on July 1, 2011. Action Team members are from varied backgrounds and include students, parents, business leaders, clergy, and educational administrators. The school division owes a great debt of gratitude to these individuals for all of their hard work and long hours of service.

## Goals and Objectives

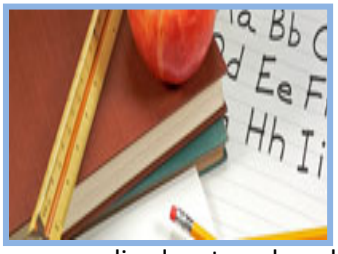
- Improve student achievement, as indicated by national, state and local standards
- Promote a safe and nurturing environment for all members of the Richmond City Public Schools community
- Provide strong leadership for effective and efficient operations by providing alternative educational opportunities

- Enhance capacity building with all sectors of Richmond Public Schools through focused and sustained professional development
- Strengthen collaborations with parents, the community, businesses and other stakeholders
- Increase parent and community satisfaction with new and varied educational programs

## Student Achievement

In school year 2010-2011, 41 or 89 percent of the City's schools earned full accreditation based on student standards in English, mathematics, history and science on the State's Standards of Learning (SOLs) testing program. The results signal a pattern of achievement by the city school district.

## District-wide and School Recognitions



**Bellevue Elementary School** was named a 2010 National Blue Ribbon School by the U.S. Department of Education. Bellevue is one of only 304 public or private schools nationwide and one of only nine in Virginia to earn the designation, according to the USDOE. The award recognizes schools whose students achieve at very high levels or have made significant progress in closing achievement gaps among disadvantaged and minority students. Specifically, the program honors schools:

- That have at least 40 percent of students from disadvantaged backgrounds achieve at high levels on state assessment tests; or
- Whose students, regardless of background, achieve in the top 10 percent of their state on state tests.

**Munford Elementary School** received the 2011 Governor's Award for Educational Excellence, the state's highest performance honor under the Virginia Index of Performance (VIP) incentive program. Munford was one of just 110 Virginia public schools to earn this year's top honor.

To receive the award, schools must meet all state and federal achievement benchmarks for at least two consecutive years. Schools also must meet goals for elementary reading, enrollment in Algebra I by eighth grade, enrollment in college-level courses, attainment of advanced diplomas and increased attainment of career and industry certifications. Eligible schools must also participate in the Virginia
Preschool Initiative and may earn bonus points for other performance measures, including the Governor's Nutrition and Physical Activity Scorecard.

**Richmond Science Teacher**, LaTonya E. Waller, a science teacher at Lucille M. Brown Middle School was named the 2011 Virginia Teacher of the Year. Waller was selected from the eight Virginia 2011 Regional Teachers of the Year.

**R.E.B. Awards for Teaching Excellence** were awarded to three Richmond City teachers. The teachers have been awarded more than $26,000 in cash grants as recipients of this year's R.E.B. Awards for Teaching Excellence. The program, a partnership between The Community Foundation and the R.E.B. Foundation, recognizes outstanding public school teachers from Chesterfield, Hanover, Henrico, Richmond and the Department of Correctional Education with cash awards to fund postgraduate studies, professional workshops or world travel.

**Board of Educational Excellence Award** was earned by six schools: Broad Rock ES, Ginter Park ES, Munford ES, Open HS, Richmond Community HS and Stuart ES.

**Board of Educational Competence to Excellence Award** was received by seven City schools: Cary ES, Clark Springs ES, Fisher ES, Holton ES, Jones ES, Mason ES and Southampton ES.

**Stuart Elementary School** is one of only four schools in Virginia to receive a 2011 grant from The Laura Bush Foundation for America's Libraries. Nationwide, 241 school libraries were awarded $1,086,926 in grants of up to $5,000 to expand, update and diversify their library book collections.

**Munford Elementary** received the Community Outreach Award in this year's Central Virginia Connect the Dots for Green Schools Challenge. The award was presented by the James River Green Building Council. Munford, one of seven area schools to receive an award, was recognized for installing a pollinator garden that included a refurbished greenhouse, rain barrels and composting bins. The school also implemented a compost and recycling program at lunch, recycled fluorescent bulbs and hosted environmental workshops.

**City School District Earned Green Certification** through efforts to save electricity and reduce the impact of computers and technology on the environment resulted in the district's earning a Green Computing Certification from the Consortium for School Networking (CoSN). Richmond is the first school system in the state to earn the certification.

During 2011, the district has completed several projects designed to reduce the greenhouse effects caused by computer usage and other technologies. The projects include: replacing old UPS units with more efficient units; the purchase of Energy Star rated computers and printers; replacing CRT monitors with more energy-efficient and environmentally- friendly LCD monitors; recycling and disposing of e-waste with a certified recycling company; running virtual server systems that reduce power consumption, reduce cooling needs and require less physical space; moving to Windows 7 on desktops, a more efficient operating system; and turning computers off in mass areas at night.

## Instruction and Curriculum Initiatives

**The Performance Learning Center** - an alternative, self-paced educational program designed for students who do not succeed in the traditional school setting. The Performance Learning Center is funded by a grant from the Bill and Melinda Gates Foundation. It is the first Center to be launched in Virginia.

**Franklin Military Middle Leadership Academy –** a sixth, seventh and eighth grade component of the military curriculum aimed to improve academic achievement by ensuring that middle school students get the support and attention they need to be successful in a rigorous college preparatory course of study. The major objectives of the program include academic achievement, enhance effective communication and logical thinking skills, leadership development, strengthening character and integrity; and develop positive response to authority.

**Academic Rigor and 21st Century Workplace Skills** - in recent years, the district has launched several programs to address increased academic rigor and 21st Century workplace skills. These include high-level Chinese and Latin classes at the middle school level through the Virtual Virginia Distance Learning initiative, expanding Franklin Military Academy to serve sixth-graders, and launching the Governor's Career and Technical Education Academy for Science, Technology, Engineering and Math (STEM) at the Richmond Technical Center.

**Career and Technical Education -** As part of the 21st Century workforce preparedness, RPS Career and Technical Education (CTE) offerings include 13 dual enrollment and 14 honors courses; and 76 certification opportunities in the areas of business and information technology, trade and industrial education, health and medical sciences, marketing and consumer services, adult and continuing education, and apprenticeship programs.

CTE is also offered at the elementary school level through career awareness curriculum and at the middle school level through career exploration curriculum. At all school levels, CTE integration within the curriculum is further evidenced by student participation in advanced learning and competitive events such as FIRST Robotics and the Lego League.

**Virtual Virginia Distance Learning Initiative –** RPS allows eligible secondary students to enroll and participate in Virtual Virginia. Virtual Virginia offers online Advanced Placement, world language, elective, and core academic courses to students across the Commonwealth, the nation, and throughout the world. The courses utilize course management software to maximize the interactivity of each class. Each course contains video segments, audio clips, whiteboard interaction, multimedia activities, and online discussions, as well as text. Virtual Virginia courses offer a rich multimedia learning environment that appeals to a variety of learning styles. Virtual Virginia courses can be scheduled flexibly throughout the day, as courses do not have to be taken in 'real' time.

## Technology

RPS adopted, and currently mandates and endorses the Virginia Department of Education student computer technology standards. Under the direction of the RPS Department of Instruction, lead teachers in the district annually review and update parts of the K-12 curriculum for four core subject areas (Language Arts, Mathematics, Science, and Social Studies), which is subsequently reviewed by staff, and disseminated to teachers on CDs and the RPS intranet. The Instructional Resources include Curriculum Compasses, Pacing Guides, Teaching by Design Lesson Plans, Released State SOL Tests, the Instructional Model, and various other documents such as the Teacher Observation Form, test taking strategies, and homework guidelines. The Curriculum Compasses include technology resources and suggests ways to integrate technology (such as websites) into the curriculum.

**Technology Plan** – The Educational Technology Plan for the City of Richmond Public Schools outlines the multiyear strategic goals for technology in Richmond Public Schools (RPS). The Technology Plan presents a vision, or serves as a blueprint for use of technology in RPS, and helps to fulfill the Richmond School Board mission of ensuring students learn essential skills, become life-long learners and lead productive lives.

The scope of the Educational Technology Plan for Richmond Public Schools makes certain that RPS is in alignment with the state technology plan by utilizing as a basis, the five components outlined in the states' plan, and includes the following five components:

**Integration**

**Professional Development**

**Connectivity**

**Educational Applications**

**Accountability**

## Partnerships and Collaborations

Richmond Public Schools continues to partner with parents, community agencies, the corporate sector, and other stakeholders to strengthen academic programs and access new resources.

With corporate support from Altria, Wal-Mart and Capital One, the Office of School Community Partnerships develops, promotes and assists in the coordination of collaborative efforts between the schools and the business, faith and civic communities in an effort to create and foster relationships beneficial to Richmond Public Schools and to the community at large.

Some of these partnerships include:

- **Virginia Commonwealth University** – a partner with Richmond Public Schools launched the Richmond Teacher Residency program to prepare current teachers for leadership roles in an urban high school setting. The program is funded by a $5.8 million federal grant.
- **A Robins Foundation** grant - generously funds a program to train volunteer and partnership coordinators for twenty Richmond City schools.
- **Yale Alumni Club –** in coordination with Communities in Schools, partnered with George Washington Carver Elementary School to spruce up the schools' landscaping. They plan to return in the near future to develop a new and exciting partnership opportunity.
- **Neighbor-to-Neighbor (N2N) –** a volunteer initiative involving City of Richmond employees that mentor students at Overby-Sheppard Elementary School.
- **Franklin Federal Savings –** hosts the Making Money Count Program to teach students how to responsibly save, spend and share money. The curriculum is focused on second graders and builds on first grade Economics Standards of Learning.
- **The Micah Initiative** - created in 2003 to support student achievement in Richmond Public Schools, provides support to students serving as tutors, mentors and library aides, and organizes needed services such as book and clothing collections, and cultural and camping experiences. The Micah Initiative is known as one of the most organized, committed and innovative mentoring and tutoring initiatives in the area.
- **Capital One** - provided nine Richmond City high school seniors scholarships through the Power of 9 scholarship program. This marks the 14th year of the partnership with Capital One to help district seniors realize their dreams of pursing college.

## For the Future

**Building a Better Richmond**

The city of Richmond and Richmond Public Schools are committed to the education of the city's youth by building new facilities equipped with the technology and educational specifications needed for students to become globally competitive in the 21st century workforce, to streamline operational costs with more modern, energy-efficient buildings and to encourage enrollment by offering top-tier learning facilities.

While urban school districts across the country have experienced declining enrollments over the past 10 years, Richmond included, the city of Richmond still needs newer buildings that are built to help facilitate 21st century

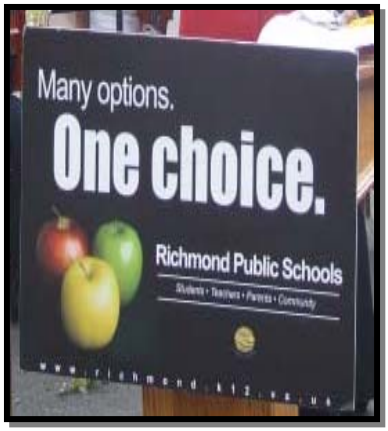
instruction, equipped with modern, energy-efficient components for increased maintenance and utility savings, and flexible enough to accommodate fluctuating enrollment and future educational requirements.

One-third of Richmond Public schools buildings are over 70 years old and another one-third are at least 50 years old. Only four schools have been built since 1998, and the city of Richmond has not built a new city high school in more than 40 years. The school projects funded under the Building a Better Richmond CIP will not require a tax increase. Construction funding will be provided through a city obtained capital improvement program line of credit and city-issued bonds.

Phase 1 of the RPS Design & Construction Program consists of four schools: Broad Rock Elementary School, Oak Grove Elementary School, Martin Luther King, Jr. Middle School and Huguenot High School. Ground-breaking and site preparation for both Broad Rock ES and Oak Grove ES began in the fall of 2010. Final completion of construction is estimated in May 2012 with students occupying the spaces on the first day of school in August 2012.

Ground-breaking for Martin Luther King, Jr. MS is scheduled to begin October 2011, with the completion of construction scheduled for June 2013. Students are slated to occupy the space on the first day of school in August 2013. Ground-breaking for Huguenot HS is scheduled to begin in November 2011, and students are slated to occupy the space on the first day of school in August 2014.

The goal is for school facilities to become "hubs" of our communities. Therefore, after- hour, weekend and summer use of school facilities will be driven by community input.




**The "Choice" Campaign**

For the second-consecutive year, the district continued its public awareness initiative to highlight the school system and help increase the student enrollment by encouraging citizens to exercise their right to choose public schools for the education of their children.

The campaign involves community outreach with volunteers and students going door to door across the nine city districts to promote the achievements and progress the school division has experienced. The Choice Campaign initiative has gained national attention, with mentions in the Washington Post and MSNBC.com.

# Financial Policies

## Internal Control

Management of the School Board is responsible for establishing and maintaining internal control sufficient to provide reasonable assurance that the assets of the School Board are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal, State and Local financial assistance, the School Board is also responsible for ensuring that adequate internal controls are in place to ensure and document that federal award programs and state and local resources are managed in compliance with applicable laws, regulations, grants and contracts. These internal controls are subject to periodic evaluation by management, the internal audit staff and the Finance and Budget committee and the Audit committee of the School Board, as well as by the external auditors on an annual basis.

## Budgetary Controls

The School Board maintains budgetary controls to ensure compliance with the annually appropriated (legally adopted) General Fund budget approved by the City Council. Budgetary controls ensure that the legal level of expenditure for the General Fund is not exceeded. Project budgets are also prepared, but not legally adopted, for the Special Revenue and Permanent funds. Management control is exercised over the budget at the budgetary line item level within each fund. The School Board also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are carried forward at year-end.

## Insurance and Risk Management

The insurance and risk management program involves maintaining several comprehensive commercial insurance policies and self-insurance programs, conducting various loss control activities, and a program to manage claims filed against the school system. Additionally, risk management monitors other individual insurance policies such as disability, intensive care, cancer, and life insurance that are marketed to School Board employees by various approved insurers.

The School Board's commercial insurance coverage includes the following: a comprehensive property and casualty policy; a commercial general liability policy; a comprehensive liability vehicle fleet policy; and other insurance coverage for boiler & machinery, School Board errors and omissions, workers' compensation for federal programs, student nurse liability, student accident insurance, physician malpractice, special equipment coverage and excess workers' compensation for accidents in excess of $350,000.

The School Board provides self-insurance for workers' compensation for all employees not involved with federally funded programs. The workers' compensation claims are handled by a third-party administrator and the cost of medical claims are contained using a panel of physicians. The medical providers are restricted to charging for services in accordance with a negotiated fee schedule. Likewise, a group self-insured short-term disability program is managed by a third-party administrator, and a long-term disability insurance program is in place through a major insurance company.

### Cash Management

The City is the custodian of all cash and investments of the School Board except certain cash on hand or in banks and certain cash and investments of the Fiduciary Funds held by financial institutions. The City policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City's investments are made as allowed in the Code of Virginia, which include obligations of the United States and its agencies, time certificates of deposit, banker's acceptances, repurchase agreements, demand notes and commercial paper. Additionally, all bank deposits of the City and the School Board are insured by the Federal Deposit Insurance Corporation up to the allowable maximum amount and are collateralized under the Virginia Security for Public Deposits Act.

## Other information

### Independent Audit

State statutes require an annual audit of the financial statements by independent certified public accountants selected by the School Board. In addition to meeting the requirement set forth in state statutes, the City of Richmond, Virginia and School Board combined single audit was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' reports on internal controls and opinion on compliance with applicable laws, regulations, contracts and grant agreements can be found in a separately issued City of Richmond, Virginia and School Board combined single audit report.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board of the City of Richmond, Virginia for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The School Board has received a Certificate of Achievement for the last twenty consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

In addition, the Association of School Business Officials (ASBO) sponsors a Certificate of Excellence in Financial Reporting program to foster excellence in the preparation and issuance of school system annual financial reports. The ASBO program is the highest form of recognition in school financial reporting. The School Board was awarded its eighteenth ASBO Certificate of Excellence for its fiscal 2008 report. We believe that the current CAFR also conforms to the ASBO Certificate of Excellence program requirements, and we are therefore submitting it to the ASBO.

## Acknowledgements

We would like to express our sincere gratitude to the dedicated personnel in the Departments of Budget and Financial Reporting and Finance who participated in the preparation of this report and to our independent auditors, Cherry, Bekaert & Holland L.L.P. Appreciation is also extended to the School Board and the administration, whose continuing support is vital, the financial health of the school system.

Respectfully submitted,

**Yvonne W. Brandon, Ed.D.**
Superintendent

**Paul A. Hawkins**
Chief Operations Officer

**Lynn G. Bragga, M.B.A.**
Director of Budget and Financial Reporting

# SCHOOL BOARD MEMBERS AND ADMINISTRATORS

AS OF JUNE 30, 2011

**BOARD MEMBERS**

Kimberly M. Bridges, Chair
District One

Dawn C. Page, Vice Chair
District Eight

Kimberly B. Gray
District Two

Norma H. Murdoch-Kitt
District Three

Adria A. Graham Scott
District Four

Maurice Henderson
District Five

Chandra H. Smith
District Six

Donald L. Coleman
District Seven

Evette L. Wilson
District Nine

**OFFICIALS**

Yvonne W. Brandon, Ed.D.
Superintendent of Schools

Angela C. Lewis
Clerk of the School Board

Victoria Oakley
Chief Academic Officer

Paul A. Hawkins
Chief Operations Officer / Agent

Ronald L Carey, Ed.D.
Chief of Staff
Administrative and Support Services / Deputy Agent

Irene Williams, Ph.D.
Executive Director
Elementary Education

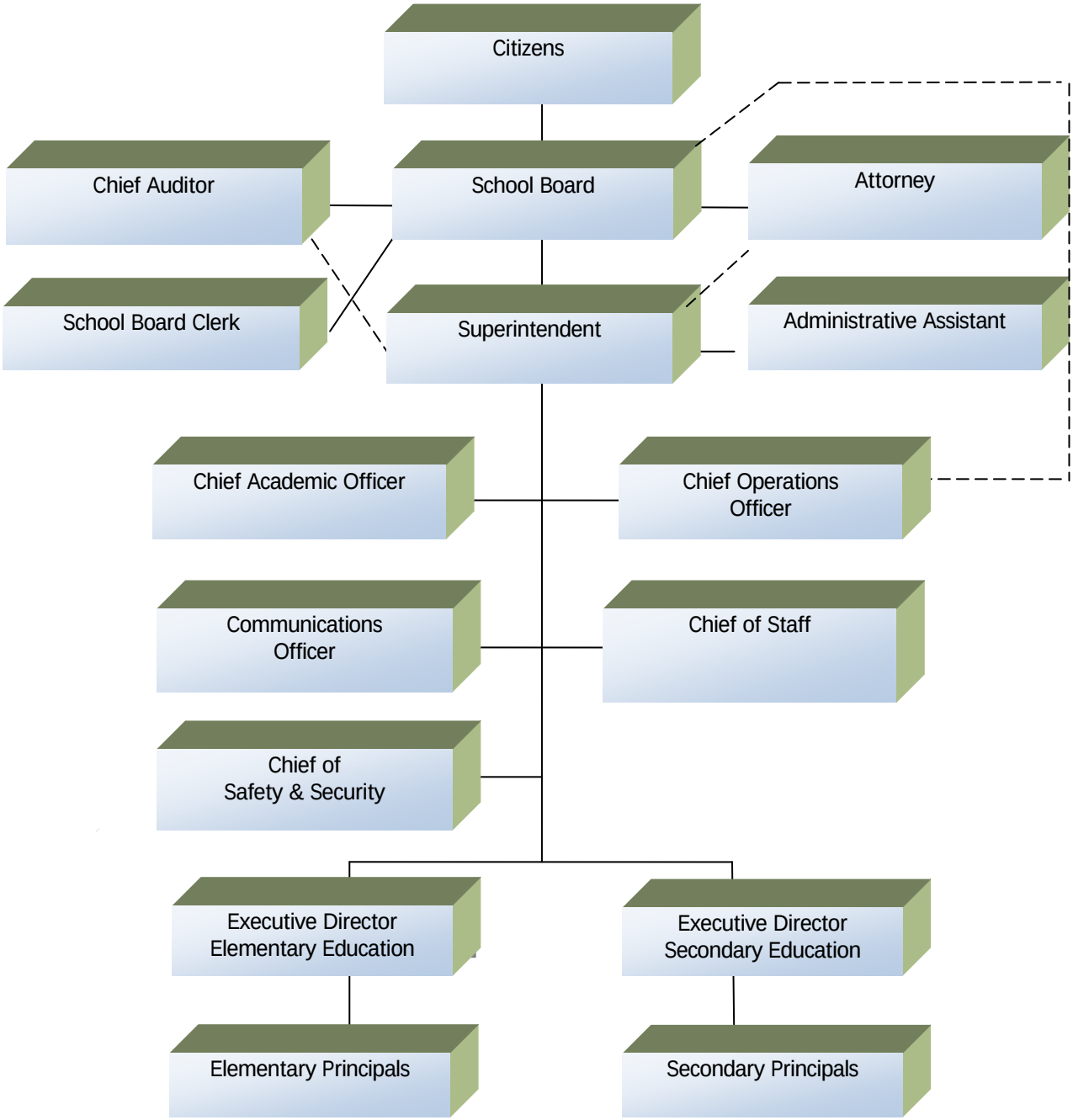
Thomas Beatty, Ed.D.
Executive Director
Secondary Education

Lynn G. Bragga, MBA
Director
Budget and Financial Reporting

Wanda H. Payne
Interim Director
Finance

Debora R. Johns, CGAP
Chief Auditor

# ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## The School Board of the City of Richmond Virginia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Linda C. Davidson

President

Jeffrey P. Ernst

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

This Certificate of Excellence in Financial Reporting is presented to

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**

**For its Comprehensive Annual Financial Report (CAFR)**
For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

# Financial Section

CHERRY BEKAERT& HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**Independent Auditor's Report**

To the Honorable Members of the
School Board of the City of
Richmond, Virginia

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Richmond, Virginia, (the "School Board"), a component unit of the City of Richmond, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Richmond, Virginia, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2012, on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cherry, Bekaert + Holland, LLP

Richmond, Virginia
January 13, 2012

# Management's Discussion and Analysis

**This page intentionally left blank**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

It is an honor to present to the Citizens of the City of Richmond, Virginia (the City) this report of the financial performance of the School Board of the City of Richmond (the School Board). This section of the Comprehensive Annual Financial Report (CAFR) presents management's discussion and analysis of the overall financial performance of the School Board's financial activities for the fiscal year (FY) ended June 30, 2011. We encourage our readers to read this information in conjunction with the transmittal letter at the front of this report and the School Board's financial statements, which follow this section (amounts rounded to the nearest hundred thousand dollars or to the nearest thousand dollars are approximate).

## FINANCIAL HIGHLIGHTS FOR FY 2011

- The School Board's net assets (assets less liabilities) on a government-wide basis (i.e., for the School Board "taken as a whole") were $9.2 million at June 30, 2011, up $141 thousand from $9.0 million at June 30, 2010. Of the $9.2 million in net assets, $7.3 million was restricted by outside parties (primarily for capital projects) and $4.3 million invested in capital assets net of related debt of $6.2 million, leaving unrestricted negative net assets (after considering all School Board liabilities) of $(2.4) million.

- The School Board's total revenues of $307.5 million in fiscal 2011 represented a decrease of $15.7 million or 4.9 percent compared to fiscal 2010 revenues of $323.2 million. Total revenues consisted of program revenues, which increased by $4.5 million, and general revenues, which decreased by $20.2 million. Of the $4.5 million increase in total program revenues, state and federal operating grants accounted for $5.5 million, which were offset by a decrease of $1.1 charges for services and capital grants and contributions (see the "Summary of Government-wide Revenue" on page 10 and the "Summary of Changes in Net Assets" on page 12).

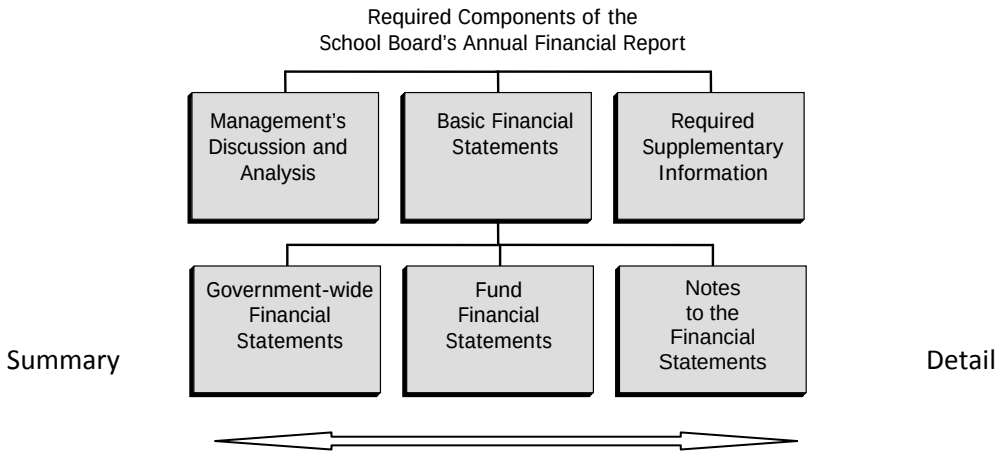
- The School Board's total expenses of $309.6 million in fiscal 2011 represented a decrease of $16.8 million or 5.2 percent less than fiscal 2010 expenses of $326.4 million. Instruction accounted for 75.7 percent of total expenses or $234.4 million; a decrease of $18.3 million. Instruction salaries and benefits, including instructional technology, accounted for $190.2 million, 81.1 percent of total instruction. The additional 18.9 percent in instructional expense was for other educational services to enhance student achievement. Support services accounted for 24.3 percent of total expenses or $75.2 million, an increase of $1.5 million over fiscal 2010 expenses for support service of $73.7 million. This increase was partially attributable to an increase of $644.2 thousand in major repair projects and capital improvement projects, related to completion of remediation and remodeling projects to make school facilities accessible to all citizens, and an increase in administrative, transportation, operations and maintenance and delivery of nutrition service of $975.6 thousand; offset by reductions in expenses for the delivery of health services of $176.4 thousand (see the "Summary of Government-wide Expenses, by Function" on page 11; and the "Summary of Changes in Net Assets" on page 12).

- The annual change of ($2.1) in the School Board's total net assets resulted from (1) the net change in total fund balances for all governmental funds for the year, which for FY11 was an increase of $2.2 million, as shown on Exhibit E, and which resulted from its current year (short-term) budgeted operations, and (2) a net decrease of $4.3 million in the change in capital assets and non-current liabilities due in more than one year. As shown on Exhibit F, the School Board's non-current liabilities due in more than one year decreased by $3.6 million from FY10 primarily as a result of an $339 thousand increase in future obligations for estimated incurred but not reported and existing worker's compensation claims, a net increase in the obligation to pay leave benefits of $187 thousand, and an increase in the obligation to provide future postretirement health and dental benefits to eligible retired employees of $4.9 million. These increases were offset by a decrease in the non-current portion of the net pension obligation of $1.8 million because the obligation to pay existing benefits to existing participants of the plan is near sunset. Overall, net assets for the School Board, taken as a whole, decreased by $2.1 million in FY11 (see the discussion of unrestricted net assets under "Government-wide Statements" on page 7).

- The School Board's General Fund reported a fund balance of $27.2 million, an increase of $3.4 million, or 14.3 percent from $23.8 million as restated at June 30, 2010 (see note 15, beginning on page 57). Of the $27.2 million, a total of $7.4 million represents amounts for inventory and prepaid insurance, $6.3 million is committed for previously executed contracts and $2.2 million is committed for self-supporting programs which will be used specifically for the purpose of the program; $6.0 million is assigned to bridge an anticipated gap between appropriations and estimated revenues in the FY2012 budget period and the remaining amount of $5.2 million is unassigned fund balance. The $5.2 million unassigned fund balance is comprised of $2.9 million from current year operations and $2.3 million resulting from a prior-period adjustment as discussed in note 15 beginning on page 57). The $5.2 million unassigned fund balance is available to the School Board to fund its noncurrent liabilities due in more than a year, which totaled $37.4 million at June 30, 2011, or to meet shorter-term objectives, and has been designated in its entirety to meet future instructional and operational initiatives, obligations and contingencies. Therefore, future School Board operations will require future General Fund appropriations to fund its long-term obligations as they mature (see the discussion of unreserved fund balances under "Fund Financial Statements"- Governmental Funds on page 8).

## OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report consists of three sections: *introductory*, *financial*, and *statistical*. As the following chart shows, the *financial section* of this report also has three components: *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*.



The basic financial statements include two types of statements, the *Government-wide* financial statements and the *Fund* financial statements, each of which provide a unique perspective on School Board finances. The government-wide financial statements present the "over-all" financial position and results of activities of the School Board as a whole, and include long-term as well as current financial information. The fund financial statements focus on individual parts (or "funds") of the School Board, and thus present the School Board's activities in more detail than the government-wide statements, and include only current financial information. Both the government-wide financial statements and the fund financial statements are described in detail in the following narrative.

The basic financial statements also include *notes*, which explain some of the information in the financial statements and provide more data that are detailed. The statements are followed by a section of Required Supplementary Information, which further explains and supports certain information in the financial statements.

## GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the School Board as a whole using accounting methods similar to those used by private-sector companies. Accordingly, the government-wide statements include *all* School Board assets, including capital assets, and *all* School Board liabilities, regardless of when and how they will be paid. The government-wide financial statements include a *Statement of Net Assets* and a *Statement of Activities*. The Statement of Net Assets includes all of the School Board's assets and liabilities. The Statement of Activities includes all of the School Board's current year revenues and expenses, regardless of when cash is received or paid. The Statement of Net Assets reports the School Board's net assets — the difference between assets and liabilities — as of the end of the fiscal year. The Statement of Activities reports the change in the net assets between the beginning and the end of the current fiscal year, based on the School Board's financial activity for the year.

Net assets are either (1) invested in capital assets (or thus not available to spend), (2) restricted for specific uses by outside parties (and thus not available for any other use), or (3) unrestricted (available for any use). Over time, increases or decreases in the School Board's net assets (especially in its unrestricted net assets) are one indicator of whether the financial health, or position, of the School Board is improving or deteriorating. For example, a break-even position in unrestricted net assets (zero net assets) at the end of a fiscal year means that the School Board has the ability at that date to pay all of its existing noncurrent liabilities when they come due. A positive balance of unrestricted net assets allows the School Board to meet all of its noncurrent liabilities when due, and, to the extent of the positive balance, provides an additional resource to meet future needs or contingencies as they arise. Finally, should short-term needs of any of the School Board's individual funds result in expenses that use more than the School Board's total unrestricted net assets, negative net assets for the School Board as a whole would result, in which case future General Fund appropriations would fund the School Board's noncurrent liabilities as they mature.

The School Board's net assets on hand at the end of a fiscal year may be budgeted or designated for specific uses in providing instructional programs in the upcoming year. Thus, increases or decreases in net assets typically result from and are in accordance with the adopted plan to provide educational services in any given year, and fluctuate dollar for dollar with changes in the amount of net capital assets and noncurrent liabilities due in more than one year. Finally, to assess the overall health of the School Board, additional non-financial factors need to be considered, such as changes in the property tax base of the City, the condition of the school buildings and equipment, and the supply of and demand for instructional staff.

For financial reporting purposes, the Statement of Net Assets and the Statement of Activities present all School Board activities by type of activity. All School Board activities are considered Governmental Activities:

- **Governmental Activities** – All of the School Board's basic services are reported here, including all instructional and all support services, including administration, attendance and health, nutrition services, pupil transportation, operations and maintenance, and facilities services. City appropriations, state and federal entitlements and grants finance substantially all of these activities, although nutrition services and certain tuition-supported educational programs are financed in whole or in part by charges to users for services provided.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the School Board's major funds – not the School Board as a whole. The School Board uses funds to keep track of specific sources of funding and spending for particular purposes.

The School Board has two types of funds:

- **Governmental Funds** – The School Board's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for future expenditure. In contrast to the government-wide financial statements, which include all assets and all liabilities, regardless of when and how they will be paid, the governmental funds' financial statements focus only on short-term assets that are available for spending (i.e., they exclude capital assets), and near-term liabilities. Consequently, the governmental funds statements provide a detailed short-term view that helps financial statement users determine whether there are more or fewer financial resources that can be spent in the future to finance School Board programs. The Governmental Funds' Balance Sheet reports the School Board's fund balances as of the end of the fiscal year. Fund balances are either (1) non spendable – representing amounts that are not in spendable form or required to be maintained intact (2) restricted – amounts constrained to specific purposes by their providers (3) committed – amounts constrained to specific purposes by action of the School Board (4) assigned – amounts the School Board intends to use for specific purposes or (4) unassigned – amounts that are available for any purpose. Because governmental fund information does not encompass the long-term focus of the government-wide statements, additional information is presented in Exhibits D and F to explain the differences between the two sets of financial statements.

- **Fiduciary Funds** – The School Board is the trustee, or *fiduciary*, for its employees' *Early Retirement Incentive Pension Plan*. In addition, the School Board uses *Agency Funds* to report resources held by it in a purely custodial capacity (in which the assets equal the liabilities) and involve only the temporary receipt, investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. The School Board's only agency funds are the *Maggie L. Walker Governor's School for Government & International Studies* and the *MathScience Innovation Center*, which are regional educational consortiums for which the School Board serves as fiscal agent, and the *School Activity Funds* held at various schools. Management of the School Board shares responsibility with the management of these agencies (which is primarily responsible) for ensuring that the assets reported in these funds are used for their intended purposes. All of the School Board's fiduciary activities are reported in the separate *Statement of Fiduciary Net Assets* and the *Statement of Changes in Fiduciary Net Assets.* The School Board excludes these activities from its government-wide financial statements because the School Board cannot use these assets to finance its operations.

## REPORTING THE SCHOOL BOARD AS A WHOLE

The Statement of Net Assets and the Statement of Activities provide the financial status and operating results of the School Board as a whole.

The following table presents a condensed Summary of Net Assets:

**Table 1**
**Summary of Net Assets**
**(in millions of dollars)**

| | Governmental Activities | | Change | Total Percentage Change |
|---|---|---|---|---|
| | 2011 | 2010 | 2011-2010 | 2011-2010 |
| **Assets:** | | | | |
| Current and other assets | $ 70.1 | $ 80.3 | (10.2) | (12.7) % |
| Capital assets, net | 10.4 | 11.2 | (0.8) | (7.2) |
| Total assets | 80.5 | 91.5 | (11.0) | (12.0) |
| **Liabilities:** | | | | |
| Long-term liabilities | 37.4 | 33.8 | 3.6 | 10.5 |
| Other liabilities | 33.9 | 48.7 | (14.8) | (30.4) |
| Total liabilities | 71.3 | 82.5 | (11.2) | (13.6) |
| **Net assets:** | | | | |
| Invested in capital assets, net of related debt | 4.3 | 4.6 | (0.3) | (6.5) |
| Restricted | 7.3 | 8.4 | (1.1) | (12.9) |
| Unrestricted | (2.4) | (4.0) | 1.6 | (41.2) |
| Total net assets | $ 9.2 | $ 9.0 | 0.2 | 2.2 |

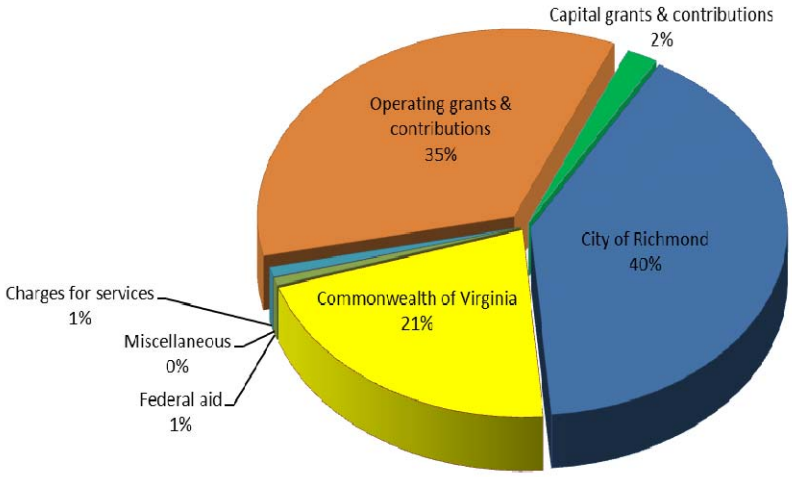
## DISCUSSION OF GOVERNMENT-WIDE NET ASSETS

As reflected in Table 1 above, the School Board's total assets exceeded liabilities by $9.2 million on June 30, 2011 representing an increase of $141 thousand, or 2.2 percent, over net assets at June 30, 2010. The largest portions of the School Board's net assets are $6.4 million in restricted resources appropriated by ordinance of the City for major renovation and repair capital improvement project and the investment in capital assets (equipment and vehicles) less any outstanding debt used to acquire those assets of $4.2 million. The remaining $911 thousand is restricted by third parties for Permanent Fund purposes, leaving an unrestricted net asset deficit of $(2.4) million.

## SUMMARY OF GOVERNMENT-WIDE REVENUES

Table 2 following shows a visual representation of the major sources of School Board revenue, by percentages, for fiscal year 2011. Revenue sources, which originate from *Charges for Services*, *Operating Grants and Contributions*, and *Capital Grants and Contributions,* total 38 percent of total revenues and are classified as *Program Revenues.* Program revenues are generated from the program itself, such as Charges for Services, or are given to the School Board by other governments, organizations, or individuals, with restrictions to be used to support particular School Board programs. Thus, program revenues reduce the net cost of the particular School Board programs to which they apply and are necessary for the continuation of many of those School Board programs. The costs that remain must be covered by the *General Revenues* received by the School Board. General revenues comprise the remaining 62 percent of School Board revenue and consist of appropriations from the City, aid from the Commonwealth of Virginia and the federal government, and an amount of miscellaneous revenues. As shown, the largest part of the School Board's general revenue comes from the City, followed closely by aid from the State.

**Table 2**
**Sources of Revenues for Fiscal Year 2011**



## SUMMARY OF GOVERNMENT –WIDE EXPENSES, BY FUNCTION

Table 3 following shows a visual representation of the overall expenses of the School Board, by function, on a percentage basis for fiscal year 2011. As shown, the biggest part of the costs incurred in the School Board's programs, 75.7 percent was spent on instruction. Operations and maintenance of the schools, (including buildings and grounds maintenance, custodial services, utilities and supplies costs) and security service came in second at 9.9 percent. Accordingly, the costs to instruct students and to provide well-maintained and secure facilities amounted to 85.6 percent of all School Board costs.

Directly related costs to transport, provide nutrition service, and to track attendance and provide health services to our students amounted to 3.5 percent, 3.7 percent and 2.4 percent of total costs, respectively, totaling another 9.6 percent of costs. Finally, administrative costs were 2.3 percent and facilities services, which include major capital improvement projects, accounted for 2.5 percent of the total costs of School Board operations during fiscal year 2011.

**Table 3**
**Functional Expenses for Fiscal Year 2011**

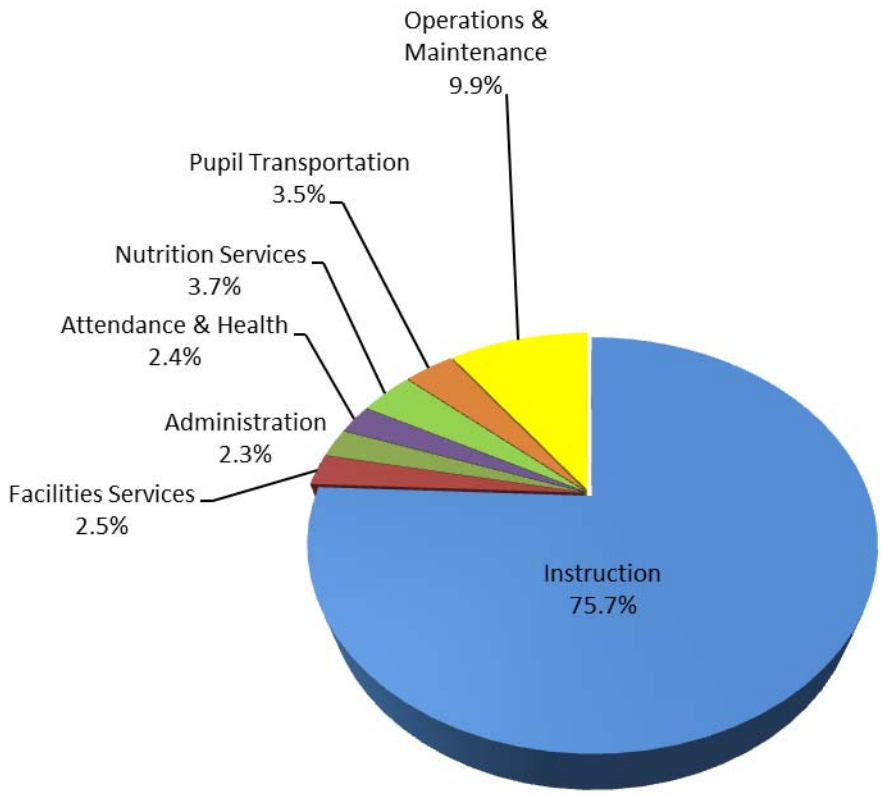


Table four following presents a comparative condensed Summary of Changes in Net Assets and a more detailed discussion of the changes in the School Board's government-wide net assets.

**Table 4**
**Summary of Changes in Net Assets**
**(in millions of dollars)**

| | Governmental Activities | | FY 2011 Increase/ | Total Percentage Change |
|---|---|---|---|---|
| | 2011 | 2010 | (Decrease) | 2010-2011 |
| **Revenues:** | | | | |
| Program revenues: | | | | |
| Charges for services | $ 2.8 | $ 3.2 | $ (0.4) | (12.5) % |
| Operating grants and contributions | 106.8 | 101.3 | 5.5 | 5.4 |
| Capital grants and contributions | 6.1 | 6.7 | (0.6) | (9.0) |
| Total program revenues | 115.7 | 111.2 | 4.5 | 4.0 |
| General revenues: | | | | |
| Intergovernmental aid - unrestricted: | | | | |
| City of Richmond | 124.2 | 127.1 | (2.9) | (2.3) |
| Commonwealth of Virginia | 65.4 | 74.0 | (8.6) | (11.6) |
| Federal government | 2.0 | 10.3 | (8.3) | (80.6) |
| Miscellaneous | 0.2 | 0.6 | (0.4) | (66.7) |
| Total general revenues | 191.8 | 212.0 | (20.2) | (9.5) |
| Total revenues | 307.5 | 323.2 | (15.7) | (4.9) |
| **Expenses:** | | | | |
| Instruction | 234.4 | 252.7 | (18.3) | (7.2) |
| Support services: | | | | |
| Administration | 7.1 | 7.1 | - | 0.6 |
| Attendance and health | 7.4 | 7.6 | (0.2) | (2.7) |
| Nutrition services | 11.4 | 10.9 | 0.6 | 5.1 |
| Pupil transportation | 10.8 | 10.7 | 0.1 | 0.8 |
| Operations and maintenance | 30.8 | 30.1 | 0.7 | 2.2 |
| Facilities services | 7.6 | 7.3 | 0.3 | 4.3 |
| Total support services expenses | 75.2 | 73.7 | 1.5 | 2.0 |
| Total expenses | 309.6 | 326.4 | (16.8) | (5.2) |
| Change in net assets | (2.1) | $ (3.2) | 1.1 | 35.2 |
| Net assets - July 1, as restated | 11.3 | 12.2 | (0.8) | |
| Net assets - June 30 | $ 9.2 | 9.0 | 0.2 | |

As the above table shows, the School Board's net assets, as restated decreased by $2.1 million from fiscal year 2010 to fiscal year 2011.

The decrease in the change in net assets was mainly attributable to an overall decrease in revenue of $15.7 million, offset by an overall decrease in expenses of $16.8 million.

The change in revenue was related to an increase in program revenue from the following sources:

- Funding from the City decreased to $124.2 million from $127.1 million in fiscal year 2011, a decrease of $2.9 million, representing the challenging fiscal environment in the City.
- A $4.5 million increase in program revenue, which includes $3.1 million in Title VI-B grants funds under the American Recovery and Reinvestment Act (Recovery Act) to deliver educational services to students with disabilities, additional Title I grant funding of $853 thousand
- An additional $385 thousand Nutrition Service federal and reimbursements under the National School Lunch program;

The increase in program revenue was offset by a decrease of other revenue sources:

- A decrease of $400 thousand in charges for service
- A decrease of $600 thousand capital contributions relating to decrease City appropriations for capital improvement projects
- A $20.2 million decrease in revenue from City, state and federal government appropriations due to budget constraints and the expiration of two year – one time Recovery Act funding.

The change in expenses of $16.8 million was primarily due to downward adjusted spending levels based on the decline in revenue streams. Spending increases were limited to local match requirements for state supported programs and contractual services.

Instructional spending, down by $18.3 million, reflect personnel adjustments of ($14.3) million, a net decline of 94 FTE's.

## FINANCIAL ANALYSIS OF THE SCHOOL BOARD'S FUNDS

As reported on Exhibit C of the basic financial statements, the School Board's governmental funds reflect a combined fund balance of $36.1 million at June 30, 2011, an increase of $2.1 million

- Of the combined fund balance, $8.3 million are non-spendable resources, which include inventory and prepaid insurance accounts. $6.2 million is restricted by grantors, outside agencies and the nutrition service program. $8.5 million is not available for new spending because it was committed, by action of the School Board, for purchase orders and contracts of $6.3 million and $2.2 million for self-supporting programs. The remaining $13.1 million in fund balance constitutes the assigned balance of $6.0 million to fund the FY12 general operating budget, and $6.4 million in capital fund appropriations remaining to complete budgeted major renovations and remediation projects. The net unassigned fund balance of $738 thousand remains available for new spending.

The major components of the increase fund balance are:

- At the end of fiscal year 2010, the General Funds' reported fund balance was $21.5 million. A prior-period adjustment that decreased accounts payable liabilities by $1.2 million (see note 15 beginning on page 56) resulted in a restatement of fiscal year 2010 General Fund balance to $23.8 million. Current year general fund revenues of $238.4 million exceeded expenditures of $233.4 million by $5.0 million less expenditures for transfers to other funds of $1.5 million which resulted in an increase in the general fund balance of $3.4 million.

  The $3.4 million increase in the General Fund balance resulted from the net of: a decrease in operating revenue of $17.7 million primarily due to a $6.1 million decline in state revenue and an $8.3 million decrease in federal revenue as a result of Recovery Act funding ending; which was offset by a decrease in current operating expenditures of $21.1 million, primarily due to elimination of vacancies, personnel adjustments, and a 15 percent system-wide reduction in non-personnel costs.

- The School Board's Special Revenue Fund recognizes revenues based upon expenditures incurred under a reimbursement-basis and restricted-purpose grant awards. Accordingly, reported revenues are equal in amount to expenditures made during the fiscal year. Grant matching requirements and related management objectives resulted in transfers from the General Fund to the Special Revenue Fund to support the grant objectives totaling $1.6 million during FY 2011.

- The Nutrition Services Fund reported a restricted fund balance of $1.7 million; a decrease of $85,395. Nutrition Service Fund revenues increased by $71.2 thousand primarily as a result of an increase in state and federal revenue of $389.7 thousand from participation in the National School Lunch program, additional revenue from participation in the federal Fresh Fruit and Veggie program and a $25 thousand increase in revenue from vendor discount rebates and rebates received by purchasing products that utilize USDA commodities. The increase in revenues was offset by a decrease in food sales of $342.5 thousand.

  Nutrition Services Fund expenditures increased by $667.3 thousand primarily due to food costs, which increased by $512.3 thousand over prior year.

- At the end of fiscal year 2010, the Capital Projects Fund reported fund balance of $7.6 million. A prior-period adjustment that increased accounts payable liabilities relating to Capital Project funds (see note 15 beginning on page 57) resulted in a restatement of fiscal year 2010 Capital Projects Fund balance by $22 thousand to $7.6 million. The current fiscal year activity reflects a decrease in fund balance of $1.2 million. The net change in fund balance of ($1.2) million is a result of a $684 thousand increase in City appropriations for capital projects offset by an increase in expenditures of $115 thousand, which resulted in a $570 thousand decrease in the net change in fund balance from FY10 to FY11. Expenditures increased due to more school renovation and facility improvement activities completed within the current year. The committed fund balance of $6.4 million includes encumbrances of $3.4 million which are contractual obligations for work in progress on school renovation projects.

- The School Board's Permanent Funds are non-spendable. The earnings and principal must be held in an endowment trust. The earnings may be used in accordance with the Permanent Fund agreements, and the principal must remain in Trust Corpus. Net investment income exceeded current operating expenditures during FY 2011, resulting in an increase in the fund balance of the Permanent Funds of $24 thousand for the fiscal year. This ending fund balance represents the amount reserved for Permanent Fund purposes, as reported on Exhibit C, in accordance with the Permanent Fund agreements.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The following is a condensed General Fund Budgetary Comparison Schedule (see detail at Exhibit I):

**Table 5**
**General Fund Budgetary Highlights**
**(in millions of dollars)**

| | Original Budget | Final Budget | Actual (Budgetary Basis) | Variance With Final Budget Positive (Negative) |
|---|---|---|---|---|
| **Budgetary fund balances:** | $ 4.2 | $ 11.2 | $ 7.0 | $ (4.2) |
| **Revenue Sources (inflows):** | | | | |
| City of Richmond | 124.2 | 124.2 | 124.2 | - |
| Commonwealth of Virginia | 111.9 | 112.9 | 108.7 | (4.2) |
| Federal government | 0.7 | 0.7 | 2.8 | 2.1 |
| Miscellaneous | 0.8 | 0.8 | 0.9 | 0.1 |
| **Total amounts available for expenditure** | 241.8 | 249.8 | 243.6 | (6.2) |
| **Expenditures (outflows):** | | | | |
| Personnel services - salaries and wages | 148.5 | 148.5 | 149.7 | (1.2) |
| Employee benefits | 49.2 | 49.1 | 40.0 | 9.1 |
| Purchased services | 14.5 | 16.8 | 13.5 | 3.3 |
| Other charges | 11.5 | 13.7 | 11.5 | 2.2 |
| Materials and supplies | 6.2 | 7.8 | 6.7 | 1.1 |
| Other operating expenditures | 1.8 | 2.0 | 1.7 | 0.3 |
| Capital outlay | 1.5 | 2.9 | 1.8 | 1.1 |
| **Other financing uses:** | | | | |
| Notes payable | 0.9 | 1.3 | 0.9 | 0.4 |
| Transfers out | 7.7 | 7.7 | 7.3 | 0.4 |
| **Total expenditures and other financing uses** | 241.8 | 249.8 | 233.1 | 16.7 |
| **Amounts available for expenditure over expenditures and other financing uses - budgetary basis** | $ - | $ - | $ 10.5 | $ 10.5 |

As shown on exhibit I, the actual amounts available for expenditures were $10.5 million over final budget basis expenditures for FY 2011, the net result of total revenues under budget by $6.2 million offset by total expenditures under budget of $16.7 million.

Several factors contributing to the change in total revenues during fiscal year 2011 are as follows:

- Re-appropriated fund balance carried forward from fiscal year 2010 of $4.2 million was budgeted in anticipation of a funding gap based on revenue estimates and budgeted expenditures for fiscal year 2011. After revised forecast for all revenue sources and expenditures, the $4.2 million was unexpended at fiscal yearend.

- Total revenue from the Commonwealth of Virginia was $4.3 million below final budget, primarily attributable to: (1) a $1.6 million decrease in Standards of Quality (SOQ) basic aid revenue as a result of budget reductions to deal with the difficult economic climate (2) $1.1 shortfall in Incentive based funding under the composite index change hold harmless category; and (3) $1.2 million shortfall in Lottery funded programs attributable to the Virginia preschool initiative funding which is based on final enrollment.

- Revenue from the Federal government was over budget by $2.2 million, primarily due to funding from State Fiscal Stabilization Funds under the final year of Recovery Act funding.

Actual expenditures were under final budget basis expenditures by $16.7 million. The major variance between the final budget and actual expenditures includes:

- $9.1 million in employee benefits primarily related to a $3.3 million savings in the current fiscal year in contributions to the Early Retirement Incentive program, $2.7 million in health care as result of the change to a fully insured plan from a self-insured plan and an additional $3.1 million in health care savings under joint procurement with the City of Richmond.

- $3.3 million in purchased services in the fiscal year 2011 primarily as a result of $2.1 million in pre-payments of tuition to regional programs on June 30, 2010.

- $4.0 million in other charges, materials and supplies and other operating expenditures. Major variances included in these categories are $1.5 million in savings in school bus maintenance cost resulting from newer fleet acquired under the bus capital lease and $886 thousand in textbooks, instructional, janitorial and maintenance supplies.

During fiscal year 2011, the School Board amended the legally adopted budget at various times for the following purposes, as detailed on Exhibit I:

- To appropriate (add) approximately $7.0 million to pay for commitments in the form of encumbrances established prior to July 1, 2010, but not paid by that date. The encumbrances were for purchase orders authorized and issued, and for contracts and other commitments which existed at June 30, 2010, but for which the goods or services were not received by that date. As one method of budgetary control, the School Board encumbers the budget and fund balance when those obligations are established and increases the budget in the ensuing year by supplemental appropriation for encumbrances, which were outstanding at the end of the previous year.

- To re-allocate the total expenditure budget as needed between various expenditure budget areas as needs change during the year.

## CAPITAL ASSETS

At the end of fiscal year 2011, the School Board had invested $10.4 million (see financial statement note 5) in vehicles (primarily school buses) and equipment, as reflected in Table 6 below:

**Table 6**
**Capital Assets**
**(In millions of dollars)**

| | Governmental Activities | | Total Change | |
|---|---|---|---|---|
| | 2011 | 2010 | 2010-2011 | |
| Vehicles, net | $ 2.2 | 2.7 | (0.5) | % |
| Other equipment, net | 8.2 | 8.5 | (0.3) | |
| Total | $ 10.4 | 11.2 | (0.8) | |

This year's investment in capital assets included purchases of $562 thousand for equipment primarily in technology equipment. The City retains legal title to the land and buildings occupied by the School Board, and provide such assets, at no cost, to the School Board for its use. Consequently, these assets, including construction in progress, are only reported on the City's Statement of Net Assets. However, the School Board manages all construction contracts for school buildings, and capital appropriations from the City and the expenditure of those monies by the School Board for school construction and renovation are reported in the School Board's Capital Projects Fund.

All debt related to the acquisition of the School Board's land and buildings is a liability of the City, and, accordingly, is not reflected in the School Board's basic financial statements. The School Board has no infrastructure capital assets. Information about the School Board's capital assets is presented in notes one and five to the basic financial statements. Contractual commitments totaling $3.4 million in the Capital Projects Fund are disclosed in note 12.

## LONG-TERM DEBT

Except for the long-term liabilities disclosed in notes 6 and 7 to the basic financial statements, the School Board does not have a liability for any long-term debt nor does the School Board have any legal debt limit, debt margin, or bonds outstanding.

## ECONOMIC FACTORS

The fiscal year 2012 legally adopted General Fund budget is $249.1 million, a $7.3 million or 3.0 percent increase from the fiscal year 2011 budget. The General Fund appropriation from the City is budgeted at approximately $123.7 million, a decrease of $477 thousand, or .04 percent under the actual fiscal year 2011 General Fund appropriation. Commonwealth of Virginia funds are budgeted at $107.5 million, a decrease of $4.5 million, or 4.0 percent.

During fiscal year 2010, the Commonwealth of Virginia (the Commonwealth) initiated certain responsive actions to the economic downturn that will affect the School Board. Through changes in certain actuarial assumptions for Virginia Retirement System (VRS) sponsored retirement plans, which were affected by legislation passed by the General Assembly, the Commonwealth was able to defer rate increases requested by the VRS Trustees, and

an increase in the local employer share of these pension contributions was similarly deferred. The impact of these deferrals reduced pension related costs of the School Board in fiscal year 2011 slightly. The legislation requires that this deferral of costs begin to be replenished starting in fiscal year 2012 and will continue until fully replenished in fiscal year 2021. In fiscal year 2012, the projected VRS rate for the School Board increases by 2.4 percent to 11.93 percent, which will cost the school district approximately $2,300,000 more than in FY2011. Ultimately, it is likely that there will be significant increases in the local employer costs to be funded in order for VRS to meet its future payment obligations.

This financial report is designed to provide the citizens and taxpayers of the City of Richmond, Virginia and the School Board's creditors with a general overview of the School Board's finances and to demonstrate the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the School Board's Department of Budget and Financial Reporting at the School Board of The City of Richmond, 301 North Ninth Street, Richmond, Virginia 23219-1927.

# Basic Financial Statements

**This page intentionally left blank**

# Government-Wide Financial Statements

**The School Board of the City of Richmond, Virginia**
**(A Component Unit of the City of Richmond, Virginia)**

**Statement of Net Assets - Governmental Activities**

**June 30, 2011**

| | |
|---|---|
| Assets | |
| Equity in cash with the City of Richmond, Virginia | $ 34,896,114 |
| Cash on hand or in banks | 327,549 |
| Investments | 1,127,265 |
| Accounts receivable | 161,472 |
| Equity in cash with third-party health claims administrators | 6,727,137 |
| Due from other governments | 26,290,522 |
| Inventory of materials and supplies | 239,809 |
| Prepaid Items | 318,534 |
| Capital assets, net | 10,448,482 |
| Total assets | $ 80,536,884 |
| Liabilities and net assets | |
| Liabilities: | |
| Accounts payable | $ 4,614,035 |
| Accrued liabilities | 21,836,359 |
| Due to other governments and external parties | 3,817,449 |
| Unearned revenue | 2,366,169 |
| Noncurrent liabilities: | |
| Due within one year | 1,315,801 |
| Due in more than one year | 37,400,886 |
| Total liabilities | 71,350,699 |
| Net assets: | |
| Invested in capital assets, net of related debt | 4,246,856 |
| Restricted for: | |
| Capital Projects | 6,382,000 |
| Permanent fund purposes - nonexpendable | 203,471 |
| Permanent fund purposes - expendable | 707,891 |
| Unrestricted (deficit) | (2,354,033) |
| Total net assets | 9,186,185 |
| Total liabilities and net assets | $ 80,536,884 |

See accompanying notes to basic financial statements.

**Exhibit B**

## The School Board of the City of Richmond, Virginia
## (A Component Unit of the City of Richmond, Virginia )

### Statement of Activities - Governmental Activities

### For The Fiscal Year Ended June 30, 2011

| Functions/Program Activities | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Instruction | $ 234,433,357 | 1,070,017 | 95,764,142 | - | (137,599,198) |
| Support services: | | | | | |
| Administration | 7,144,859 | - | - | - | (7,144,859) |
| Attendance and health | 7,397,645 | - | - | - | (7,397,645) |
| Nutrition services | 11,447,257 | 1,447,557 | 9,906,614 | - | (93,086) |
| Pupil transportation | 10,791,692 | - | - | - | (10,791,692) |
| Operations and maintenance | 30,774,255 | 243,659 | 1,149,908 | - | (29,380,688) |
| Facilities services | 7,611,884 | - | - | 6,072,480 | (1,539,404) |
| Total support services | 75,167,592 | 1,691,216 | 11,056,522 | 6,072,480 | (56,347,374) |
| Total governmental activities | $ 309,600,949 | 2,761,233 | 106,820,664 | 6,072,480 | (193,946,572) |

| | |
|---|---|
| General revenues: | |
| Intergovernmental aid not restricted to specific purposes: | |
| City of Richmond, Virginia | 124,234,268 |
| Commonwealth of Virginia | 65,358,815 |
| Federal government | 1,994,626 |
| Miscellaneous | 199,194 |
| Total general revenues | 191,786,903 |
| Change in net assets | (2,159,669) |
| Net assets - July 1, 2010, as restated | 11,345,854 |
| Net assets - June 30, 2011 | $ 9,186,185 |

See accompanying notes to basic financial statements.

# Fund Financial Statements

**Exhibit C**

**The School Board of the City of Richmond, Virginia**
**(A Component Unit of the City of Richmond, Virginia)**

**Balance Sheet**

**Governmental Funds**

**June 30, 2011**

| | General | Special Revenue | Nutrition Services | Capital Projects | Permanent | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Assets | | | | | | |
| Equity in cash with the City of Richmond, Virginia | $ 34,896,114 | - | - | - | - | 34,896,114 |
| Cash on hand or in banks | 259,730 | - | 67,819 | - | - | 327,549 |
| Investments | 129,992 | - | - | - | 997,273 | 1,127,265 |
| Accounts receivable | 99,151 | - | 62,321 | - | - | 161,472 |
| Equity in cash with third-party health claims administrators | 6,727,137 | - | - | - | - | 6,727,137 |
| Due from other governments | 1,994,626 | 15,735,854 | 1,773,409 | 6,786,633 | - | 26,290,522 |
| Due from other funds | 9,526,467 | - | 392,810 | - | - | 9,919,277 |
| Prepaid Items | 318,534 | - | - | - | - | 318,534 |
| Inventory of materials and supplies | 239,809 | - | - | - | - | 239,809 |
| Total assets | $ 54,191,560 | 15,735,854 | 2,296,359 | 6,786,633 | 997,273 | 80,007,679 |
| Liabilities and fund balances | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | $ 2,924,593 | 1,394,340 | 224,930 | 70,172 | - | 4,614,035 |
| Accrued liabilities | 20,187,811 | 2,570,560 | 393,789 | - | - | 23,152,160 |
| Due to fiduciary external parties | 3,816,949 | - | - | - | - | 3,816,949 |
| Due to other funds | 61,944 | 9,436,453 | - | 334,461 | 86,419 | 9,919,277 |
| Deferred revenue | 31,668 | 2,334,501 | - | - | - | 2,366,169 |
| Advances from the City of Richmond, Virginia | 500 | - | - | - | - | 500 |
| Total liabilities | 27,023,465 | 15,735,854 | 618,719 | 404,633 | 86,419 | 43,869,090 |
| Fund balance (deficit): | | | | | | |
| Nonspendable: | | | | | | |
| Inventories | 239,809 | - | - | - | - | 239,809 |
| Prepaid Insurance | 7,045,671 | - | - | - | - | 7,045,671 |
| Investments | 129,992 | - | - | - | - | 129,992 |
| Permanent fund purposes | - | - | - | - | 910,854 | 910,854 |
| Restricted | | 4,491,024 | | | | 4,491,024 |
| Committed | 8,523,298 | | | | | 8,523,298 |
| Assigned: | | | | | | |
| General Fund - FY 2012 General Operating Budget | 6,000,000 | - | - | - | - | 6,000,000 |
| Nutrition Service Fund | - | - | 1,677,640 | - | - | 1,677,640 |
| Capital Projects Fund | - | - | - | 6,382,000 | - | 6,382,000 |
| Unassigned | 5,229,325 | (4,491,024) | - | - | - | 738,301 |
| Total fund balances | 27,168,095 | - | 1,677,640 | 6,382,000 | 910,854 | 36,138,589 |
| Total liabilities and fund balances | $ 54,191,560 | 15,735,854 | 2,296,359 | 6,786,633 | 997,273 | 80,007,679 |

See accompanying notes to basic financial statements.

## The School Board of the City of Richmond, Virginia
## (A Component Unit of the City of Richmond, Virginia)

## Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Assets

## June 30, 2011

| | | |
|---|---|---|
| Total fund balances - governmental funds (Exhibit C) | | $ 36,138,589 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | | |
| Capital assets used in Governmental Funds (note 5) are not financial resources and therefore are not reported as assets in the Governmental Funds' Balance Sheet. The cost of the assets, which consist of vehicles and equipment, is $30,171,024 and the accumulated depreciation is $19,722,542 | | 10,448,482 |
| The portion of noncurrent liabilities due in more than one year applicable to the School Board's Governmental Funds (note 6) are not due and payable in the current period and accordingly are not reported as liabilities in the Governmental Funds Balance Sheet. At year-end, those liabilities consisted of: | | |
| Workers' compensation liability | (3,969,668) | |
| Compensated absences | (11,080,976) | |
| Net pension obligations | (450,011) | |
| Net OPEB obligations | (15,723,348) | |
| Capital leases | (6,176,883) | |
| | | (37,400,886) |
| Total net assets - governmental activities (Exhibit A) | | $ 9,186,185 |

See accompanying notes to basic financial statements.

**The School Board of the City of Richmond, Virginia**
**(A Component Unit of the City of Richmond, Virginia)**

**Statement of Revenues, Expenditures and**
**Changes in Fund Balances**

**Governmental Funds**

**For The Fiscal Year Ended June 30, 2011**

| | General | Special Revenue | Nutrition Services | Capital Projects | Permanent | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Intergovernmental: | | | | | | |
| City of Richmond, Virginia | $ 124,234,268 | - | - | 6,072,480 | - | 130,306,748 |
| Commonwealth of Virginia | 109,858,138 | 6,877,258 | 255,406 | - | - | 116,990,802 |
| Federal government | 2,814,934 | 43,566,316 | 9,651,208 | - | - | 56,032,458 |
| Donations and gifts | 4,895 | 1,180,401 | - | - | - | 1,185,296 |
| Charges for goods and services: | | | | | | |
| Tuition and fees | 750,236 | 695,054 | - | - | - | 1,445,290 |
| Food sales | - | - | 1,365,620 | - | - | 1,365,620 |
| Investment income, net: | | | | | | |
| Net increase in fair value of investments | - | - | - | - | 17,143 | 17,143 |
| Interest and dividend income | 5,066 | - | 3,584 | - | 24,391 | 33,041 |
| Miscellaneous | 767,235 | - | 78,353 | - | - | 845,588 |
| Total revenues | 238,434,772 | 52,319,029 | 11,354,171 | 6,072,480 | 41,534 | 308,221,985 |
| Expenditures: | | | | | | |
| Current operating: | | | | | | |
| Instruction | 179,765,928 | 51,914,088 | - | - | 10,106 | 231,690,122 |
| Support services: | | | | | | |
| Administration | 7,334,538 | - | - | - | 7,102 | 7,341,640 |
| Attendance and health | 6,361,842 | 715,392 | - | - | - | 7,077,234 |
| Nutrition services | - | 1,102 | 11,439,566 | - | - | 11,440,668 |
| Pupil transportation | 10,266,722 | 445,960 | - | - | - | 10,712,682 |
| Operations and maintenance | 28,931,586 | 823,413 | - | - | - | 29,754,999 |
| Facilities services | 333,190 | 10,479 | - | - | - | 343,669 |
| Total support services | 53,227,878 | 1,996,346 | 11,439,566 | - | 7,102 | 66,670,892 |
| Total current operating | 232,993,806 | 53,910,434 | 11,439,566 | - | 17,208 | 298,361,015 |
| Capital outlay | - | - | - | 7,264,197 | - | 7,264,197 |
| Debt service: | | | | | | |
| Interest | 436,262 | - | - | - | - | 436,262 |
| Total expenditures | 233,430,068 | 53,910,434 | 11,439,566 | 7,264,197 | 17,208 | 306,061,473 |
| Excess (deficiency) of revenues over (under) expenditures | 5,004,704 | (1,591,405) | (85,395) | (1,191,717) | 24,326 | 2,160,513 |
| Other financing sources (uses): | | | | | | |
| Transfers in (note 4) | - | 1,591,405 | - | - | - | 1,591,405 |
| Transfers out (note 4) | (1,591,405) | - | - | - | - | (1,591,405) |
| Net change in fund balances | 3,413,299 | - | (85,395) | (1,191,717) | 24,326 | 2,160,513 |
| Fund balances - July 1, 2010, as restated | 23,754,796 | - | 1,763,035 | 7,573,717 | 886,528 | 33,978,076 |
| Fund balances - June 30, 2011 | $ 27,168,095 | - | 1,677,640 | 6,382,000 | 910,854 | 36,138,589 |

See accompanying notes to basic financial statements.

**The School Board of the City of Richmond, Virginia**
**(A Component Unit of the City of Richmond, Virginia)**

**Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities**

**For The Fiscal Year Ended June 30, 2011**

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds (Exhibit E) | | $ 2,160,513 |
| Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because: | | |
| Capital asset acquisitions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays, net of deletions of $551,416 did not exceed depreciation expense of $1,273,346 in the period. | | (721,930) |
| In the government-wide Statement of Activities, operating expenses are measured by the total amounts incurred during the year. In the Governmental Funds; however, expenditures are measured by the amount of financial resources used during the year. The differences between the applicable expenses incurred and the related amounts of financial resources used during the fiscal year were as follows: | | |

| Applicable expenses | Amounts Incurred (Over) Under Financial Resources Used |
|---|---|
| Workers' compensation | $ (339,175) |
| Compensated absences: | |
| Vacation pay | 21,757 |
| Sick pay | (209,087) |
| IBNR health claims liability | - |
| Net pension obligation (note 10(c)(iii)) | 1,830,179 |
| Net OPEB obligation (note 11( c )) | (4,926,669) |
| Capital leases: | |
| Energy improvements | 24,743 |

| | |
|---|---|
| Net amount incurred under financial resources used | (3,598,252) |
| Net reconciling items | (4,320,182) |
| Change in net assets of governmental activities (Exhibit B) | $ (2,159,669) |

See accompanying notes to basic financial statements.

# The School Board of the City of Richmond, Virginia
# (A Component Unit of the City of Richmond, Virginia)

## Statement of Fiduciary Net Assets

## Fiduciary Funds

## June 30, 2011

| | Employee Early Retirement Incentive Plan | Agency Funds |
|---|---|---|
| Assets: | | |
| Cash on hand or in banks | $ - | $ 1,377,762 |
| Investments - money market fund | 3,373,746 | - |
| Total investments | 3,373,746 | - |
| Accrued interest receivable | 78 | - |
| Due from other governments | - | 121,291 |
| Due from General Fund | - | 3,816,949 |
| Total assets | $ 3,373,824 | $ 5,316,002 |
| Liabilities: | | |
| Accounts payable | - | 26,879 |
| Accrued liabilities | - | 949,402 |
| Amounts held for other organizations | - | 4,339,721 |
| Total liabilities | - | $ 5,316,002 |
| Net assets: | | |
| Reserved for employee pension benefits | 3,373,824 | |
| Total net assets | $ 3,373,824 | |

See accompanying notes to basic financial statements.

## The School Board of the City of Richmond, Virginia
## (A Component Unit of the City of Richmond, Virginia)

### Statement of Changes in Fiduciary Net Assets

### Fiduciary Funds

### For The Fiscal Year Ended June 30, 2011

| | Employee Early Retirement Incentive Plan |
|---|---|
| Additions: | |
| Contributions | $ 4,000,000 |
| Investment Income: | |
| Dividends | 8,975 |
| Total investment income | 8,975 |
| Total additions | 4,008,975 |
| Deductions: | |
| Benefits | 2,490,342 |
| Total deductions | 2,490,342 |
| Change in net assets | 1,518,633 |
| Net assets - July 1, 2010 | 1,855,191 |
| Net assets - June 30, 2011 | $ 3,373,824 |

See accompanying notes to basic financial statements.

## (1) Summary of Significant Accounting Policies

The School Board of the City of Richmond, Virginia (the School Board) was established in 1868 to provide educational opportunities to the residents of the City of Richmond, Virginia (the City). The accounting policies of the School Board conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

### (a) Financial Reporting Model

GAAP establishes accounting and financial reporting standards for general purpose external financial reporting by state and local governments. The School Board's financial statements include the Management's Discussion and Analysis (MD&A), the Basic Financial Statements, and certain other Required Supplemental Information (RSI), described as follows:

**Management's Discussion and Analysis** – GAAP requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of Management's Discussion and Analysis. This analysis is similar to analysis the private sector provides in its annual reports.

**Government-wide Financial Statements** – The Government-wide financial statements are prepared using full accrual accounting for all of the government's activities, and consist of a Statement of Net Assets and a Statement of Activities, as described below. The Government-wide financial statements display information about the School Board as a whole, except for its *fiduciary activities* (the resources of which are not available to finance School Board programs), and distinguish between governmental and business-type activities, if any. Eliminations have been made to minimize the double counting of internal activities. *Governmental activities* generally are financed through intergovernmental revenues. *Business-type activities* are financed in part by fees charged to external parties. The School Board does not have any business-type activities.

**Statement of Net Assets** – The Statement of Net Assets reports the financial position of the School Board as a whole. In addition to reporting current assets and liabilities, the Statement of Net Assets includes both noncurrent assets and noncurrent liabilities of the School Board (such as vehicles and other equipment and long-term liabilities for various employee benefits). The net assets of the School Board are reported in three categories: 1) invested in capital assets; 2) restricted; and 3) unrestricted. The School Board generally first uses restricted resources for expenses incurred for which both restricted and unrestricted net assets are available. The School Board may defer the use of restricted net assets based on a review of the specific transaction.

**Statement of Activities** – The Statement of Activities is presented in a format that reports expenses by function, reduced by program revenues directly generated by each function, resulting in a measurement of "net expense or revenue" for each of the School Board's functions. Program revenues include: (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) City appropriations, grants and contributions that are restricted to meet the operational or capital requirements of a particular program. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Revenues that are not classified as program revenues, including intergovernmental aid not restricted to specific purposes, are presented as *general revenues*. The Statement of

Activities reports all of the revenues and costs of providing services each year, including depreciation expense on the School Board's vehicles and equipment.

**Fund Financial Statements** – The *Fund* financial statements organize and report the financial transactions and balances of the School Board on the basis of fund categories. Separate statements for each of the School Board's two fund categories – *Governmental* (including *General*, *Special Revenue, Capital Projects*, and *Permanent* funds) and *Fiduciary* are presented. The emphasis of Governmental Fund financial statements is on *major* funds, each of which is required to be displayed in a separate column. All reported governmental funds of the School Board are considered major funds.

**Reconciliation of Government-wide and Fund Financial Statements** – As further discussed in note 1(d), since the Governmental Funds financial statements are presented on a different measurement focus and basis of accounting than the Government-wide financial statements, a summary reconciliation of the difference between total fund balances as reflected on the Governmental Funds' Balance Sheet and total governmental activities' net assets as shown on the Government-wide Statement of Net Assets is presented in Exhibit D. In addition, a summary reconciliation of the difference between the total net change in fund balances as reflected on the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net assets of governmental activities as shown on the Government-wide Statement of Activities is presented in Exhibit F.

**Required Supplementary Information –** The Budgetary Comparison Schedule (Exhibit I) demonstrates compliance with the adopted budget, and is an important component of a government's accountability to the public. The School Board, like most other governments, revises its original budgets over the course of the year for a variety of reasons. The School Board has provided budgetary comparison information for its legally adopted General Fund budget, which includes both the original and final budgets and actual results as required supplementary information. Additionally, the School Board has provided Exhibit J to disclose the schedule of funding progress for the Virginia Retirement System Agent Multiple-Employer Defined Benefit Pension Plan Participation. Exhibit K discloses the funding progress and the schedule of employer contributions for the Early Retirement Incentive Plan for employees of the Richmond Public Schools. Exhibit L discloses the funding progress and the schedule of employer contributions for the School Board's Other Postretirement Employee Benefits program.

(b) **Financial Reporting Entity**

The School Board is a *component unit* of the City because the School Board is fiscally dependent on the City and the majority of the School Board's funding is provided by annual appropriations from the City. Accordingly, the financial position and results of operations of the School Board are discretely presented in the financial statements included in the Comprehensive Annual Financial Report of the City. The School Board, however, is not financially accountable for any other entity, and thus has no component units of its own. Members of the School Board are elected and serve four-year terms. The City Council approves the School Board's operating budget in total but is prohibited from exercising any control over specific expenditures.

The School Board serves as fiscal agent for the Maggie L. Walker Governor's School for Government & International Studies (the Governor's School), the MathScience Innovation Center and the School

Activity Funds. Accordingly, these funds are reported as Agency Funds. The School Board also makes certain contributions or payments to these organizations.

**Jointly Governed Organizations**

The Governor's School operates as an educational consortium and provides specialized and gifted training for students of participating cities and counties from central and southern Virginia. The Governor's School is governed by a separate board that includes one member from each of the participating localities. The School Board is not financially accountable for the Governor's School and has no continuing financial interest in the Governor's School. The School Board made tuition payments approximating $1,451,000 to the Governor's School for the 2010-2011 school year. Complete financial statements for the Governor's School may be obtained from the Governor's School's administrative office at 1000 North Lombardy Street, Richmond, Virginia, 23220.

The MathScience Innovation Center (the Center) operates as an educational consortium and provides specialized training to students of the Counties of Chesterfield, Henrico, Hanover, Goochland, King William and Powhatan; the cities of Petersburg and Colonial Heights and the City. The Center is governed by a separate board that includes the school superintendent and one member of the School Board from the City and each of the counties noted above. The School Board is not financially accountable for the Center and has no continuing financial interest in the Center. The School Board made tuition payments approximating $648,000 to the Center for the 2010-2011 school year. Complete financial statements for the Center may be obtained from the Center's administrative office at 2401 Hartman Street, Richmond, Virginia, 23223.

(c) **Basis of Presentation**

The financial information about the School Board as a whole, except for its fiduciary activities, is reported in the Government-wide financial statements. Additionally, the Fund financial statements organize and report the financial transactions and balances of the School Board on the basis of fund types. The following is a brief description of the major funds reported by the School Board in each of its fund types in the Fund financial statements.

**Governmental Funds** – Governmental funds are those through which most functions of the School Board are financed. The School Board considers all its reported governmental funds to be major, and reports the following funds:

**General Fund** – The General Fund is the School Board's primary operating fund. It is used to account for all financial resources, except those required to be included in another fund.

**Special Revenue Funds** – The Special Revenue Fund is used to account for proceeds of specific revenue sources, other than major capital projects, that are restricted to expenditures for specified purposes. The *Special Revenue Fund* records transactions related to grants that are not specifically reported in another fund.

**Nutrition Services Fund** - accounts for the operations of cafeterias at each school.

**Capital Projects Fund** – The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or maintenance of major capital facilities, other than those financed by the General Fund. The net assets restricted for capital projects in the Government-wide Statement of Net Assets consist of amounts

restricted by City ordinance for capital projects, while the capital projects fund balances in the Governmental Funds Balance Sheet also include amounts transferred from the General Fund and designated for capital projects.

**Permanent Fund** – The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the School Board's programs. These resources support instructional purposes at specific schools, the Richmond Humanities Center, and the School Board's vocational education program.

**Fiduciary Funds** - Fiduciary Funds account for assets held by the School Board in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The School Board's fiduciary funds are presented in the Fund financial statements by type (pension or agency). Since by definition these assets are being held for the benefit of a third party (private parties or pension participants) and cannot be used to address activities or obligations of the School Board, these funds are not incorporated into the Government-wide statements. The following are the School Board's fiduciary funds:

**Trust Fund** – The Trust Fund consists of the *Employee Early Retirement Incentive Plan*, a pension trust fund. The Employee Early Retirement Incentive Plan accounts for the assets of the School Board's early retirement plan.

**Agency Funds** – Agency Funds are custodial in nature. Therefore, their assets equal their liabilities, the balances of which are reported in the Statement of Fiduciary Net Assets. Agency funds do not, however, present results of operations, and accordingly are not reported in the Statement of Changes in Fiduciary Net Assets. The Agency Funds consist of the assets and liabilities of the two jointly governed organizations for which the School Board serves as fiscal agent – the Governor's School and the MathScience Innovation Center – and the School Activity Funds.

(d) **Fund Balances**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

**Non-spendable fund balance** – amounts that are not in a spendable form (such as inventory or pre-paid amounts) or are required to be maintained intact (such as the corpus of an endowment fund)

**Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or enabling legislation

**Committed fund balance –** amounts constrained to specific purposes by the School Board **itself,** using its highest level of decision –making authority; to be reported as committed, amounts

cannot be used for any other purpose unless the School Board takes the same highest-level action to remove or change the constraint

**Assigned fund balance** – amounts the School Board intends to use for a specific purpose; intent can be expressed by the School Board itself or by an official or body to which the School Board delegates authority

**Unassigned fund balance** – amounts that are available for any purpose; these amounts are reported only in the general fund.

(e) **Basis of Accounting/Measurement Focus**

The accounting and financial reporting treatment applied to a financial statement or to a fund is determined by its measurement focus.

**Government-wide and Fiduciary Fund Financial Statements** – The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. Accordingly, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place (except for the plan liabilities of pension trust funds, which are recognized when due and payable in accordance with the terms of the plan). *Nonexchange transactions*, in which the School Board receives value without directly giving equal value in exchange, include appropriations from the City, state sales taxes, grants, entitlements, and donations. Revenue from state sales taxes is recognized on the accrual basis in the fiscal year during which the underlying exchange transaction takes place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements, including time requirements, if any, have been satisfied and if received within one year. Revenues from City appropriations are recognized in the fiscal year the appropriations become legally effective.

Pension Trust Fund contributions from the School Board are recognized in the fiscal year during which the contributions are paid to the Trust Fund. The Pension Trust Fund, not a part of the Government-wide financial statements, uses the full accrual basis of accounting. The Agency Funds, also not a part of the Government-wide financial statements, use the full accrual basis of accounting and do not measure the results of operations.

**Governmental Fund Financial Statements** – Governmental funds are reported on the *flow of current financial resources measurement focus* and the *modified accrual* basis of accounting, wherein the focus is on the determination of, and changes in, financial position and only current assets and current liabilities are included on the Balance Sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual – that is, in the fiscal year in which they become both measurable and available to finance expenditures of the fiscal period. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. Approximately forty-one

percent of the School Board's revenue is from City appropriation, approximately thirty-eight percent is from the Commonwealth of Virginia, approximately nineteen percent is from federal operating grants and the remaining two percent is from donations, tuition and fees. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Revenues from each specific type of nonexchange transaction are recorded as described above and when available. The School Board considers all revenues reported in the Governmental funds to be available if the revenues are collected within sixty days after year-end, except for revenues from reimbursement-based grants, which are generally considered available if received within one year after the fiscal year-end. Revenue from the City for capital projects is recognized in the period to which the City appropriation applies has begun. Expenditures are recognized in the accounting period when the related fund liabilities are incurred, if measurable, with the exception of governmental fund liabilities for sick and vacation pay, postretirement health care and dental benefits, and self-insurance claims, which are recognized as described in notes 1(m), (n) and (o), respectively. The current portion of the capital lease liability is considered paid from expendable available financial resources and therefore recorded as a liability of the current period.

(f) **Encumbrances**

An encumbrance system, under which purchase orders and contractual commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used as a part of the formal budgetary control system. Under GAAP, amounts are classified as restricted, committed, and assigned based on the source and strength of the constraints placed on them. Amounts encumbered for a specific purpose for which amounts have not been restricted, committed or assigned are classified as either committed or assigned.

(g) **Cash**

Equity in cash with the City represents the School Board's share of the cash and investment pool held and administered by the City. The City allocates interest to the Nutrition Services Fund based on the average monthly balance held on its behalf. Cash on hand or in banks in the General, Nutrition Services and Fiduciary Funds includes cash on hand, checking and saving accounts, certificates of deposit and liquid investments, which generally have maturities of less than three months at the time of acquisition. Equity in cash with third party health claims administrators includes monies paid to insurance carriers in excess of claims incurred, which will be used to pay future health care and workers compensation claims.

(h) **Investments**

Investments are stated at fair value. Securities traded on a national exchange are recorded as of the trade date and are valued at the last reported sales price. Mutual fund shares are stated at their reported net asset value at year-end.

(i) **Inventories and prepaid items**

Inventory is stated at cost. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(j) **Capital Assets, Net – Government-wide Financial Statements**

The School Board capitalizes vehicles and equipment (capital assets) having a minimum useful life greater than one year and a cost of $5,000 or more. Those assets, which have been acquired for general governmental purposes, are accounted for and reported in the Government-wide financial statements. Capital assets are stated at historical cost. Contributed capital assets are stated at their fair market value on the date received. Assets acquired through capital lease agreements are recorded at the present value of the minimum lease payments, as stated in the lease's amortization schedule. The School Board has no infrastructure capital assets. In addition, the City retains legal title to the land and buildings occupied by the schools and provides such assets, at no cost, to the School Board for its use; consequently, these capital assets (numbering 51 school building facilities with a net book value approximating $51 million) are not included in the School Board's Government-wide financial statements. In addition, all long-term debt related to the acquisition of the school sites and buildings are a liability of the City and, accordingly, are not reflected in the financial statements of the School Board. Accumulated depreciation is reported as a reduction of capital assets in the Government-wide financial statements. Depreciation is computed using the straight-line method based upon estimated useful lives ranging from five years for office equipment and ten years for buses to thirty years for certain electrical equipment.

(k) **Interfund Activity**

The General Fund receives most cash receipts and makes most cash disbursements on behalf of all School Board funds. Accordingly, the timing differences between the payment of expenditures and the receipt of cash to cover them, and vice-versa, result in interfund receivable and payable balances, all of which are typically expected to be liquidated within the coming fiscal year in the due course of receiving and disbursing cash for grant, capital project and operational purposes.

Transfers to and from other funds are reported as other financing uses in the funds making the transfers and as other financing sources in the funds receiving the transfers. All such payments were routine in nature and consistent with the activities of the fund making the transfers, and include transfers to meet grant-matching requirements and for other management purposes (see note 4).

(l) **Accrued Liabilities**

Accrued liabilities consist of accrued salaries and wages and related payroll taxes, accrued compensated absences (sick and vacation pay) and estimated incurred but not reported workers' compensation claim liabilities.

(m) **Deferred Revenue**

Unearned revenues consist primarily of summer school tuition collected in advance of the fiscal year to which it applies, unexpended grant proceeds, and the amount of unused commodities at year-end.

(m) **Vacation and Sick Pay**

Employees are granted vacation and sick pay in varying amounts as services are provided. Employees may accumulate, subject to certain limitations, unused vacation and sick pay earned and, upon leaving School Board employment, may be compensated for qualifying hours earned at their

then-current rates of pay for accrued vacation leave and at rates established by administrative policy for sick leave (the sick leave rate). The current pay rates and the sick leave rate, including certain additional salary-related fringe benefits, are used in the vacation and sick leave accruals, respectively. In the Government-wide financial statements, the amounts of vacation and sick pay recognized as expense are the total amounts earned during the fiscal year and the liabilities at year end include the amounts currently due, which are based on employee resignations and retirements on or prior to year-end, and noncurrent amounts which will be paid upon future resignations and retirements or used as paid time off. In the Governmental Funds' financial statements, vacation and sick pay liabilities are normally paid from expendable available financial resources, and the expenditures and liabilities are recognized only when payments are due and payable upon employee resignations and retirements. Accordingly, the year-end liabilities are limited to the amounts currently due to employees who have resigned or retired at, or prior to fiscal year end.

(n) **Postretirement Health and Dental Care Benefits**

Obligations for postretirement benefits are recorded on a pay-as-you-go basis; accordingly, the aggregate amount of obligations to pay such future benefits, which could be substantial, is not funded (see note 11).

(o) **Self-insurance Claims**

The School Board is self-insured for its workers' compensation and unemployment compensation. All known outstanding claims have been recorded consistent with the various funds' accounting policies. The School Board uses information provided by third-party insurance administrators to determine the self-insurance liability for Incurred but not reported workers' compensation claims (IBNR). The liabilities for IBNR workers' compensation claims included in the Government-wide financial statements consist of the total actuarially determined estimated liability amounts. In the Governmental Funds' financial statements, the amount of the estimated IBNR workers' compensation claims liabilities are limited to the amounts expected to be paid from expendable available financial resources. Claims are reported in governmental funds only if they come due each period.

## (2) Cash in Banks, Equity in Cash, and Investments

(a) **Cash in Banks**

At June 30, 2011, the carrying amount and the financial institutions' balances of the School Board's deposits with financial institutions applicable to governmental activities approximated $328,000. In addition, the carrying amount of deposits with financial institutions held by the School Board's Fiduciary Funds totaled $1,377,762 and the related financial institutions' balances totaled $1,694,855. The difference of $317,093 between the carrying amounts and the financial institutions' balances were attributable to outstanding checks and deposits in transit in student activity funds. The entire financial institutions' balances were protected by federal depository insurance or collateral held under the provisions of the Virginia Security for Public Deposits Act (the Act); Section 2.1-359 et seq. This Act requires financial institutions holding public deposits in excess of amounts covered by federal insurance to pledge collateral in the amount of 50 percent of excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by financial institutions.

(b) **Equity in Cash with the City of Richmond**

The majority of the School Board's cash is pooled with the City's cash and investment pool and is reported as equity in cash with the City of Richmond, which totaled $34,896,114 at June 30, 2011. Accordingly, information to categorize the School Board's equity in cash with the City, by level of risk assumed, is not available for disclosure. The City issues a publicly available Comprehensive Annual Financial Report, which includes a disclosure of all City investments by risk category and discloses that all City bank deposits are protected by federal depository insurance or collateral held under the Virginia Security for Public Deposits Act.

(c) **Equity in Cash With Third Party Health Claims Administrators**

Equity in cash with third party health claims administrators of $6,727,137 at June 30, 2011 includes the following: (i) $454,520 of monies held with the current medical insurance carrier as an "imprest balance" amount required to be on a deposit at all times to cover claims clearing on a daily basis (ii) $132,000 of monies held with the current dental insurance carrier as an amount required to be on deposit at all times to cover dental claims clearing on a monthly basis and (iii) $6,140,617 of monies held with the former medical insurance carrier in excess of claims incurred, earning monthly interest calculated at the 90 day treasury bill rate; which will be used to pay run-out claims of the previous plan; any remaining balance after which will be returned to the School Board.

(d) **Investments**

The School Board's investment policies are governed by statutes of the Commonwealth of Virginia. Permissible investments primarily include obligations of the United States, the Commonwealth of Virginia and other States, agencies and instrumentalities of those governments, and certain mutual funds.

It is the City's policy to pool for investing purposes all available deposits of the City and its component units that are not otherwise required to be kept separate. The City's investment policy, therefore, applies to the activities of the City's reporting entity, including the School Board with regards to investing the financial assets of its pooled investments.

As of June 30, 2011, the School Board had the following investments held separately from all other School Board deposits held with financial institutions:

**(1)** Investments related to General Fund and Permanent Fund:

| Investment Type | Cost | Fair Value |
|---|---|---|
| Money Market Investments | $ 168,888 | $ 168,888 |
| Mutual Funds | 355,425 | 362,012 |
| Common Stocks | 535,669 | 596,365 |
| **Total** | $ 1,059,982 | $ 1,127,265 |

Investments related to Permanent Funds include $168,888 in money market funds and $362,012 in mutual funds. Investments related to the General Fund include $129,992 in common stocks.

**(2)** Investments related to the Employee Early Retirement Incentive Plan Fiduciary Fund:

| Investment Type | Cost | Fair Value |
|---|---|---|
| Money Market Investments | $ 3,373,746 | $ 3,373,746 |

The Code of Virginia (Code) also authorizes the Early Retirement Incentive Plan for Employees of Richmond Public Schools (The Plan – see note 10(c)) to place investments in common stocks, corporate debt and other securities. As of June 30, 2011, the Plan had investments at fair market value in the Heritage Money Market Fund Portfolio, totaling $3,373,746, or 100 percent of the Plan's net assets.

The Heritage Money Market Fund's portfolio consists of certificates of deposits, asset backed commercial paper, financial company commercial paper, variable rate demand notes, other notes, government agency repurchase agreements, other commercial paper and U.S. treasuries.

The Plan is indirectly exposed to interest rate and credit risks associated with its ownership interest in the Portfolio.

**Interest rate risk**

Interest rate risk represents the risk the School Board is exposed to as a result of changes in in interest rates for debt securities. The School Board does not have a formal policy for interest rate risk.

Investments in money market funds are subject to income risk, which is the possibility that the Fund's yield will decline due to falling interest rates.

**Custodial credit risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School Board will not be able to recover the value of its investments that are in the possession of outside parties. There is no custodial credit risk associated with the money market fund. The School Board does not have a formal policy for credit risk.

**Concentration of credit risk and credit quality**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan prohibits the purchase of securities of any issuer (other than U.S. Treasury or U.S. Government Agency obligations) in excess of 5 percent of the portfolio at the time of purchase. The Plan does not have exposure to concentration of credit risk. The Plan does not have any investment in any one issuer that represents 5 percent or more of the total investments.

As of June 30, 2011, the School Board had investments of $3,373,746 in an Aaa-mf rated money market fund, determined using Moody's Investors Service, Inc. (Moody's) rating of the creditworthiness of money market funds.

## (3) Due From/To Other Governments

In the Statement of Net Assets, amounts due from other governments include appropriations due from the Commonwealth of Virginia, capital appropriations receivable from the City, amounts due under Federal and state grants, and appropriations due from other local government agencies. A capital appropriation receivable from the City is recorded in the period to which the appropriation applies has begun.

The following is a summary of amounts due from other governments at June 30, 2011:

| | Federal | State | City | Other | Total |
|---|---|---|---|---|---|
| Governmental Funds: | | | | | |
| General Fund | $ 1,994,626 | - | - | - | 1,994,626 |
| Special Revenue Fund | 13,725,509 | 1,478,895 | - | 531,450 | 15,735,854 |
| Nutrition Services Fund | 1,773,409 | - | - | - | 1,773,409 |
| Capital Projects Fund | - | - | 6,786,633 | - | 6,786,633 |
| Total | $ 17,493,544 | 1,478,895 | 6,786,633 | 531,450 | 26,290,522 |
| Statement of Fiduciary Net Assets: | | | | | |
| Agency Funds | $ - | - | - | 121,291 | 121,291 |

At June 30, 2011, the School Board's General Fund also had $3,816,949 due to Fiduciary Funds and $500 of advances from the City, all of which are included in due to other governments and external parties, totaling $3,817,449 in the Statement of Net Assets.

## (4) Interfund Balances and Transfers

In the Fund financial statements, interfund receivable and payable balances as of June 30, 2011 were:

| Fund | Interfund Recievables | Interfund Payables |
|---|---|---|
| General | $ 9,526,467 | 61,944 |
| Special Revenue | - | 9,436,453 |
| Nutrition Services | 392,810 | - |
| Capital Projects | - | 334,461 |
| Permanent | - | 86,419 |
| Total | $ 9,919,277 | 9,919,277 |

The balance of $9,436,453 due to the General Fund from the Special Revenue Fund resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur and (2) when payments between funds are performed.

Transfers are used to (1) move revenue from the funds that the State statute or the Schools budget requires to collect them to the fund that the State statute or Schools budget requires to expend them

and/or (2) move receipts collected to finance various programs accounted for in other funds in accordance with budgetary obligations and/or requests dictated by the City's Mayor and City Council.

Interfund transfer balances in the General Fund for the year ended June 30, 2011 were as follows:

| Transfers In | Transfers Out (General Fund) |
|---|---|
| Special Revenue Fund | $ 1,591,405 |
| Total | $ 1,591,405 |

## (5) Capital Assets

Changes in capital assets during the fiscal year ended June 30, 2011 are summarized below:

| | Balance July 1, 2010 | Additions | Deletions | Balance June 30, 2011 |
|---|---|---|---|---|
| Capital assets being depreciated: | | | | |
| Vehicles | $ 15,481,661 | - | 38,512 | 15,443,149 |
| Other equipment | 8,046,972 | 562,084 | 82,806 | 8,526,250 |
| Energy and water equipment | 6,201,626 | - | - | 6,201,626 |
| Total being depreciated | 29,730,259 | 562,084 | 121,318 | 30,171,025 |
| Less: Accumulated depreciation | | | | |
| Vehicles | 12,823,300 | 427,243 | 38,510 | 13,212,033 |
| Other equipment | 5,736,547 | 618,975 | 72,140 | 6,283,382 |
| Energy and water equipment | - | 227,128 | - | 227,128 |
| Total accumulated depreciation | 18,559,847 | 1,273,346 | 110,650 | 19,722,543 |
| Capital assets, net | $ 11,170,412 | (711,262) | 10,668 | 10,448,482 |

Depreciation expense was charged to governmental functions as follows:

| | |
|---|---|
| Instruction | $ 312,892 |
| Support Services | |
| Administration | 22,560 |
| Attendance & Health | - |
| Pupil Transportation | 373,791 |
| Operations and Maintenance | 354,751 |
| Nutrition Services | 22,744 |
| Technology | 184,781 |
| Facilities acquisition and improvements | 1,827 |
| Total | $ 1,273,346 |

## (6) Capital Leases

The School Board entered into a lease agreement as lessee for school buses. This lease is a capital lease and, therefore, has been recorded at the present value of the future minimum lease payment as of the inception date.

The assets acquired through the capital lease are as follows:

| | |
|---|---|
| Assets: | |
| School buses | $ 1,370,786 |
| Less: Accumulated depreciation | (324,290) |
| Total | $ 1,046,496 |

Additionally, RPS performed an energy audit to determine potential energy savings from energy performance contracts. The audit concluded such contracts would reduce the energy and operating costs of RPS, while improving energy and water systems. The project consisted of the purchase and installation of energy and water savings equipment at ten school buildings.

Financing for the purchase of this equipment was structured through a lease-purchase transaction. The School Board entered into a Master Lease Purchase Agreement as lessee. The total amount financed was $6,201,626, all of which remained outstanding at June 30, 2011. This capital lease is recorded at the present value of the future minimum lease payments as of the inception date, July 29, 2009.

The assets acquired through the capital lease are as follows:

| | |
|---|---|
| Assets: | |
| Energy and water equipment | $ 6,201,626 |
| Less: Accumulated depreciation | (227,128) |
| Total | $ 5,974,498 |

The total future minimum lease obligations and the total net present value of the minimum lease payments as of June 30, 2011 are as follows:

| Fiscal Year | Principal | Interest |
|---|---|---|
| 2012 | 24,743 | 469,343 |
| 2013 | 177,202 | 337,767 |
| 2014 | 233,601 | 303,198 |
| 2015 | 269,294 | 290,350 |
| 2016 | 298,816 | 275,791 |
| 2017-2021 | 2,173,377 | 1,088,365 |
| 2022-2025 | 3,024,593 | 356,452 |
| Present value of minimum lease obligations | $ 6,201,626 | $ 3,121,266 |

## (7) Noncurrent Liabilities

Changes in the total noncurrent liabilities during the fiscal year ended June 30, 2011 are summarized below:

| | Amounts Payable at June 30, 2010 | Increases | Decreases | Amounts Payable at June 30, 2011 | Due Within One Year | Due in More Than One Year |
|---|---|---|---|---|---|---|
| Workers' compensation liability | $ 5,095,831 | 339,176 | 592,837 | 4,842,170 | 872,501 | 3,969,669 |
| Vacation pay liability | 3,390,270 | 380,312 | 333,521 | 3,437,061 | 135,024 | 3,302,037 |
| Sick pay liability | 7,975,592 | 902,472 | 815,593 | 8,062,471 | 283,533 | 7,778,938 |
| Incurred and incurred but not reported health claims liability | 2,757,916 | - | 2,757,916 | - | - | - |
| Net pension obligations | 2,280,190 | - | 1,830,179 | 450,011 | - | 450,011 |
| Net OPEB obligations | 10,796,679 | 7,025,808 | 2,099,139 | 15,723,348 | - | 15,723,348 |
| Capital leases- buses | 405,494 | - | 405,494 | - | - | - |
| Capital leases - energy improvements | 6,201,626 | - | - | 6,201,626 | 24,743 | 6,176,883 |
| Total | $ 38,903,598 | 8,647,768 | 8,834,679 | 38,716,687 | 1,315,801 | 37,400,886 |

The above noncurrent liability amounts due in more than one year will be funded in future years by the General Fund, primarily through City appropriations, and are not reported as liabilities on the Governmental Funds' balance sheet (Exhibit C). These liabilities are reported as an obligation on the Government-wide Statement of Net Assets (Exhibit A).

## (8) Lease Commitments

The School Board leases buildings, classroom facilities and office equipment under various operating lease agreements, which are subject to annual appropriation of funds. Total costs for such leases approximated $1,355,000 for the fiscal year ended June 30, 2011:

At June 30, 2011, the annual operating lease commitments are as follows:

| Year Ending June 30 | Amount |
|---|---|
| 2012 | 2,091,645 |
| 2013 | 2,091,645 |
| 2014 | 1,955,110 |
| 2015 | 303,130 |
| 2016 | 303,130 |
| Total minimum lease payments | $ 6,744,660 |

## (9) Fund Balances

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

- *Non-spendable fund balance* – amounts that are not in a spendable form (such as inventory or prepaid insurance) or are required to be maintained intact (such as the corpus of an endowment fund)

- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or enabling legislation

- *Committed fund balance* – amounts constrained to specific purposes by the School Board itself, using its highest level of decision –making authority; to be reported as committed, amounts cannot be used for any other purpose unless the School Board takes the same highest-level action to remove or change the constraint

- *Assigned fund balance* – amounts the School Board intends to use for a specific purpose; intent can be expressed by the School Board itself or by an official or body to which the School Board delegates authority

- *Unassigned fund balance* – amounts that are available for any purpose; these amounts are reported only in the general fund unless a deficit balance exists in another fund.

The fund balances in the Governmental Funds' balance sheet have been classified to reflect the following:

(a) **Non-spendable**

Non-spendable Fund balance for inventory of materials and supplies indicates the portion of fund balance related to the General fund for warehouse inventory of $239,809 which is not otherwise available for appropriation and expenditure.

Non-spendable General Fund balance for prepaid insurance of $7,045,671 represents (i) $586,521 held by the current medical and dental care insurance carriers as prepaid insurance (ii) $4,949,586 held in a reserve account by the former medical insurance carrier under the previous self-insured program which will be returned to the School Board in fiscal year 2012 (iii) $1,191,030 in payments in excess of run-out claims held by the former medical insurance carrier under the previous self-insured program which will be returned to the School Board in fiscal year 2012 and (iv) monies held in reserve for self-insured workers' compensation of $318,534.

Non-spendable Fund balance for Permanent Funds of $910,853 represents amounts legally restricted to the extent only earning, and not principal, may be used for purposes supporting School Board programs.

(b) **Restricted**

The portion of fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Restricted fund balance for Special Revenue Funds of $4,491,024 for proceeds of specific revenue sources that are restricted to expenditures for specific purposes other than debt service and capital projects under various federal and state reimbursement-based grants. Restricted fund balance for the Nutrition Service Fund of $1,677,670 is restricted to expenditures for the specific purpose of operating the Child Nutrition Program and cafeteria operations.

(c) **Committed**

The School Board passed a motion on June 6, 2011 to approve the following fund balance commitments:

(i) $6.2 million for amounts in the General fund that the school district has committed to pay during the fiscal year for goods and services not received prior to the end of the fiscal year.

Significant encumbrances by functional category at June 30 were:

| Functional Category | Final Amount 6/30/2011 | Description of Commitment |
|---|---|---|
| Instruction | $ 2,801,459 | |
| | | Scholastic materials for students |
| | | workbooks, consumables, charts, tablets |
| | | kits, manuals, certificates, supplies |
| | | Employee tuition |
| | | Staff development materials |
| | | Library resource materials & books |
| | | Strategic planning contract |
| | | Redistricting |
| Admin, Attendance & Health | 75,723 | |
| | | Computer equipment & software |
| | | Books & periodicals |
| | | Classroom management, rigor, teambuilding |
| | | Contractual services-pre-employment |
| | | Fingerprinting |
| | | Drug screening |
| | | Printing services |
| | | Student Code of Conduct |
| | | Health supplies - vision tester |
| Pupil Transportation | 1,969,827 | |
| | | Fuel - school bus |
| | | Replacement Buses |
| | | Other transportation fleet vehicles |
| | | Bus maintenance & repairs contract |
| Operations & Maintenance | 872,007 | |
| | | Capitalized leases - energy conservation |
| | | Copier maintenance contract |
| | | Building repair & maintenance contractual services |
| | | Repair & maintenance supplies |
| | | Vehicle commercial repair contract |
| | | Fuel - maintenance services fleet vehicles |
| | | Uniforms and supplies - Security Services |
| | | Supplies - Warehouse Services |
| Technology | 503,196 | |
| | | Student information systems project |
| | | Active Directory/Exchange project |
| | | Wiring & infrastructure improvements |
| | | Computer equipment, software & peripherals |
| | | Office & instructional furniture |
| **Total** | **$ 6,222,212** | |

(ii) $2.3 million in General fund balance pertaining to self-supporting programs listed below which will be used specifically for the purpose of the program that generated the revenue:

| Program Description | Final Amount 6/30/2011 | Description of Commitment |
|---|---|---|
| Arthur Ashe Center | $ 182,247 | Funds generated from building rental fees. Receipts are used for supplies, equipment and for general center operations |
| Driver's Education | 164,868 | Funds generated from student fees pertaining to the Driver Education program |
| Employment Contracts | 441,820 | Funds generated from federal indirect cost recovery to pay contracted salaries and benefits |
| Medicaid | 445,207 | Amounts generated from administrative and direct service billing. Proceeds are used to support special education programs |
| Nursing | 50,924 | Funds generated from fees and services provided for health services to be used for nursing services |
| RTC Book Store | 32,493 | Funds generated from student fees to purchase books for Apprenticeship and evening programs at the Richmond Technical Center |
| Unemployment | 228,858 | Amounts committed for self-insurance unemployment fund obligations Funds are retained to pay the state unemployment insurance program |
| Worker's Compensation | 754,669 | Amounts committed for self-insurance worker's compensation fund Payments are determined by a 3rd party administrator based on approved claims |
| **Total** | **$ 2,301,086** | |

(d) **Assigned**

The School Board has delegated the responsibility to assign funds to the Superintendent or the Chief Operating Officer.

The General Fund assigned fund balance of $6.0 million represents an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's General Fund budget.

The Capital Projects fund balance of $6,382,000 represent resources assigned for the purpose of expenditures to complete approved school renovation and facility improvement projects.

## (10) Defined Benefit Pension Plans

The School Board participates in the Virginia Retirement System (VRS), which provides retirement benefits to substantially all employees, with the exception of certain nonexempt employees who have elected instead to participate in the Richmond Retirement System (RRS). In addition, the School Board maintains a single-employer, defined benefit pension plan, the Early Retirement Incentive Plan for Employees of Richmond Public Schools (the Plan), to supplement retirement benefits under VRS or RRS for qualifying employees who elect early retirement under the Plan. Detailed descriptions of each plan follow:

### (a) Virginia Retirement System

#### (i) Description of the Virginia Retirement System

The School Board contributes to the VRS an agent and cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System (System). All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. The School Board's professional employees participate in the cost-sharing multiple-employer plan and nonprofessional employees participate as a separate group in the agent multiple-employer plan. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service and at age 50 with 30 years of service for participating employers, payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service.

Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment, limited to 5 percent per year, beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months of reported compensation. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500 or downloading the files from the VRS' website:

#### (ii) Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5 percent of their annual reported compensation to the VRS; however, the School Board has assumed the full amount of the member contributions. In addition, the School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees.

For professional employees participating in the VRS cost-sharing multiple-employer plan, the School Board's contributions for the years ended June 30, 2011, 2010 and 2009 were $13,349,670, $16,877,754 and $13,521,715 respectively, and were equal to the required

contributions. The School Board's contribution rate applicable to professional employees for the fiscal year ended June 30, 2011 was 3.93 percent of the annual covered payroll. The School Board's contribution rate applicable to nonprofessional employees for the fiscal year ended June 30, 2011 was 6.86 percent of the annual covered payroll.

(iii) **Annual Pension Cost**

For the fiscal year ended June 30, 2011, the School Board's annual pension cost applicable to School Board nonprofessional employees of $1,354,849 was equal to the School Board's required and actual contributions. The current required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method. The contribution rate is determined by the excess (shortfall) between expected and actual investment income recognized over a five-year period.

The actuarial assumptions at June 30, 2009 included (a) 7.5 percent investment rate of return, (b) projected salary increase rates between 3.75 and 5.6 percent and (c) 2.5 percent per year cost-of-living adjustments compounded annually. The School Board's funded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis over a five-year period.

(iv) **Trend Information**

The trend information applicable to the participation of the School Board's nonprofessional employees in the VRS agent multiple-employer plan is as follows:

**Three-Year Trend Information**

| Fiscal Year Ended June 30 | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 2009 | $ 828,095 | 100.0 | - |
| 2010 | 815,997 | 100.0 | - |
| 2011 | 1,354,849 | 100.0 | - |

(v) **Funding Status and Funding Progress**

As of June 30, 2010, the most recent actuarial valuation date, the actuarial value of the Plan assets was $35,993,765. The Plan was 82.2 percent funded. The actuarial accrued liability for benefits was $43,776,928, resulting in an unfunded actuarial liability (UAAL) of $7,783,163. The covered payroll was $11,856,003 and the ratio of the UAAL to the covered payroll was 65.7 percent. The schedule of funding progress, presented as required supplementary information following the notes the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The method of valuing the School Board's assets is intended to recognize a smoothed market value of assets. Under this method, the difference between actual return on market value is recognized over a five-year period. The actuarial value reflects only a portion of the excess (or shortfall) between recent market value returns and the corresponding expected returns based on the 7 percent investment return assumption. The actuarial value recognizes this excess

return (or shortfall) over a five-year period at the rate of 20 percent per year. This approach dampens year-to-year fluctuations in the contribution rates. The actuarial value of assets cannot be less than 80 percent or more than 120 percent of the market value of assets.

The actuarial value of the Plan's assets at June 30, 2011 is $35,993,765

**(b) Richmond Retirement System**

(i) **Description of the Richmond Retirement System Plan**

The School Board also contributes to the RRS, a cost-sharing multiple-employer public employee retirement system. The RRS is a defined benefit plan that covers substantially all City employees (police, fire and general employees, including certain School Board employees not covered by the VRS) and provides retirement benefits as well as disability benefits. The RRS plan is administered by the Richmond Retirement System Board of Trustees. The City Council is responsible for establishing benefit provisions and funding requirements. Benefits vest after five years of service, and the City pays the entire cost of the plan. The School Board reimburses the City for contributions made on its behalf. Employees do not make contributions to the plan.

Retirement benefits are determined as a percentage of the average of the five highest years' salaries. Normal retirement age is 65. The plan provides for early retirement at age 55 for School Board employees. The RRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. A copy of that report may be obtained by writing the Richmond Retirement System at P.O. Box 10252, Richmond, Virginia, 23240.

(ii) **Funding Policy**

The funding policy of the RRS provides that contributions be made by the employer at actuarially determined rates expressed as a percentage of annual payroll. These contributions are designed to accumulate sufficient assets to pay benefits when due. The required contributions are determined using the projected unit credit actuarial cost method. Unfunded actuarial accrued liabilities are being amortized over a period of 20 years.

During the fiscal year ended June 30, 2011, the School Board contributed 26.5 percent of annual covered payroll. The School Board's contributions to the RRS for the fiscal years ended June 30, 2011, 2010 and 2009 were $421,397, $348,866 and $348,440 respectively, and were equal to the required contributions for each year.

**(c) Early Retirement Incentive Plan for Employees of Richmond Public Schools**

(i) **Plan Description**

The Plan is a legally separate single-employer defined benefit pension plan established in fiscal year 1995 under Section 51.1-800 of the *Code of Virginia* (1950), as amended, to provide early retirement benefits for eligible School Board employees. The School Board is the sole participating employer in the Plan, functions as the Plan administrator, and has authority to

establish and amend its contribution requirements and benefit provisions. The Plan does not issue a stand-alone financial report.

The School Board has an actuarial valuation of the Plan prepared biennially using the individual entry age normal actuarial cost method. The actuarial value of the Plan's assets was determined using a market value method. The Plan's unfunded actuarial accrued liability is amortized using the level dollar method over an open amortization period of four years.

Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 3.5 percent per year compounded annually, (b) projected salary increases of 3.75 percent per year.

Membership in the Plan consisted of the following as of July 1, 2010, the most recent biennial actuarial valuation:

| | |
|---|---|
| Active employees eligible for benefits | 480 |
| Retirees currently receiving benefits | 428 |
| Total | 908 |

The Plan provides early retirement benefits only. Participants in the Plan became eligible for benefits when they met basic requirements and provided services immediately following their early retirement date in accordance with one of the three service options described as follows: Basic requirements prescribe that employees must (1) be an eligible retiree under either VRS or RRS, (2) be between 55 and 62 years of age, (3) have completed 10 years of service with RPS, at least 5 of which must immediately precede the date of retirement, and (4) meet other plan provisions. Monthly benefits are paid based on one of the following service options as elected by the participant:

- Option A – The participant must provide services for 1 full academic year (175 days) and will receive 25 percent of final annual compensation each year for 7 years.
- Option B – The participant must provide services for 1 full academic year (175 days) and will receive 35 percent of final annual compensation each year for 5 years.
- Option C – The participant must provide services for 1/2 an academic year (105 days) and will receive 35 percent of final annual compensation each year for 3 years.

The Plan does not provide for postretirement benefit increases. During the required service period, benefits are paid by the School Board based on services rendered. Thereafter, vested benefits are paid by the pension trustee out of plan assets. All benefits vest after completion of the required service option. School Board contributions are recognized by the Plan when received. Benefits and refunds of the Plan are recognized when due and payable in accordance with the terms of the Plan. Investments are valued as discussed in note 1(g).

Effective July 1, 2005, the above benefit structure of the Early Retirement Incentive Plan was frozen. RPS employees eligible to retire under the Early Retirement Incentive Program as of

June 30, 2005 who had submitted an application by March 31, 2005 were also entitled to receive the benefits under the Plan as described above. Some employees who have substantial service with RPS may be entitled to a transition benefit as described below:

Transition Benefit:

Employees who had at least twenty (20) years of VRS eligible service (including the last ten (10) consecutive years with RPS as of June 30, 2005 who did not elect to retire prior to March 31, 2005 were eligible for a transition benefit under the Plan upon their retirement after age 50 as follows:

(a) 30 - years of service: fifty percent (50%) of final pay in the last twelve (12) months paid evenly (twelve and one-half percent (12.5%) annually) over the first four (4) years of retirement.

(b) 20 to 29 years of service: thirty percent (30%) of final pay in the last twelve (12) months paid evenly (seven and one-half percent (7.5%) annually) over the first four (4) years of retirement.

(c) Less than 20 years of service: no transition benefit. Final pay shall be limited to the maximum pay of the highest teacher scale with master's degree plus thirty (30) credit hours beyond master's degree (ten (10) month contract employee).

403(b) Matching Plan:

Effective August 1, 2005, employees may participate in a 403(b) matching plan. The 403(b) matching plan covers all employees who serve in a contractual annual salary position with RPS. Employees are entitled to defer from one percent (1%) to fifty percent (50%) of eligible pay (base salary plus contractual supplements) but not in excess of Internal Revenue Code annual deferral limits. The RPS contribution provides a match of employee voluntary deferrals equal to twenty percent (20%) of the salary deferral up to three percent (3%) of pay. RPS contributions are posted on participant accounts monthly. The School Board made contributions of approximately $427,000 during the fiscal year ended June 30, 2011.

(ii) **Funding Policy**

The entire cost of Plan benefits is borne by the School Board. The School Board's policy is to make Plan contributions based on actuarially determined amounts sufficient to provide the required Plan benefits. Over time, the School Board's contributions to the Plan should approximate the cumulative annual required contributions (ARC's) determined by biennial actuarial valuations. However, the actual contributions made may differ from the annual required contributions. Since the inception of the Plan, the cumulative required annual contributions have exceeded the actual contributions made to the Plan, which has resulted in the recognition of a noncurrent net pension obligation (NPO) totaling $450,011 in the Government-wide Statement of Net Assets. Substantially all investment and administrative costs of the Plan are borne by the General Fund.

(iii) **Annual Pension Cost**

The School Board's annual pension cost for the fiscal year ended June 30, 2011, and its net pension obligation to the Plan at June 30, 2011, was as follows:

| | | |
|---|---|---|
| Actuarially determined contribution | $ | 2,700,302 |
| Interest on net pension obligation | | 79,807 |
| Adjustment to annual required contribution | | (610,288) |
| Annual pension cost | | 2,169,821 |
| Contributions made | | (4,000,000) |
| Increase in net pension obligation | | (1,830,179) |
| Net pension obligation – beginning of year | | 2,280,190 |
| Net pension obligation – end of year | $ | 450,011 |

(iv) **Three-Year Trend Information**

| Fiscal Year Ended June 30 | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligations |
|---|---|---|---|
| 2009 | 5,840,597 | 110.9 | 1,987,920 |
| 2010 | 4,292,270 | 93.2 | 2,280,190 |
| 2011 | 2,169,821 | 184.3 | 450,011 |

The annual required contribution as of June 30, 2011 was determined as part of the most recent biennial actuarial valuation, dated July 1, 2010, using the individual entry age normal actuarial cost method. The actuarial value of the Plan's assets was determined using a market value method. The Plan's unfunded actuarial accrued liability is being amortized using the level dollar method over an open amortization period of 4 years.

(v) **Funded Status and Funding Progress**

As of June 30, 2011 the plan was 36.5 percent funded. The actuarial accrued liability for benefits of $9,251,105 and the actuarial value of assets was $3,373,824 resulting in an unfunded actuarial liability (UAAL) of $5,877,281. The covered payroll was $27,067,502, and the ratio of the UAAL to the covered payroll was 21.7 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## (11) Postretirement Health and Dental Benefits

### (a) Plan Description

The School Board provides certain postretirement health and dental care medical benefits to retired employees, their spouses and widows up to the age of 65 through the School Board's group health insurance plan, which covers both active and retired employees. The plan is a single-employer defined benefit plan, and substantially all of the employees may become eligible for those benefits if they retire while working for the School Board. The School Board establishes and amends benefits and obligations of the plan.

Coverage is provided through the School Board for employees covered under the VRS plans and through the RRS for employees covered under the RRS plan, (the School Board then reimburses the RRS for the employer portion of those payments).

Covered participants of the Plan consisted of the following at June 30, 2011:

| | |
|---|---|
| Active participants | 3,264 |
| Inactive participants (retired or disabled) | 511 |
| Spouses and widows of retired and disabled participants | 73 |
| Total | 3,848 |

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the School Board and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the School Board and plan members to that point.

The actuarial assumptions at July 1 2010, the most recent actuarial valuation date, included (a) 7.5 percent investment rate of return, (b) projected salary increase rates between 3.75 and 5.6 percent and (c) 2.5 percent per year cost-of-living adjustments compounded annually and (d) health care cost trend rate projection of 9.43 percent as of fiscal year 2011. School Board's funded actuarial accrued liability is being amortized as a level percentage of payroll on an open amortization basis over a five-year period.

### (b) Funding Policy

Currently, the School Board pays for and reports retiree medical benefits on a "pay as you go" basis, which is the practice of paying for these benefits as they become due each year. The School Board's share of contributions is between 38 and 58 percent of the total insurance premiums, based on annual rates approved as a part of the adopted budget. For the fiscal year ended June 30, 2011, the School Board's share of those payments was $2,099,142.

### (c) Annual OPEB Cost and Net OPEB Obligation

The School Board's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC). The Projected Unit Credit Method was used to

calculate the ARC and related information using a 3.5 percent discount rate and an annual projected increase in medical rates of 10 percent. The ARC consists of the normal cost plus amortization of the unfunded actuarial accrued liability (UAAL), which used a level dollar amount over a 30-year amortization period. The UAAL is being amortized by an open or rolling amortization period.

The following table shows the School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the School Board's net OPEB obligation for healthcare and dental benefits for the year ended June 30, 2011:

| | | |
|---|---|---|
| Amortization of UAAL over 30 years | $ | 7,234,955 |
| Normal cost at beginning of year | | 377,884 |
| Interest | | (587,031) |
| Annual Required Contribution | | 7,025,808 |
| Contributions made | | (2,099,142) |
| Increase in net OPEB obligation | | 4,926,666 |
| Net OPEB obligation – beginning of year | | 10,796,679 |
| Net OPEB obligation – end of year | $ | 15,723,345 |

The School Board's annual OPEB required contribution, the percentage of annual OPEB contributed to the plan, and the net OPEB obligation for the last three fiscal years was as follows:

| Fiscal Year Ended June 30 | Annual Required Contribution (ARC) | Actual Contributions | Percentage Contributed | Net OPEB Obligation |
|---|---|---|---|---|
| 2009 | 6,013,492 | 2,963,276 | 49.3 | 7,377,968 |
| 2010 | 6,027,357 | 2,608,646 | 43.3 | 10,796,679 |
| 2011 | 7,025,808 | 2,099,142 | 29.9 | 15,723,345 |

(d) **Funded Status and Funding Progress**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions about the probability of occurrence of events far into the future include future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

As of June 30, 2011, the actuarial accrued liability for benefits totaled $62,370,144 all of which was unfunded. The covered payroll totaled 160,918,060 and the ratio of the unfunded actuarial accrued liability was 38.8 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(e) The other postemployment benefit plan does not issue a stand-alone financial report and is not included in the report of another entity.

## (12) Commitments and Contingencies

### (a) Litigation

At any point in time, various claims and lawsuits are pending against the School Board. In the opinion of outside legal counsel, resolution of these cases would not involve a material liability.

### (b) Federal Award Programs

The School Board participates in a number of federal award programs. The School Board is subject to audit annually in accordance with the provisions of the Office of Management and Budget Circular A-133. These programs are also potentially subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursements to the grantor agencies in the event that any expenditures were to be disallowed under terms of the grants. Based on prior experience, the School Board's management believes such disallowances, if any, will be immaterial.

### (c) Contractual Commitments

At June 30, 2011, the School Board had contractual commitments approximating $3,432,000 in the Capital Projects Fund for various capital projects, all of which are included in the Capital Projects Fund's assigned fund balance.

## (13) Related-Party Transactions

The School Board operates by authority of the charter of the City. In connection therewith, the City provides annual appropriations to the School Board for operating the school system, retains title to all land and buildings of the School Board and is obligated for all bonded indebtedness relating to the School Board. The City is also the custodian of the majority of the School Board's cash and investments. See note 3 for a summary of various amounts due from the City at June 30, 2011. In addition, certain School Board employees participate in the Richmond Retirement System (see note 10(b)).

The City provides various services to the School Board including vehicle maintenance, central telephone, central postage and certain data processing services, and charges the School Board based on fee schedules or time and expenses. The City also provides administrative office space in City Hall to the School Board for which the School Board is not charged. The City provides water and gas utilities for all Richmond Public Schools. In addition, the School Board purchases fuel for its bus fleet from the City and remits health insurance premiums for retirees covered under the Richmond Retirement System. The cost of these services provided by the City during fiscal year 2011 approximated $6,074,000.

## (14) Risk Management

The School Board is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School Board reports all of its risk management activities in its General Fund and pays all claims for retained risks from General Fund resources. The School Board maintains a comprehensive property and casualty policy, a commercial general liability policy, a comprehensive liability vehicle policy, and coverage for School

Board errors and omissions, workers' compensation and employer's liability, and certain other risks with commercial insurance companies. The General Fund retains the risk up to $350,000 for each workers' compensation claim and $100,000 for each property damage claim, and retains the full risk for unemployment compensation and health care benefits.

All workers' compensation claims are paid through third-party administrators from General Fund resources. For all retained risks, claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. There have been no significant reductions in insurance coverage in comparison to coverage in the prior year and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

At June 30, 2011, the amount of claim liabilities was $4,842,170 consisting of incurred but not reported workers' compensation liabilities.

This liability is the School Board's best estimate based on available information. Changes in the reported liability since June 30, 2010 are as follows:

| | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claims Payments | Liability at Fiscal Year-End |
|---|---|---|---|---|
| 2009 – 2010 | $ 8,733,498 | 28,783,266 | 29,663,018 | $ 7,853,747 |
| 2010 – 2011 | $7,853,747 | 339,176 | 3,350,753 | $ 4,842,170 |

## (15) Prior Period Adjustments

The School Board determined that in a previous fiscal year, accounts payable liabilities in the Governmental Fund statements were stated incorrectly. Accounts payable liabilities were stated incorrectly in the General Fund and Capital Projects Fund primarily due to lapse in recording adjusting entries for accrual transactions in prior fiscal years and in the Nutrition Service Fund due to prior year accruals for liabilities to the fund that were subsequently paid in the next period from General Fund resources.

The effect of these transactions related to prior periods on accounts payable liabilities resulted in an overstatement of General Fund accounts payable of $1,211,821; overstatement of Nutrition Service Fund accounts payable of $1,111,427, of which $1,075,001 was re-classed to the General Fund; and an understatement of accounts payable in the Capital Projects Fund of $22,140.

Correction of these amounts had the corresponding effect on the beginning fund balance accounts:

| | Fund Balance as Previously Reported June 30, 2010 | Accounts Payable Adjustment | | Fund Balance As Restated June 30, 2010 |
|---|---|---|---|---|
| General Fund | 21,467,974 | 1,211,821 | 1,075,001 | 23,754,796 |
| Nutrition Service Fund | 1,726,609 | 1,111,427 | (1,075,001) | 1,763,035 |
| Capital Projects Fund | 7,595,857 | (22,140) | - | 7,573,717 |

**This page intentionally left blank**

# Required Supplementary Information (unaudited)

In accordance with U.S. Generally Accepted Accounting Principles, the following schedules and notes are presented as **"Required Supplementary Information"** (unaudited) to the basic financial statements

**Exhibit I**

**Budgetary Comparison Schedule (Unaudited)**
**General Fund**
**For The Fiscal Year Ended June 30, 2011**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | (Budgetary Basis) | (Negative) |
| Budgetary fund balances: | | | | |
| Prior year unreserved fund balance, budgeted at July 1, 2010 | $ 4,200,000 | 4,200,000 | - | (4,200,000) |
| Prior year fund balance reserved for encumbrances and other subsequently added to original budget | - | 6,998,051 | 6,998,051 | - |
| Total budgetary fund balances available for expenditure | 4,200,000 | 11,198,051 | 6,998,051 | (4,200,000) |
| Revenue sources: | | | | |
| Intergovernmental: | | | | |
| City of Richmond - appropriation | 124,234,268 | 124,234,268 | 124,234,268 | - |
| Commonwealth of Virginia: | | | | |
| Department of Education: | | | | |
| Employee benefits | 5,284,999 | 5,284,999 | 5,376,060 | 91,061 |
| Standards of Quality | | | | |
| Basic aid | 41,062,043 | 41,062,043 | 39,439,359 | (1,622,684) |
| Compensation supplements | - | - | - | - |
| Textbooks | 558,700 | 558,700 | 568,326 | 9,626 |
| Education of the gifted | 478,521 | 478,521 | 486,766 | 8,245 |
| Vocational education | 882,605 | 882,605 | 897,947 | 15,342 |
| Special education | 10,357,320 | 10,357,320 | 10,535,780 | 178,460 |
| Remedial education | 2,871,126 | 2,871,126 | 2,920,596 | 49,470 |
| Incentive | | | | |
| Composite index - hold harmless | 11,094,552 | 11,094,552 | 10,026,395 | (1,068,157) |
| Categorical | | | | |
| Special education - homebound payments | 320,391 | 320,391 | 77,615 | (242,776) |
| Special eduction - private tuition | - | - | 7,456 | 7,456 |
| Visually handicapped | 15,100 | 15,100 | 5,826 | (9,274) |
| Lottery | | | | |
| At risk | 4,174,857 | 4,174,857 | 4,246,774 | 71,917 |
| Enrollment loss | - | - | - | - |
| Foster children education | 161,831 | 161,831 | 200,942 | 39,111 |
| K-3 class size reduction | 4,348,965 | 4,348,965 | 4,507,265 | 158,300 |
| SOL algebra readiness | 298,855 | 298,855 | 319,357 | 20,502 |
| Virginia preschool initiative | 4,661,721 | 4,661,721 | 2,675,106 | (1,986,615) |
| Mailing report cards | - | - | - | - |
| Constructional & operating costs | - | - | - | - |
| Cultural transition - English as a second language | 452,681 | 452,681 | 467,143 | 14,462 |
| State sales tax | 24,897,079 | 25,919,456 | 25,919,456 | - |
| Other State Agencies | - | - | 225 | 225 |
| Total Commonwealth of Virginia | 111,921,346 | 112,943,723 | 108,678,394 | (4,265,329) |
| Federal government: | | | | |
| SFSF Basic Aid | - | - | 1,994,626 | 1,994,626 |
| Impact aid Public Law 103-382 | 200,000 | 200,000 | 290,056 | 90,056 |
| Army Reserve | 380,000 | 380,000 | 469,334 | 89,334 |
| Air Force | 70,000 | 70,000 | 60,918 | (9,082) |
| Other | 4,500 | 4,500 | - | (4,500) |
| Total federal government | 654,500 | 654,500 | 2,814,934 | 2,160,434 |
| Total intergovernmental revenues | 236,810,114 | 237,832,491 | 235,727,596 | (2,104,895) |
| Tuition | 300,000 | 300,000 | 267,823 | (32,177) |
| Miscellaneous revenues | 492,500 | 492,500 | 639,957 | 147,457 |
| Total revenues | 237,602,614 | 238,624,991 | 236,635,376 | (1,989,615) |
| Total amounts available for expenditure | $ 241,802,614 | 249,823,042 | 243,633,427 | (6,189,615) |

See accompanying note to Budgetary Comparison Schedule and independent auditors' report

(Continued)

**Exhibit I**

**Budgetary Comparison Schedule (Unaudited)**
**General Fund**
**For The Fiscal Year Ended June 30, 2011**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | (Budgetary Basis) | (Negative) |
| Expenditures: | | | | |
| Personnel services - salaries and wages | $ 148,456,256 | 148,451,481 | 149,658,671 | (1,207,190) |
| Employee benefits | 49,170,002 | 49,124,044 | 39,989,591 | 9,134,453 |
| Purchased services: | | | | |
| Service contracts | 2,099,019 | 3,295,160 | 2,016,548 | 1,278,612 |
| Professional services | 1,844,391 | 1,860,339 | 1,647,460 | 212,879 |
| Tuition | 4,996,962 | 5,250,753 | 2,902,470 | 2,348,283 |
| Temporary services | 268,025 | 359,786 | 290,341 | 69,445 |
| Nonprofessional services | 3,666,819 | 4,077,545 | 4,697,719 | (620,174) |
| Repairs and maintenance | 1,677,127 | 1,975,814 | 1,961,591 | 14,223 |
| Total purchased services | 14,552,343 | 16,819,397 | 13,516,129 | 3,303,268 |
| Other charges: | | | | |
| Advertising | 91,100 | 88,615 | 76,526 | 12,089 |
| Student transportation | 631,234 | 643,752 | 838,806 | (195,054) |
| Garage services | 2,010,981 | 3,632,409 | 2,169,713 | 1,462,696 |
| Transportation expense recovery - field trips | (3,400,000) | (3,450,000) | (3,725,077) | 275,077 |
| Warehouse service | 1,200,000 | 1,312,845 | 1,200,075 | 112,770 |
| Insurance | 2,087,060 | 2,103,060 | 1,775,929 | 327,131 |
| Utilities | 6,748,738 | 6,888,520 | 6,898,914 | (10,394) |
| Communications | 1,650,153 | 1,963,163 | 1,872,857 | 90,306 |
| Rentals | 439,219 | 560,390 | 350,072 | 210,318 |
| Total other charges | 11,458,485 | 13,742,754 | 11,457,815 | 2,284,939 |
| Materials and supplies: | | | | |
| Supplies | 4,952,029 | 6,262,308 | 5,538,696 | 723,612 |
| Printing and binding | 211,962 | 206,618 | 137,488 | 69,130 |
| Books and periodicals | 314,168 | 335,345 | 308,564 | 26,781 |
| Textbooks | 601,700 | 821,299 | 658,664 | 162,635 |
| Other | 109,138 | 125,859 | 97,584 | 28,275 |
| Total materials and supplies | 6,188,997 | 7,751,429 | 6,740,996 | 1,010,433 |
| Other operating expenditures: | | | | |
| Staff development | 410,435 | 445,315 | 355,020 | 90,295 |
| Dues and fees | 222,759 | 231,405 | 188,924 | 42,481 |
| Travel | 269,283 | 273,571 | 184,781 | 88,790 |
| Commencement | 49,595 | 64,114 | 54,834 | 9,280 |
| Awards | 33,135 | 37,268 | 29,928 | 7,340 |
| Contribution to School Activity Funds | 262,446 | 269,392 | 245,199 | 24,193 |
| Other | 581,605 | 603,705 | 598,913 | 4,792 |
| Total other operating expenditures | 1,829,258 | 1,924,770 | 1,657,599 | 267,171 |
| Capital outlay: | | | | |
| Land & Building Improvements | 4,250 | 8,171 | 7,105 | 1,066 |
| Equipment additions | 953,767 | 1,262,984 | 1,085,719 | 177,265 |
| Equipment replacement | 518,860 | 1,671,795 | 729,540 | 942,255 |
| Total capital outlay | 1,476,877 | 2,942,950 | 1,822,364 | 1,120,586 |
| Total expenditures | $ 233,132,218 | 240,756,825 | 224,843,165 | 15,913,660 |

See accompanying note to Budgetary Comparison Schedule and independent auditors' report

(Continued)

**Exhibit I**

**Budgetary Comparison Schedule (Unaudited)**
**General Fund**
**For The Fiscal Year Ended June 30, 2011**

| | | | |
|---|---|---|---|
| Amounts available for expenditure over expenditures, other financing uses and encumbrances - budgetary basis (Exhibit I) | | | $ 10,586,893 |
| Reconciliation of amounts available for expenditure over expenditures, other financing uses and encumbrances - budgetary basis, to net change in fund balance - General Fund (Exhibit E): | | | |
| Changes in fund balance reserved for encumbrances: | | | |
| The amount of the prior year fund balance reserved for encumbrances, which was added to the current year's original budget (a "budgetary fund balance"), is a budgetary resource, above, but is not a current year revenue for financial reporting purposes: | | | |
| Prior year fund balance reserved for encumbrances, added to original budget | (6,998,051) | | |
| Encumbrances at June 30, 2010 for supplies and equipment ordered but not received as of June 30, 2010 are reported in the fiscal year the order is placed and are included in actual expenditures (budgetary basis), but are not current year expenditures for financial reporting purposes: | | | |
| Current year fund balance reserved for encumbrances, included in budgetary basis expenditures | 7,045,671 | | |
| Net change in fund balance reserved for encumbrances | | 47,620 | |
| Net reconciling items - legally adopted budget | | | 47,620 |
| Net change in fund balance - legally adopted budget | | | 10,634,513 |
| Excess of revenues and other financing sources over expenditures and other financing uses for General Fund activities not included in the legally adopted budget, as amended | | | - |
| Net change in fund balance - General Fund (Exhibit E) | | | 3,413,299 |
| General Fund fund balance - July 1, 2010 (Exhibit E) | | | 23,754,796 |
| General Fund fund balance - June 30, 2011 (Exhibit E) | | | $ 27,168,095 |

See accompanying note to Budgetary Comparison Schedule beginning on page 64

## Required Supplementary Information (Unaudited)

## Budgetary Comparison Schedule – General Fund

## For the Period Ended June 30, 2011

**(A) Budgetary Accounting and Reporting**

In accordance with U.S. Generally Accepted Accounting Principles (GAAP), the preceding Budgetary Comparison Schedule (the Schedule), which presents the School Board's original and final fiscal year 2011 legally adopted budgets, and actual revenues and expenditures on a budgetary basis, is presented as required supplementary information to the basic financial statements. The data in the Schedule is presented on a basis consistent with the format, terminology and classifications of the School Board's legally adopted budget. Accordingly, the original budgeted amounts are presented as contained in the budget document first legally adopted by the School Board and City Council before the beginning of the fiscal year.

The final budgeted amounts include prior year encumbrances totaling $6,998,051. Additionally, the final budget amounts include all other adjustments to the fiscal year 2011 budget as subsequently adopted by the School Board within the limitations described in the following paragraph. The budget and Schedule are principally prepared on the modified accrual basis of accounting, except that the expenditures in the "Actual Amounts" column of the Schedule are stated on the School Board's budgetary basis, which includes in actual expenditures the encumbrances established in fiscal year 2011 that remain outstanding at June 30, 2011. The Schedule also presents a reconciliation of the following (1) the amounts available for expenditure over expenditures, other financing uses and encumbrances – budgetary basis, and (2) the net change in fund balance of the General Fund, as presented on Exhibit E in accordance with GAAP.

The School Board's budget is controlled at certain legal as well as administrative levels. The legal level is placed at the fund level of the School Board's legally adopted budget, and the administrative controls are placed at the area level (e.g., elementary education, secondary education, instruction and accountability, operations, financial services, etc.). Management may amend the approved budget at the administrative control level (i.e., between areas) within the legally adopted budget. Revisions, other than federal and state revenues received in excess of budgeted amounts, which alter the total expenditures of the School Board's legally adopted operating budget, must be approved by the City Council and School Board.

The School Board did not receive any supplemental appropriations during fiscal year 2011. Revenues and expenditures in the Schedule do not reflect $8,960,439 in debt service expenditures paid by the City during fiscal year 2011 on City debt incurred for construction and renovation of School Board occupied buildings.

See page 16 in the accompanying Management's Discussion and Analysis section of this report for a brief discussion of significant budget amendments made to the fiscal year 2011 budget.

The School Board follows these procedures, which comply with legal requirements, in establishing the budgetary data reflected in the Budgetary Comparison Schedule:

- On or before April 7, the School Board submits to the City Council a proposed operating budget for the General Fund (excluding certain activities) for the forthcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to May 31, the budget is legally enacted through passage of an ordinance by the City Council.

## Required Supplementary Information (Unaudited)

## Virginia Retirement System Agent Multiple-Employer Defined Benefit Pension Plan Participation

## Schedule of Funding Progress

## For the Period Ended June 30, 2011

**(B) Pension Trend Data**

The following Schedule of Funding Progress is presented as unaudited required supplementary information applicable to the participation of the School Board's nonprofessional employees in the VRS agent multiple-employer defined benefit pension plan, as described in note 10(a) (ii), (iii) and (iv) the accompanying basic financial statements. GAAP requires presentation of this information in employer financial statements for the participation of employees in all agent multiple-employer plans, other than those using the aggregate actuarial cost method, (this plan uses the entry age normal actuarial cost method). This information is intended to help users assess the funded status of the plan and the progress made in accumulating sufficient assets to pay benefits when due.

**SCHEDULE OF FUNDING PROGRESS**

| Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability (AAL) | (a-b) Unfunded Actuarial Accrued Assets (UAAL) | (a/b) Funded Ratio Assets as % of AAL | (c) Annual Covered Payroll | ((a-b)/c) UAAL as a % of Covered Payroll |
|---|---|---|---|---|---|---|
| 6/30/2008 | $34,087,008 | 36,687,961 | (2,600,953) | 92.9% | 11,657,708 | -22.3% |
| 6/30/2009 | 35,311,273 | 39,934,275 | (4,623,002) | 88.4% | 12,049,789 | -38.4% |
| 6/30/2010 | 35,993,765 | 43,776,928 | (7,783,163) | 82.2% | 11,856,003 | -65.6% |

GAAP does not require presentation of required supplementary information in employer financial statements for participation of employees in cost-sharing multiple-employer public employee retirement plans when the assets thereof are held by a third party, rather than by the employer in a fiduciary capacity. Accordingly, no required supplementary information is presented for the participation of the School Board's professional employees in the VRS cost-sharing multiple-employer plan, which is described in note 10 to the basic financial statements.

## Required Supplementary Information (Unaudited)

## Early Retirement Incentive Plan for Employees of Richmond Public Schools

## Schedules of Funding Progress and Employer Contributions

## For the Period Ended June 30, 2011

**(C) Pension Trend Data**

The following Schedule of Funding Progress and the related Schedule of Employer Contributions are presented as unaudited required supplementary information applicable to the School Board's Early Retirement Incentive Plan for Employees of Richmond Public Schools (the Plan), as described in note 10(c) to the accompanying basic financial statements. Actuarial valuations of the Plan are prepared every two years to determine School Board contributions required to fund the Plan on an actuarial basis.

As allowed by GAAP, the Schedule of Funding Progress is presented as of the beginning of the current applicable biennial period (actuarial valuation date of July 1, 2010) and for the preceding two biennial periods of the Plan. This information is intended to help users assess the funded status of the Plan and the progress made in accumulating sufficient assets to pay benefits when due.

**SCHEDULE OF FUNDING PROGRESS**

| Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability (AAL) | (a-b) Unfunded Actuarial Accrued Assets (UAAL) | (a/b) Funded Ratio Assets as % of AAL | (c) Annual Covered Payroll | ((a-b)/c) UAAL as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 7/1/2008 | $2,047,371 | 17,724,796 | (15,677,425) | 11.6% | 28,203,706 | -55.6% |
| 7/1/2009 | 2,356,858 | 12,857,747 | (10,500,889) | 18.3% | 29,472,873 | -35.6% |
| 7/1/2010 | 1,855,191 | 11,182,465 | (9,327,274) | 16.6% | 25,524,838 | -36.5% |

The following is a schedule of School Board contributions to the Plan for fiscal years ended June 30, 2006 through 2011:

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

| Fiscal Year Ended June 30 | Annual Required Contributions | Actual Contributions | Percentage Contributed |
|---|---|---|---|
| 2006 | $3,902,247 | 2,600,000 | 66.6 |
| 2007 | 4,503,932 | 6,600,000 | 146.5 |
| 2008 | 3,682,527 | 3,800,000 | 103.2 |
| 2009 | 6,012,676 | 6,475,685 | 107.7 |
| 2010 | 4,716,000 | 4,000,000 | 84.8 |
| 2011 | 2,700,302 | 4,000,000 | 148.1 |

## Required Supplementary Information (Unaudited)

## Other Postretirement Employee Benefits

## Schedules of Funding Progress and Employer Contributions

## For the Period Ended June 30, 2011

The following Schedule of Funding Progress and the related Schedule of Employer Contributions are presented as unaudited required supplementary information applicable to the School Board's Postretirement Health and Dental Benefits Plan for retirees of Richmond Public Schools (the Plan), as described in note 11(c) to the accompanying basic financial statements.

As allowed by GAAP, the Schedule of Funding Progress is presented as of the beginning of the current applicable biennial period (actuarial valuation date of July 1, 2010). This information is intended to help users assess the funded status of the Plan and the progress made in accumulating sufficient assets to pay benefits when due.

**SCHEDULE OF FUNDING PROGRESS**

| Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability (AAL) | (a-b) Unfunded AAL (UAAL) | (a/b) Funded Ratio Assets as % of AAL | (c) Annual Covered Payroll | ((a-b)/c) UAAL as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 7/1/2008 | $ - | 69,826,788 | (69,826,788) | 0.0 | 158,943,800 | -43.9% |
| 7/1/2009 | - | 55,272,409 | (55,272,409) | 0.0 | 165,362,289 | -33.4% |
| 7/1/2010 | - | 56,705,967 | (56,705,967) | 0.0 | 161,840,397 | -35.0% |

The following is a schedule of School Board contributions to the Plan for fiscal year ended June 30, 2011:

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

| Fiscal Year Ended June 30 | Annual Required Contributions | Actual Contributions | Percentage Contributed |
|---|---|---|---|
| 2009 | $6,013,492 | 2,963,276 | 49.3% |
| 2010 | 6,027,357 | 2,608,646 | 43.3% |
| 2011 | 7,025,808 | 2,009,142 | 28.6% |

# Other Supplementary Information

**Exhibit M**

**The School Board of the City of Richmond, Virginia**

**(A Component Unit of the City of Richmond, Virginia)**

**Statement of Changes in Assets and Liabilities**

**Agency Funds**

**For the Fiscal Year Ended June 30, 2011**

| | Balance July 1, 2010 | Additions | Deletions | Balance June 30, 2011 |
|---|---|---|---|---|
| Assets: | | | | |
| Cash on hand or in banks | $ 1,534,546 | 1,377,762 | 1,534,546 | 1,377,762 |
| Accounts recievable | 52,000 | - | 52,000 | - |
| Due from other governments | 148,098 | 121,291 | 148,098 | 121,291 |
| Due from General Fund | 5,662,742 | 3,816,949 | 5,662,742 | 3,816,949 |
| Total assets | $ 7,397,386 | 5,316,002 | 7,397,386 | 5,316,002 |
| Liabilities: | | | | |
| Accounts payable | 308,292 | 26,879 | 308,292 | 26,879 |
| Accrued liabilities | 3,356,401 | 949,402 | 3,356,401 | 949,402 |
| Amounts held for other organizations | 3,732,693 | 4,339,721 | 3,732,693 | 4,339,721 |
| Total liabilities | $ 7,397,386 | 5,316,002 | 7,397,386 | 5,316,002 |

# Statistical Section (unaudited)

This part of the School Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Except for the liabilities for workers' compensation, vacation pay, sick pay, incurred but not reported health claims and its net pension obligations, the School Board does not have a liability for any long-term debt nor does the School Board have any legal debt limit, debt margin, or revenue bonds.

**Financial Trends of the School Board of the City of Richmond, Virginia** **Tables 1 – 7**
These tables contain trend information on the School Board's financial performance and how the financial health of the School Board has changed over time

**Demographic Information of the School Board of the City of Richmond, Virginia** **Tables 8-16**
These tables offer demographic and economic indicators of the environment within which the School Board's financial activities take place

**Financial Trends of the City of Richmond, Virginia, of which the School Board is a component unit** **Tables 17-23**
These tables contain trend information on the City's financial performance and how the financial health of the City has changed over time

**Revenue Capacity of the City of Richmond, Virginia, of which the School Board is a component unit** **Tables 23-24**
These tables assess the City's tax revenue sources

**Debt Capacity of the City of Richmond, Virginia, of which the School Board is a component unit** **Tables 25-26**
These tables present information on the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future

**Demographic and Economic Information of the City of Richmond, Virginia of which the School Board is a component unit** **Tables 27-31**
These tables offer demographic and economic indicators of the environment within which the City's financial activities take place

**This page intentionally left blank**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**General Fund Expenditures by Function (Unaudited)**

**Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Personnel Services | Employee Benefits | Purchased Services | Materials and Supplies |
|---|---|---|---|---|
| 2002 | 157,505,752 | 11,868,365 | 4,551,088 | 11,948,485 |

| Fiscal Year Ended June 30 [1] | Instruction | Administration | Attendance and Health | Pupil Transportation |
|---|---|---|---|---|
| 2003 | 153,337,613 | 10,958,866 | 4,504,800 | 9,760,587 |
| 2004 | 162,449,684 | 8,363,937 | 5,094,999 | 11,283,078 |
| 2005 | 182,378,384 | 8,977,565 | 5,505,809 | 10,922,444 |
| 2006 | 188,518,886 | 7,339,222 | 5,731,626 | 11,383,602 |
| 2007 | 201,484,145 | 7,998,608 | 6,437,839 | 10,226,603 |
| 2008 | 197,516,866 | 7,668,658 | 6,562,821 | 10,624,548 |
| 2009 | 204,784,983 | 6,835,463 | 6,759,101 | 10,672,021 |
| 2010 | 202,025,903 | 6,981,132 | 6,439,732 | 10,044,866 |
| 2011 | 179,765,928 | 7,334,538 | 6,361,842 | 10,266,722 |

Note: [1] In fiscal year 2002, the School Board adopted GASB Statement No. 34, and concurrently implemented changes in the way General Fund expenditures are grouped for financial reporting. For fiscal year 2001 and prior, expenditures were grouped differently, as shown above, and expenditure detail is not available to report those years on a basis comparable with the functional groupings implemented in fiscal year 2002.

Source: Department of Budget and Financial Reporting-Comprehensive Annual Financial Report

**Table 1**

**(A Component Unit of the City of Richmond, Virginia)**

**General Fund Expenditures by Function (Unaudited)**

**Last Ten Fiscal Years**

| Occupancy and Transportation | Other Operating Expenditures | Capital Outlay | Debt Service | Total |
|---|---|---|---|---|
| 26,983,885 | 215,975 | 27,199,860 | - | 240,273,410 |

| Operations and Maintenance | Facilities Services | Total Operating Exependitures |
|---|---|---|
| 28,593,274 | 203,052 | 207,358,192 |
| 30,895,676 | 232,550 | 218,319,924 |
| 32,560,617 | 222,572 | 240,567,391 |
| 31,032,367 | 257,641 | 244,263,344 |
| 31,695,834 | 524,239 | 258,367,268 |
| 28,898,151 | 1,008,128 | 252,279,172 |
| 31,360,502 | 850,285 | 261,262,355 |
| 28,446,228 | 143,586 | 254,081,447 |
| 28,931,586 | 333,190 | 232,993,806 |

**Table 2**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**General Fund Revenues by Sources (Unaudited)**

**Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | City of Richmond | Commonwealth of Virginia | Federal Government | Other | Total |
|---|---|---|---|---|---|
| 2002 | 119,136,910 | 91,255,598 | 478,540 | 1,777,641 | 212,648,689 |
| 2003 | 121,087,528 | 93,269,381 | 679,688 | 2,159,841 | 217,196,438 |
| 2004 | 122,390,724 | 93,989,507 | 466,231 | 1,307,947 | 218,154,409 |
| 2005 | 125,586,825 | 111,175,999 | 709,843 | 1,846,454 | 239,319,121 |
| 2006 | 132,431,214 | 114,551,860 | 564,627 | 1,802,268 | 249,349,969 |
| 2007 | 132,026,487 | 126,438,392 | 587,780 | 1,493,490 | 260,546,149 |
| 2008 | 132,026,487 | 125,541,723 | 1,037,375 | 1,345,145 | 259,950,730 |
| 2009 | 131,334,130 | 135,655,988 | 715,686 | 1,646,848 | 269,352,652 |
| 2010 | 127,102,268 | 116,051,338 | 11,067,338 | 1,918,228 | 256,139,172 |
| 2011 | 124,234,268 | 109,858,138 | 2,814,934 | 1,527,432 | 238,434,772 |

Source: Department of Budget and Financial Reporting-Comprehensive Annual Financial Report

**Table 3**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**NET ASSETS OF GOVERNMENTAL ACTIVITIES (unaudited)**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Current and other assets | $53,842,811 | 63,055,434 | 62,347,433 | 49,708,327 | 50,051,777 | 54,805,167 | 68,402,094 | 77,830,965 | 80,308,938 | 70,088,402 |
| Capital assets, net | 6,790,757 | 5,687,394 | 5,741,139 | 5,389,541 | 5,071,394 | 4,548,199 | 3,904,881 | 4,997,020 | 11,170,412 | 10,448,482 |
| Total assets | 60,633,568 | 68,742,828 | 68,088,572 | 55,097,868 | 55,123,171 | 59,353,366 | 72,306,975 | 82,827,985 | 91,479,350 | 80,536,884 |
| Long-term liabilities | 14,338,893 | 14,927,161 | 17,053,368 | 16,784,773 | 18,579,050 | 16,829,031 | 22,014,825 | 25,347,604 | 33,802,634 | 37,400,886 |
| Other liabilities | 32,050,357 | 31,508,172 | 31,774,797 | 35,737,754 | 36,854,631 | 41,001,920 | 48,178,947 | 45,284,263 | 48,631,970 | 33,949,813 |
| Total liabilities | 46,389,250 | 46,435,333 | 48,828,165 | 52,522,527 | 55,433,681 | 57,830,951 | 70,193,772 | 70,631,867 | 82,434,604 | 71,350,699 |
| Net Assets | | | | | | | | | | |
| Invested in capital assets, net of related debt | 6,790,757 | 5,687,394 | 5,741,139 | 5,389,541 | 5,071,394 | 4,548,199 | 3,904,881 | 4,997,020 | 4,563,292 | 4,246,856 |
| Restricted | 6,932,240 | 9,687,780 | 11,231,484 | 6,905,789 | 3,584,317 | 4,106,081 | 4,453,049 | 10,176,772 | 8,482,385 | 7,293,362 |
| Unrestricted | 521,321 | 6,932,321 | 2,287,784 | (9,719,989) | (8,966,221) | (7,131,865) | (6,244,727) | (2,977,674) | (4,000,931) | (2,354,033) |
| Total net assets | $14,244,318 | 22,307,495 | 19,260,407 | 2,575,341 | (310,510) | 1,522,415 | 2,113,203 | 12,196,118 | 9,044,746 | 9,186,185 |

Source: Department of Budget and Financial Reporting-Comprehensive Annual Financial Report

**Table 4**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**Changes in Net Assets (unaudited)**

**Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Expenses** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction | $ 192,262,055 | 192,371,792 | 203,695,614 | 223,563,640 | 232,214,067 | 243,839,962 | 245,391,774 | 253,283,675 | 252,709,931 | 234,433,357 |
| Support Services: | | | | | | | | | | |
| Administration | 11,944,107 | 11,118,627 | 8,603,520 | 9,058,311 | 7,364,887 | 7,967,415 | 7,809,749 | 6,932,833 | 7,111,413 | 7,144,859 |
| Attendance and Health | 5,791,583 | 5,978,627 | 6,239,715 | 6,726,730 | 6,865,786 | 7,449,333 | 7,609,883 | 7,885,700 | 7,574,018 | 7,397,645 |
| Nutrition Services | - | 9,615,070 | 9,659,633 | 11,583,774 | 10,916,735 | 10,497,502 | 10,814,918 | 10,932,368 | 10,893,806 | 11,447,257 |
| Pupil Transportation | 12,217,551 | 10,962,985 | 11,653,169 | 11,717,471 | 11,811,271 | 11,308,710 | 11,620,030 | 8,937,843 | 10,713,703 | 10,791,692 |
| Operations and Maintenance | 28,278,110 | 29,384,255 | 31,795,474 | 38,432,499 | 31,304,605 | 32,152,478 | 29,682,315 | 33,112,629 | 30,130,034 | 30,774,255 |
| Facilities services | 9,397,099 | 5,488,796 | 5,855,249 | 12,621,694 | 5,685,286 | 3,820,187 | 3,535,188 | 3,982,025 | 7,301,134 | 7,611,884 |
| Total Support Services | 67,628,450 | 72,548,360 | 73,806,760 | 90,140,479 | 73,948,570 | 73,195,625 | 71,072,083 | 71,783,398 | 73,724,108 | 75,167,592 |
| Total School Board | $ 259,890,505 | 264,920,152 | 277,502,374 | 313,704,119 | 306,162,637 | 317,035,587 | 316,463,857 | 325,067,073 | 326,434,039 | 309,600,949 |
| **Program Revenues** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction | $ 1,390,525 | 1,448,824 | 1,022,497 | 1,687,590 | 1,354,203 | 1,372,462 | 1,192,112 | 1,174,247 | 1,201,590 | 1,070,017 |
| Support Services | 373,743 | 2,345,984 | 2,476,055 | 2,265,562 | 2,211,606 | 2,426,151 | 2,211,214 | 2,363,728 | 2,046,665 | 1,691,216 |
| Operating Grants and Contributions | 61,432,711 | 73,740,974 | 74,624,186 | 85,356,027 | 88,288,599 | 94,139,933 | 96,192,111 | 100,531,637 | 101,290,648 | 106,820,664 |
| Capital Grants and Contributions | 7,819,111 | 8,507,349 | 7,391,300 | 5,035,556 | 2,472,195 | 3,768,429 | 3,373,815 | 9,216,231 | 6,695,973 | 6,072,480 |
| Total School Board | 80,745,524 | 86,043,131 | 85,514,038 | 94,344,735 | 94,326,603 | 101,706,975 | 102,969,252 | 113,285,843 | 111,234,876 | 115,654,377 |
| Total Net (expense)/revenue | (179,144,981) | (178,877,021) | (191,988,336) | (219,359,384) | (211,836,034) | (215,328,612) | (213,494,605) | (211,781,230) | (215,199,163) | (193,946,572) |
| **General Revenues** | | | | | | | | | | |
| Intergovernmental aid not restricted to specific purposes: | | | | | | | | | | |
| City of Richmond, Virginia | $ 119,136,910 | 121,087,528 | 122,390,724 | 125,586,825 | 132,431,214 | 132,032,424 | 132,027,386 | 131,336,375 | 127,102,268 | 124,234,268 |
| Commonwealth of Virginia | 62,972,642 | 65,571,902 | 66,174,233 | 75,634,378 | 76,319,039 | 84,818,465 | 81,659,439 | 89,605,306 | 74,016,676 | 65,358,815 |
| Federal Government | 193,120 | 74,277 | 84,012 | 85,646 | 79,500 | 175,812 | 222,301 | 715,686 | 10,329,484 | 1,994,626 |
| Other | 144,926 | 206,491 | 292,279 | 161,188 | 120,429 | 134,836 | 176,267 | 206,778 | 599,363 | 199,194 |
| Extraordinary Item [2] | - | - | - | 1,206,281 | - | - | - | - | - | - |
| Total General Revenues | 182,447,598 | 186,940,198 | 188,941,248 | 202,674,318 | 208,950,182 | 217,161,537 | 214,085,393 | 221,864,145 | 212,047,791 | 191,786,903 |
| **Change in Net Assets** | $ 3,302,617 | 8,063,177 | (3,047,088) | (16,685,066) | (2,885,852) | 1,832,925 | 590,788 | 10,082,915 | (3,151,372) | (2,159,669) |

[2] **Extraordinary Item:**
Fiscal Year 2005 Disaster Recovery Cost from Hurricane Gaston

Source: Department of Budget and Financial Reporting-Comprehensive Annual Financial Report

**Table 5**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**FUND BALANCES OF GOVERNMENTAL FUNDS (unaudited)**

**Last Ten Fiscal Years**
**(modified accrual basis of accounting)**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| General Fund | | - | - | - | - | - | - | - | - | - |
| Non-Spendable | $ - | - | - | - | - | - | - | - | - | 7,298,472 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - | 8,523,298 |
| Assigned | - | - | - | - | - | - | - | - | - | 6,000,000 |
| Unassigned | - | - | - | - | - | - | - | - | - | 5,229,325 |
| Reserved | 2,220,808 | 1,877,935 | 3,115,948 | 6,999,297 | 9,562,782 | 8,269,312 | 13,984,120 | 16,239,878 | 13,997,878 | - |
| Unreserved | 11,794,615 | 19,597,317 | 14,272,891 | 65,757 | 35,016 | 1,101,073 | 1,117,988 | 4,914,198 | 7,470,096 | - |
| Total General Fund | 14,015,423 | 21,475,252 | 17,388,839 | 7,065,054 | 9,597,798 | 9,370,385 | 15,102,108 | 21,154,076 | 21,467,974 | 27,051,095 |
| All Other Governmental Funds | | | | | | | | | | |
| Non-Spendable | $ - | - | - | - | - | - | - | - | - | 910,854 |
| Restricted | - | - | - | - | - | - | - | - | - | 4,491,024 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - | 8,059,640 |
| Unassigned | - | - | - | - | - | - | - | - | - | (4,491,024) |
| Reserved | 4,135,769 | 4,383,504 | 7,815,079 | 5,296,631 | 2,753,447 | 3,731,082 | 2,523,355 | 7,484,652 | 7,061,025 | - |
| Unreserved, reported in: | | | | | | | | | | |
| Grants Fund | (1,287,641) | (1,168,108) | (2,159,346) | (1,260,421) | (527,765) | (601,826) | (546,888) | (768,381) | (1,284,438) | - |
| Nutrition Services[1] | - | 384,230 | 303,669 | (183,272) | - | 265,817 | 569,610 | 891,163 | 1,409,130 | - |
| Capital Project Funds | 4,084,112 | 6,472,384 | 7,224,395 | 3,052,581 | 1,373,666 | 1,037,788 | 2,574,962 | 3,785,192 | 3,023,277 | - |
| Total All Other Governmental Funds | 6,932,240 | 10,072,010 | 13,183,797 | 6,905,519 | 3,599,348 | 4,432,861 | 5,121,039 | 11,392,626 | 10,208,994 | 8,970,494 |
| Total Fund Balances | $ 20,947,663 | 31,547,262 | 30,572,636 | 13,970,573 | 13,197,146 | 13,803,246 | 20,223,147 | 32,546,702 | 31,676,968 | 36,021,589 |

[1] Nutrition Services was reported as an Enterprise Fund Fiscal Years 1998-2002

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

Source: Department of Budget and Financial Reporting-Comprehensive Annual Financial Report

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (unaudited)**

**Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Revenues** | | | | | | | | | | |
| Intergovernmental | $ 249,792,474 | 267,050,241 | 269,304,606 | 290,541,993 | 298,563,724 | 313,746,989 | 312,291,219 | 328,952,653 | 317,618,827 | 303,330,008 |
| Donations and special gifts | 1,761,284 | 1,371,995 | 1,312,360 | 880,096 | 990,762 | 1,234,438 | 1,044,433 | 2,643,217 | 1,637,511 | 1,185,296 |
| Charges for goods and services | 1,661,434 | 3,710,411 | 3,328,188 | 3,982,555 | 3,560,154 | 3,629,669 | 3,558,242 | 3,459,961 | 3,298,844 | 2,810,910 |
| Investment income | - | 30,803 | 63,880 | 68,769 | 105,227 | 142,521 | 8,831 | (11,982) | 92,591 | 50,184 |
| Other | 739,735 | 1,571,900 | 516,317 | 1,046,991 | 761,078 | 587,836 | 563,566 | 804,482 | 1,272,601 | 845,588 |
| Total Revenues | 253,954,927 | 273,735,350 | 274,525,351 | 296,520,404 | 303,980,945 | 319,341,453 | 317,466,291 | 335,848,331 | 323,920,374 | 308,221,986 |
| **Expenditures** | | | | | | | | | | |
| Instruction | $ 191,701,298 | 192,758,505 | 202,200,645 | 224,211,876 | 231,003,751 | 245,909,810 | 241,452,173 | 250,197,514 | 252,038,755 | 231,690,122 |
| Support Services | 58,174,331 | 65,965,911 | 67,796,649 | 72,311,504 | 68,332,876 | 69,399,451 | 67,059,696 | 70,205,966 | 65,602,332 | 66,670,892 |
| Capital Outlay | 9,150,811 | 5,256,126 | 5,502,683 | 11,586,928 | 5,417,745 | 3,426,091 | 2,534,521 | 4,492,082 | 13,350,647 | 7,264,197 |
| Debt Service | - | - | - | - | - | - | - | - | - | 436,262 |
| Total Expenditures | 259,026,440 | 263,980,542 | 275,499,977 | 308,110,308 | 304,754,372 | 318,735,352 | 311,046,390 | 324,895,562 | 330,991,734 | 306,061,473 |
| Excess (deficiency) of revenues over expenditures | (5,071,513) | 9,754,808 | (974,626) | (11,589,904) | (773,427) | 606,101 | 6,419,901 | 10,952,769 | (7,071,360) | 2,160,513 |
| Other Financing sources (uses) | | | | | | | | | | |
| Proceeds from note payable to the City of Richmond | - | - | - | - | - | - | - | - | - | - |
| Proceeds from note payable to others | - | - | - | - | - | - | - | - | - | 1,591,405 |
| Transfers in | 2,454,924 | 2,433,019 | 3,920,898 | 2,969,075 | 2,553,881 | 2,406,292 | 1,939,834 | 2,038,328 | 1,743,827 | - |
| Transfers out to PrimaryGovernment[1] | - | - | - | (6,218,440) | - | - | - | - | - | - |
| Transfers out | (2,775,945) | (2,433,019) | (3,920,898) | (2,969,075) | (2,553,881) | (2,406,292) | (1,939,834) | (2,038,328) | (1,743,827) | (1,591,405) |
| Capital Lease | - | - | - | - | - | - | - | 1,370,786 | 6,201,626 | - |
| Total other financing sources (uses) | (321,021) | - | - | (6,218,440) | - | - | - | 1,370,786 | 6,201,626 | - |
| Extraordinary Item | | | | | | | | | | |
| Disaster recovery-Hurricane Gaston[2] | - | - | - | 1,206,281 | - | - | - | - | - | - |
| Net change in fund balances | $ (5,392,534) | 9,754,808 | (974,626) | (16,602,063) | (773,427) | 606,101 | 6,419,901 | 12,323,555 | (869,734) | 2,160,513 |

[1] Transfers out to Primary Government:
Fiscal Year 2005 the School Board transferred $6,218,440 to the City of Richmond in accordance with budgetary obligations as requested by the City of Richmond's Mayor and City Council.

[2] Extraordinary Item:
Fiscal Year 2005 Disaster Recovery Cost from Hurricane Gaston

Source: Department of Budget and Financial Reporting-Comprehensive Annual Financial Report

**Table 7**

**THE SCHOOL BOARD OF THE**
**CITY OF RICHMOND, VIRGINIA**

**Schedule of Expenditures of Federal Awards**
**Fiscal year ended June 30, 2011**

| | Federal Catalog Number | Federal Expenditures/ Expenses |
|---|---|---|
| **DEPARTMENT OF DEFENSE** | | |
| Direct Payments: | | |
| Air Force ROTC | | $ 60,918 |
| Army ROTC | | 469,334 |
| Total Department of Defense | | 530,252 |
| **DEPARTMENT OF AGRICULTURE** | | |
| Direct Payments: | | |
| Summer Food Service Program for Children | 10.559 | 264,062 |
| Passed Through Va. Department of Agriculture and Consumer Services: | | |
| National School Lunch Program | 10.555 | 625,218 |
| Passed Through Virginia Department of Education: | | |
| School Breakfast Program | 10.553 | 2,427,071 |
| National School Lunch Program | 10.555 | 6,169,857 |
| Fresh Fruit & Vegetables Program | 10.582 | 165,000 |
| Total Department of Agriculture | | 9,651,208 |
| **DEPARTMENT OF EDUCATION** | | |
| Direct Payments: | | |
| Impact Aid | 84.041 | 290,056 |
| Fund for the Improvement of Education | 84.215 | 392,008 |
| Passed Through Virginia Department of Education: | | |
| Adult Eduction - State Grant Program | 84.002 | 393,709 |
| Title I Grants to Local Educational Agencies | 84.010 | 14,288,690 |
| Title I State Agency Program for Neglected and Delinquent Children | 84.013 | 62,275 |
| Special Education - Grants to States | 84.027 | 6,113,438 |
| Career & Technical Education - Basic Grants to States | 84.048 | 985,488 |
| Special Education - Preschool Grants | 84.173 | 123,162 |
| Safe and Drug-Free Schools and Communities - State Grants | 84.186 | 53,385 |
| Twenty-First Century Community Learning Centers | 84.287 | 459,915 |
| State Grants for Innovative Programs | 84.298 | 1,151 |
| Education Technology State Grants | 84.318 | 147,014 |
| Reading First State Grants | 84.357 | 167,583 |
| English Language Acquisition Grants | 84.365 | 58,421 |
| Improving Teacher Quality State Grants | 84.367 | 2,018,257 |
| Striving Readers | 84.371 | 154,445 |
| School Improvement Grants | 84.377 | 294,721 |
| Education Technology State Grants, Recovery Act | 84.386 | 28,733 |
| School Improvement Grants, Recovery Act | 84.388 | 1,419,233 |
| Title I Grants to Local Educational Agencies, Recovery Act | 84.389 | 5,353,255 |
| Special Education - Grants to States, Recovery Act | 84.391 | 3,207,990 |
| Special Education - Preschool Grants, Recovery Act | 84.392 | 205,737 |
| State Fiscal Stabilization Fund (SFSF)-Education State Grants, Recovery Act | 84.394 | 1,994,626 |
| Passed Through Virginia Commonwealth University: | | |
| Early Reading First | 84.359 | 63,417 |
| School Leadership | 84.363 | 66,898 |
| Passed Through the College of William and Mary: | | |
| Education for Homeless Children and Youth | 84.196 | 112,300 |
| Education for Homeless Children and Youth, Recovery Act | 84.387 | 13,994 |
| Total Department of Education | | 38,469,901 |

**THE SCHOOL BOARD OF THE**
**CITY OF RICHMOND, VIRGINIA**

**Schedule of Expenditures of Federal Awards**
**Fiscal year ended June 30, 2011**

| | Federal Catalog Number | Federal Expenditures/ Expenses |
|---|---|---|
| **DEPARTMENT OF HEALTH AND HUMAN SERVICES** | | |
| Direct Payment: | | |
| Head Start | 93.600 | 7,312,580 |
| ARRA-Head Start | 93.708 | 13,262 |
| ARRA-Early Head Start | 93.709 | 991 |
| Total Department of Health and Human Services | | 7,326,833 |
| **DEPARTMENT OF HOMELAND SECURITY** | | |
| Passed Through Virginia Department of Emergency Services | | |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters) | 97.036 | 54,264 |
| Total Department of Homeland Security | | 54,264 |
| Total Federal Awards | | 56,032,458 |

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**Annual Per Pupil Cost (Unaudited)**

**Last Ten Fiscal Years**

| Fiscal / School Year | Per Pupil Cost |
|---|---|
| 2001-2002 | 9,711 |
| 2002-2003 | 9,955 |
| 2003-2004 | 10,710 |
| 2004-2005 | 12,201 |
| 2005-2006 | 12,219 |
| 2006-2007 | 13,119 |
| 2007-2008 | 13,088 |
| 2008-2009 | 13,601 |
| 2009-2010 | 13,773 |
| 2010-2011 | 13,041 * |

* Projected Per Pupil Cost

Source: Virginia Department of Education, Annual School Report, Table # 15

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**Attendance/Membership Statistics (Unaudited)**

**Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Year End Average Daily Attendance * | Year End Average Daily Membership* | Average Daily Attendance as a Percent of Average Daily Membership |
|---|---|---|---|
| 2002 | 23,100 | 25,249 | 91.5% |
| 2003 | 22,401 | 24,456 | 91.6% |
| 2004 | 21,883 | 23,823 | 91.9% |
| 2005 | 21,548 | 23,381 | 92.2% |
| 2006 | 21,381 | 23,247 | 92.0% |
| 2007 | 20,955 | 22,769 | 92.0% |
| 2008 | 20,326 | 22,085 | 92.0% |
| 2009 | 20,051 | 21,695 | 92.4% |
| 2010 | 19,889 | 21,492 | 92.5% |
| 2011** | 19,707 | 21,328 | 92.4% |

* Average Daily Attendance and Average Daily Membership for students in K-12 grades

** Projected. Actual will be certified by Virginia Department of Education

Source: Virginia Department of Education Annual School Report Table # 8

**Table 10**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**

**(A Component Unit of the City of Richmond, Virginia)**

**Free and Reduced Lunch Data (unaudited)**

**Last Ten Fiscal Years**

| Fiscal / School Year | SNP Membership | Number Free | Percent Free | Number Reduced | Percent Reduced | Number Free / Reduced | Percent Free / Reduced |
|---|---|---|---|---|---|---|---|
| 2001 - 2002 | 27,332 | 15,396 | 56.3% | 2,109 | 7.7% | 17,505 | 64.0% |
| 2002 - 2003 | 26,755 | 15,426 | 57.7% | 2,077 | 7.8% | 17,503 | 65.4% |
| 2003 - 2004 | 26,091 | 16,516 | 63.3% | 2,363 | 9.1% | 18,879 | 72.4% |
| 2004 - 2005 | 25,664 | 15,811 | 61.6% | 1,835 | 7.2% | 17,646 | 68.8% |
| 2005 - 2006 | 25,079 | 16,000 | 63.8% | 1,527 | 6.1% | 17,527 | 69.9% |
| 2006 - 2007 | 24,555 | 16,408 | 66.8% | 1,768 | 7.2% | 18,176 | 74.0% |
| 2007 - 2008 | 23,881 | 15,301 | 64.1% | 1,628 | 6.8% | 16,929 | 70.9% |
| 2008 - 2009 | 23,356 | 15,146 | 64.8% | 1,337 | 5.7% | 16,483 | 70.6% |
| 2009 - 2010 | 23,356 | 16,061 | 68.8% | 1,449 | 6.2% | 17,510 | 75.0% |
| 2010 - 2011 | 23,183 | 15,756 | 68.0% | 925 | 4.0% | 16,681 | 72.0% |

Source: Virginia Department of Education-School Nutrition Programs(SNP); Free and Reduced Price Lunch Eligibility Report

**Table 11**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**

**(A Component Unit of the City of Richmond, Virginia)**

**Full-Time Equivalent Employees by Function (uaudited)**

**Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function** | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011* |
| Instruction[1] | 2,654.5 | 2,716.5 | 2,785.0 | 2,763.5 | 2,769.0 | 2,757.0 | 2,924.5 | 2,931.0 | 2,696.5 | 2,937.0 |
| Support Services: | | | | | | | | | | |
| Administration, Attendance & Health | 226.5 | 238.3 | 221.5 | 239.6 | 220.6 | 208.1 | 208.6 | 198.5 | 206.5 | 229.5 |
| Nutrition Services[2] | 293.3 | 264.3 | 267.3 | 268.3 | 184.6 | 176.1 | 169.3 | 163.4 | 160.0 | 160.5 |
| Pupil Transportation | 275.3 | 278.3 | 275.3 | 276.3 | 291.3 | 271.3 | 257.1 | 261.3 | 242.9 | 227.0 |
| Operations & Maintenance | 448.0 | 445.3 | 451.3 | 455.3 | 474.3 | 490.3 | 488.3 | 403.0 | 399.0 | 398.0 |
| Facilities | 4.0 | 4.0 | 4.3 | 5.3 | 3.0 | 3.3 | 2.8 | 1.5 | 1.0 | 2.5 |
| Technology[2] | 40.3 | 30.3 | 40.3 | 41.3 | 48.3 | 48.3 | 44.5 | 68.0 | 51.0 | 50.0 |
| Other instructional and support service personnel[3] | 285.0 | 312.0 | 306.0 | 313.5 | 333.5 | 337.8 | 323.4 | 282.52 | 324.50 | 192.50 |
| **Total** | **4,226.9** | **4,289.0** | **4,351.0** | **4,363.1** | **4,324.6** | **4,292.2** | **4,418.5** | **4,309.2** | **4,081.4** | **4,197.0** |

*2011 - as reported to the Virginia Department of Education on the 2010 Annual School Report; subject to adjustment

[1] Instruction includes: Principals, Assistant Principals, Teachers, Teacher Aides, Librarians and Guidance Counselors; does not include substitute teachers

[2] Nutrition Services was not a Virginia Department of Education reporting function for FTE's prior to FY 2000 and Technology was not a Virginia Department of Education reporting for FTE's prior to FY 2001

[3] Other Instructional and Support Service personnel includes: Instructional Administrative, Technical, Clerical, Instructional Support and Other Professionals

Source: Virginia Department of Education Annual School Report

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**Teacher Data (unaudited)**

**Last Ten Fiscal Years**

| Fiscal Year | Elementary Teaching Positions (K-7)* | Elementary Teachers Average Annual Salary | Secondary Teaching Positions (8-12)* | Secondary Teachers Average Annual Salary | All Teaching Positions* | Average Annual Salary |
|---|---|---|---|---|---|---|
| 2000 - 2001 | 1,050.0 | 40,767 | 975.0 | 42,649 | 2,025.0 | 41,673 |
| 2001 - 2002 | 1,003.0 | 43,384 | 979.5 | 45,043 | 1,982.5 | 44,204 |
| 2002 - 2003 | 1,031.0 | 43,092 | 1,032.5 | 44,465 | 2,063.5 | 43,779 |
| 2003 - 2004 | 1,078.0 | 42,245 | 1,047.0 | 44,310 | 2,104.0 | 43,461 |
| 2004 -2005 | 1,072.8 | 45,439 | 1,024.8 | 46,013 | 2,097.5 | 45,720 |
| 2005 - 2006 | 1,325.4 | 45,808 | 791.6 | 45,988 | 2,117.0 | 45,875 |
| 2007-2008 | 1,105.2 | 47,712 | 1,063.3 | 49,661 | 2,168.5 | 46,822 |
| 2008-2009 | 1,374.4 | 48,492 | 779.4 | 51,010 | 2,153.8 | 49,751 |
| 2009-2010 | 1,351.4 | 48,021 | 786.1 | 51,756 | 2,137.5 | 49,889 |
| 2010-2011[(1)] | 1,392.0 | 43,821 | 797.5 | 49,878 | 2,189.5 | 46,849 |

* Teaching Positions include: classroom teachers, guidance counselors, librarians and technology instructors (all funds)

[(1)] As reported for Fiscal 2010 to the Virginia Department of Education. Subject to calculation adjustments on the Annual School Report, Table #19

Source: Virginia Department of Education, Annual School Report, Table # 19

**Table 13**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**Pupil / Teacher Ratios (unaudited)**

**Last Ten Fiscal Years**

| | Elementary | | | Secondary | | |
|---|---|---|---|---|---|---|
| Fiscal Year | Elementary Teaching Positions* | End-of-Year Membership K-7 | Pupil/ Teacher Ratio K-7 | Secondary Teaching Positions* | End-of-Year Membership 8-12 | Pupil/ Teacher Ratio 8-12 |
| 2000-2001 | 1,050.0 | 17,590 | 16.8 | 975.0 | 7,586 | 7.8 |
| 2001-2002 | 1,003.0 | 16,924 | 16.9 | 979.5 | 7,593 | 7.8 |
| 2002-2003 | 1,019.0 | 16,623 | 16.3 | 1,028.5 | 6,491 | 6.3 |
| 2003-2004 | 1,062.0 | 16,011 | 15.1 | 1,042.0 | Data unavailable | |
| 2004-2005 | 1,057.8 | 15,474 | 14.6 | 1,018.8 | 6,503 | 6.4 |
| 2005-2006 | 1,311.4 | 15,224 | 11.6 | 781.6 | 6,677 | 8.5 |
| 2006-2007 | 1,251.0 | 14,696 | 11.7 | 945.0 | 7,756 | 8.2 |
| 2007-2008 | 1,094.5 | 14,309 | 13.1 | 1,054.0 | 7,567 | 7.2 |
| 2008-2009 | 1,364.0 | 14,133 | 10.4 | 769.0 | 7,453 | 9.7 |
| 2009-2010 | 1,341.0 | 14,309 | 10.7 | 776.0 | 7,567 | 9.8 |
| 2010-2011[(1)] | 1,350.3 | 13,650 | 10.1 | 800.2 | 7,678 | 9.6 |

* Classroom Teachers, Guidance Counselors, Homebound Teachers and Librarians; does not include Technology Instructors

[(1)] Subject to calculation adjustments. As reported for membership to the Virginia Department of Education

Source: Virginia Department of Education, Annual School Report, Table # 2

**Table 14**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia**

**Schedule of School Building Statistics (unaudited)**

**"Standard Classrooms" are defined as: Regular classrooms*, Science, Science lecture, Vocational, Special Education, and Business, or any classroom without permanent equipment.**

| Building Name | Year Built | Age (Years) | Last Addition or Renovation | Square Footage | Number Of Standard Classrooms | Capacity Based On Number Of Standard Classrooms |
|---|---|---|---|---|---|---|
| **Elementary Schools** | | | | | | |
| Bellevue | 1914 | 97 | 1983 | 55,623 | 22 | 440 |
| Blackwell * | 1999 | 12 | | 83,251 | 32 | 800 |
| Blackwell Primary (Round Building) | 1967 | 44 | | 37,512 | 20 | 500 |
| Broad Rock | 1936 | 75 | 1989 | 43,279 | 18 | 360 |
| Carver | 1888 | 123 | 1992 | 100,000 | 42 | 840 |
| Cary, John B. | 1953 | 58 | 1990 | 46,711 | 20 | 400 |
| Chimborazo | 1968 | 43 | | 75,370 | 32 | 640 |
| Clark Springs | 1966 | 45 | 1996 | 50,376 | 20 | 400 |
| Fairfield Court | 1957 | 54 | 1990 | 44,398 | 27 | 540 |
| Fisher, J. B. | 1966 | 45 | 1969 | 44,222 | 16 | 320 |
| Fox | 1911 | 100 | 1922 | 58,260 | 17 | 340 |
| Francis, J. L. | 1968 | 43 | 1996 | 56,954 | 27 | 540 |
| Ginter Park | 1915 | 96 | 1981 | 60,371 | 24 | 480 |
| Ginter Park Annex (Mary Scott) | 1952 | 59 | 1981 | 47,507 | 19 | 380 |
| Greene, E. S. H. | 1955 | 56 | 1969 | 41,490 | 23 | 460 |
| Holton, Linwood * | 1999 | 12 | | 80,548 | 32 | 640 |
| Mason, George | 1922 | 89 | 1980 | 67,048 | 29 | 580 |
| Maymont | 1957 | 54 | | 35,959 | 18 | 360 |
| Miles Jones * | 1999 | 12 | | 80,548 | 32 | 640 |
| Munford, Mary | 1950 | 61 | 1954 | 64,468 | 24 | 480 |
| Oak Grove | 1950 | 61 | 1986 | 42,041 | 18 | 360 |
| Oak Grove Annex (Bellmeade) | 1936 | 75 | 1986 | 28,100 | 11 | 220 |
| Overby - Sheppard | 1976 | 35 | 1996 | 49,300 | 25 | 500 |
| Redd, Elizabeth | 1951 | 60 | 1982 | 74,471 | 21 | 420 |
| Reid, G. H. | 1958 | 53 | 1969 | 64,964 | 38 | 760 |
| Summer Hill Annex (Ruffin Road) | 1965 | 46 | | 11,390 | 7 | 140 |
| Southampton | 1959 | 52 | 1982 | 56,521 | 29 | 580 |
| Stuart, J. E. B. | 1921 | 90 | 1990 | 44,408 | 25 | 500 |
| Summer Hill | 1919 | 92 | 1986 | 37,282 | 19 | 380 |
| Swansboro | 1912 | 99 | 1982 | 48,183 | 17 | 340 |
| Westover Hills | 1955 | 56 | 1980 | 50,008 | 21 | 420 |
| Woodville | 1954 | 57 | 1985 | 76,928 | 31 | 620 |
| **Total** | | | | | **756** | **15,380** |

**NOTE: Only Regular Classrooms are Counted in Elementary School Capacity**

**Table 14**

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia**

**Schedule of School Building Statistics (unaudited)**

**"Standard Classrooms" are defined as: Regular classrooms*, Science, Science lecture, Vocational, Special Education, and Business, or any classroom without permanent equipment.**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Middle Schools** | | | | | | |
| Binford | 1914 | 97 | 1926 | 98,013 | 27 | 540 |
| Boushall | 1986 | 25 | | 128,530 | 42 | 840 |
| Elkhardt | 1941 | 70 | 1988 | 91,575 | 26 | 520 |
| Henderson | 1972 | 39 | | 188,131 | 44 | 880 |
| Hill, Albert | 1925 | 86 | | 81,152 | 30 | 600 |
| Lucille Brown | 1997 | 14 | | 129,775 | 26 | 520 |
| King (Includes Head Start & Round Bldgs) | 1962 | 49 | | 201,042 | 67 | 1,340 |
| Thompson | 1965 | 46 | | 108,364 | 35 | 700 |
| **Total** | | | | | **297** | **6,580** |
| **High Schools** | | | | | | |
| Franklin Military (Onslow Minnis) | 1928 | 83 | 1995 | 95,017 | 30 | 600 |
| Huguenot | 1961 | 50 | 1992 | 175,245 | 50 | 1,000 |
| Jefferson, Thomas | 1929 | 82 | 1970 | 179,993 | 57 | 1,140 |
| Armstrong (formerly Kennedy, J. F.) | 1968 | 43 | 1990 | 237,532 | 53 | 1,060 |
| Marshall, John | 1959 | 52 | | 230,994 | 46 | 920 |
| Open High (Grace Arents Bldg ) | 1911 | 100 | 1985 | 18,699 | 8 | 160 |
| Richmond Community (Westhampton Bldg) | 1916 | 95 | 1990 | 62,210 | 20 | 400 |
| Wythe, George | 1959 | 52 | 1989 | 243,114 | 50 | 1,000 |
| **Total** | | | | | **314** | **6,280** |
| **Exceptional education schools** | | | | | | |
| Amelia | 1959 | 52 | 1991 | 33,908 | 18 | 360 |
| **Total** | | | | | **18** | **360** |
| **Vocational and Alternative Schools** | | | | | | |
| Adult Career Development Center | 1924 | 87 | 1983 | 80,643 | 33 | 660 |
| Educare (Includes, Head Start & Home Base) | 1940 | 71 | | 60,781 | 33 | 660 |
| RTC-North Building | 1971 | 40 | | 49,939 | 16 | 320 |
| RTC-South Building | 1966 | 45 | | 187,425 | 26 | 520 |
| **Total** | | | | | **108** | **2,160** |
| **Grand Total of Standard Classrooms and Capacity** | | | | | **1,493** | **30,760** |

**20 STUDENTS PER EACH STANDARD CLASSROOM WAS USED TO CALCULATE CAPACITY.**

***** Maximum capacity for three new elementary schools based on school board directives effective in 1998

| | | | | |
|---|---|---|---|---|
| This school was closed at the end of school year 2004-2005 | | | | |
| (Old)Armstrong | 1951 | 1966 | 62 | 1,240 |
| This school was closed at the end of school year 2006-2007 | | | | |
| Henry, Patrick | 1921 | 1985 | 24 | 480 |
| Whitcomb Court | 1957 | 1962 | 25 | 500 |
| This school was closed at the end of school year 2007-2008 | | | | |
| Norrell | 1964 | | 19 | 380 |
| Norrell Annex | 1954 | 1977 | 8 | 160 |
| REAL | 1925 | | 5 | 100 |
| Thirteen Acres | 1900 | | 0 | 0 |
| This school was closed at the end of school year 2008-2009 | | | | |
| Chandler Middle School | 1925 | 1993 | 32 | 640 |

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component unit of the City of Richmond, Virginia)**

**2010-2011 Schools With Accreditation Scores Reported to the State of Virginia (unaudited)**

| | | |
|---|---|---|
| 1 | Albert Hill Middle | Fully Accredited |
| 2 | Amelia Street Special Education | Fully Accredited |
| 3 | Armstrong High | Fully Accredited |
| 4 | Bellevue Elementary | Fully Accredited |
| 5 | Binford Middle | Fully Accredited |
| 6 | Blackwell Elementary | Fully Accredited |
| 7 | Broad Rock Elementary | Fully Accredited |
| 8 | Chimborazo Elementary | Fully Accredited |
| 9 | Clark Springs Elementary/Thirteen Acres | Fully Accredited |
| 10 | E.S.H. Greene Elementary | Fully Accredited |
| 11 | Elizabeth D. Redd Elementary | Fully Accredited |
| 12 | Elkhardt Middle | Fully Accredited |
| 13 | Fairfield Court Elementary | Fully Accredited |
| 14 | Franklin Military Academy | Fully Accredited |
| 15 | Fred D. Thompson Middle | Fully Accredited |
| 16 | G.H. Reid Elementary | Fully Accredited |
| 17 | George Mason Elementary | Fully Accredited |
| 18 | George W. Carver Elementary | Fully Accredited |
| 19 | George Wythe High | Fully Accredited |
| 20 | Ginter Park Elementary | Fully Accredited |
| 21 | Henderson Middle/Real School | Fully Accredited |
| 22 | Huguenot High | Fully Accredited |
| 23 | J.B. Fisher Elementary | Fully Accredited |
| 24 | J.E.B. Stuart Elementary | Fully Accredited |
| 25 | J.L. Francis Elementary | Fully Accredited |
| 26 | John B. Cary Elementary | Fully Accredited |
| 27 | John Marshall High | Fully Accredited |
| 28 | Linwood Holton Elementary | Fully Accredited |
| 29 | Lucille M. Brown Middle | Fully Accredited |
| 30 | Martin Luther King Jr. Middle | Fully Accredited |
| 31 | Mary Munford Elementary | Fully Accredited |
| 32 | Miles Jones Elementary | Fully Accredited |
| 33 | Oak Grove/Bellemeade Elementary | Fully Accredited |
| 34 | Open High | Fully Accredited |
| 35 | Overby-Sheppard Elementary | Fully Accredited |
| 36 | Patrick Henry School of Science And Arts | Conditionally Accredited |
| 37 | Richmond Alternative | Fully Accredited |
| 38 | Richmond Community High | Fully Accredited |
| 39 | Southampton Elementary | Fully Accredited |
| 40 | Summer Hill/Ruffin Road Elementary | Fully Accredited |
| 41 | Swansboro Elementary | Fully Accredited |
| 42 | Thomas C. Boushall Middle | Fully Accredited |
| 43 | Thomas Jefferson High | Fully Accredited |
| 44 | Westover Hills Elementary | Fully Accredited |
| 45 | William Fox Elementary | Fully Accredited |
| 46 | Woodville Elementary | Fully Accredited |

Note: The above list shows all Richmond Public Schools for which accreditation scores are reported annually to the Virginia Department of Education. Up to date information on the accreditation status of each school may be obtained by calling the Richmond Public Schools Office of of Public Information at (804) 780-7100, or by visiting the Richmond Public Schools' web site at www.richmond.k12.va.us.

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**
**(A Component Unit of the City of Richmond, Virginia)**

**Ratios of Debt Outstanding [1]**

**Last Two Fiscal Years**

| | Governmental Activities [2] | | | | |
|---|---|---|---|---|---|
| Fiscal Year | Capital leases | Per Capita Personal Income [3] | Percent of Personal Income | Population [3] | Debt Per Capita |
| 2011 | 6,201,626 | N/A | N/A | N/A | N/A |
| 2010 | 6,607,120 | N/A | N/A | 204,214 | 32.4 |

(1) See Note 6 in the notes to the financial statements for additional details on the Capital Leases.

(2) The Code of Virginia (Code) prohibits the School Board from issuing general obligation debt.

As a result, the City issues general obligation bonds for the School Board and reports in its statements, the general obligation debt related to the School Board. The code does not impose a legal limit on the amount of long-term indebtedness that the City of Richmond can incur or have outstanding; however, the City Council has imposed limits. The School Board's capital leases are not applicable to the City's self-imposed debt limits.

(3) See Table 28 for demographic and economic statistics of the City of Richmond. Calculations are based on available data provided by the City of Richmond.

Source: Department of Budget and Financial Reporting-Comprehensive Annual Financial Report

**Table 17**

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

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | | | | | |
| Invested In Capital Assets, Net of Related Debt | $ 204,892,717 | $ 199,865,572 | $ 191,556,995 | $ 198,513,944 | $ 257,995,107 | $ 276,834,506 | $ 304,606,896 | $ 311,326,711 | $ 280,800,936 | $ 198,531,273 |
| Restricted | 25,281,516 | 46,983,399 | 68,923,046 | 50,038,794 | 11,902,266 | 14,911,689 | 14,992,862 | 15,356,206 | 5,772,722 | 12,590,642 |
| Unrestricted | 48,463,377 | 31,375,839 | (10,050,293) | 40,670,738 | 25,435,347 | 26,438,982 | 45,954,323 | 21,676,936 | 67,421,848 | 71,414,987 |
| Total Governmental Activities Net Assets | $ 278,637,610 | $ 278,224,810 | $ 250,429,748 | $ 289,223,476 | $ 295,332,720 | $ 318,185,177 | $ 365,554,081 | $ 348,359,853 | $ 353,995,506 | $ 282,536,902 |
| **Business-type Activities** | | | | | | | | | | |
| Invested In Capital Assets, Net of Related Debt | $ 242,713,267 | $ 280,898,657 | $ 274,968,276 | $ 277,073,800 | $ 305,313,014 | $ 302,815,193 | $ 316,259,057 | $ 351,767,886 | $ 369,683,330 | $ 381,909,942 |
| Restricted | 52,581,970 | 49,509,466 | 8,650,941 | 40,067,236 | -- | -- | -- | -- | -- | -- |
| Unrestricted | 44,673,232 | 21,266,273 | 69,315,730 | 43,272,098 | 69,958,764 | 79,842,538 | 78,044,664 | 55,610,764 | 58,319,963 | 64,745,678 |
| Total Business-type Activities Net Assets | $ 339,968,469 | $ 351,674,396 | $ 352,934,947 | $ 360,413,134 | $ 375,271,778 | $ 382,657,731 | $ 394,303,721 | $ 407,378,650 | $ 428,003,293 | $ 446,655,620 |
| **Primary Government** | | | | | | | | | | |
| Invested In Capital Assets, Net of Related Debt | $ 447,605,984 | $ 480,764,229 | $ 466,525,271 | $ 475,587,744 | $ 563,308,121 | $ 579,649,699 | $ 620,865,953 | $ 663,094,597 | $ 650,484,266 | $ 580,441,215 |
| Restricted | 77,863,486 | 96,492,865 | 77,573,987 | 90,106,030 | 11,902,266 | 14,911,689 | 14,992,862 | 15,356,206 | 5,772,722 | 12,590,642 |
| Unrestricted | 93,136,609 | 52,642,112 | 59,265,437 | 83,942,836 | 95,394,111 | 106,281,520 | 123,998,987 | 77,287,700 | 125,741,811 | 136,160,665 |
| Total Primary Government Activities Net Assets | $ 618,606,079 | $ 629,899,206 | $ 603,364,695 | $ 649,636,610 | $ 670,604,498 | $ 700,842,908 | $ 759,857,802 | $ 755,738,503 | $ 781,998,799 | $ 729,192,522 |

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

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | $ 78,333,258 | $ 85,220,510 | $ 102,182,099 | $ 82,897,797 | $ 108,538,958 | $ 108,443,704 | $ 82,078,049 | $ 132,001,804 | $ 137,836,800 | $ 135,582,802 |
| Public Safety and Judiciary | 139,051,357 | 141,560,046 | 147,054,040 | 150,077,017 | 159,938,162 | 175,163,038 | 170,498,404 | 185,536,625 | 175,820,069 | 178,142,702 |
| Highways, Streets, Sanitation and Refuse | 55,742,911 | 76,549,273 | 76,654,334 | 80,327,346 | 75,459,598 | 72,673,872 | 90,808,054 | 59,964,571 | 61,502,223 | 104,103,996 |
| Human Services | 84,031,811 | 89,294,156 | 91,316,190 | 93,480,016 | 90,316,536 | 95,346,598 | 110,423,497 | 105,618,194 | 93,697,780 | 95,333,003 |
| Culture and Recreation | 24,035,635 | 26,127,447 | 24,856,175 | 14,914,204 | 21,978,162 | 24,350,136 | 41,009,121 | 25,635,473 | 26,009,978 | 28,502,174 |
| Education | 129,360,758 | 138,209,993 | 137,780,535 | 131,661,501 | 152,646,701 | 165,971,219 | 158,858,678 | 164,359,364 | 163,586,697 | 173,214,073 |
| Transportation | 6,276,550 | 6,114,308 | 6,699,852 | 6,766,376 | 8,216,356 | 9,405,588 | 10,460,000 | 11,950,000 | 11,600,000 | 11,600,000 |
| Interest and Fiscal Changes | 37,139,630 | 35,659,959 | 40,538,281 | 42,868,983 | 40,153,584 | 42,083,543 | 25,030,424 | 23,925,766 | 20,204,271 | 21,418,947 |
| Extraordinary Item[1] | -- | -- | 14,728,475 | 4,020,240 | -- | -- | -- | -- | -- | -- |
| Total Governmental Activities Expenses | 553,971,910 | 598,735,692 | 641,809,981 | 607,013,480 | 657,248,057 | 693,437,698 | 689,166,227 | 708,991,797 | 690,257,818 | 747,897,697 |
| Business-type Activities: | | | | | | | | | | |
| Gas | 131,743,956 | 167,936,098 | 178,520,751 | 207,682,064 | 248,535,630 | 216,255,114 | 216,059,214 | 221,285,311 | 163,063,730 | 154,527,763 |
| Water | 36,059,991 | 34,294,537 | 36,523,533 | 39,004,189 | 41,362,442 | 44,232,832 | 46,158,648 | 49,074,068 | 49,934,491 | 52,819,429 |
| Wastewater | 38,893,054 | 37,587,401 | 40,115,362 | 45,976,722 | 44,944,833 | 51,596,901 | 48,364,007 | 53,000,556 | 50,679,153 | 54,073,862 |
| Sormwater | -- | -- | -- | -- | -- | -- | -- | -- | 7,613,092 | 7,541,005 |
| Coliseum | 3,981,767 | 4,066,451 | 4,152,274 | 4,973,332 | 5,249,095 | 5,968,440 | 5,846,334 | 5,718,103 | 5,171,178 | 4,682,080 |
| Landmark Theatre | 1,928,890 | 1,580,618 | 1,876,343 | 1,730,408 | 1,835,924 | 1,788,114 | 1,829,565 | 567,990 | -- | -- |
| Cemeteries | 1,447,502 | 1,602,606 | 1,389,982 | 1,344,285 | 1,416,174 | 1,399,208 | 1,641,821 | 1,472,725 | 1,399,493 | 1,419,756 |
| Total Business-type Activities Expenses | 214,055,160 | 247,067,711 | 262,578,245 | 300,711,000 | 343,344,098 | 321,240,609 | 319,899,589 | 331,118,753 | 277,861,137 | 275,063,896 |
| Total Primary Government Expenses | $ 768,027,070 | $ 845,803,403 | $ 904,388,226 | $ 907,724,480 | $ 1,000,592,155 | $ 1,014,678,307 | $ 1,009,065,816 | $ 1,040,110,550 | $ 968,118,955 | $ 1,022,961,593 |
| **Program Revenues** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | $ 42,305,646 | $ 40,875,918 | $ 37,367,491 | $ 41,636,438 | $ 46,887,330 | $ 48,008,623 | $ 43,593,817 | $ 51,086,930 | $ 52,084,531 | $ 58,638,216 |
| Culture and Recreation | 549,118 | 663,061 | 611,105 | 561,893 | 759,632 | 109,692 | 719,586 | 686,911 | 727,597 | 406,036 |
| Other Activities | 19,724,718 | 20,715,420 | 27,671,318 | 20,602,746 | 29,109,017 | 27,368,011 | 30,450,928 | 29,948,260 | 30,759,315 | 26,567,540 |
| Operating Grants and Contributions | 143,351,487 | 143,710,347 | 133,650,110 | 149,167,449 | 147,151,168 | 159,269,020 | 169,105,387 | 155,689,284 | 151,878,522 | 154,172,480 |
| Capital Grants and Contributions | 3,498,180 | 10,610,426 | 10,516,738 | 8,227,292 | 3,714,468 | 18,929,229 | 12,566,194 | 5,228,211 | 5,545,450 | 7,312,467 |
| Total Governmental Activities Program Revenues | $ 209,429,149 | $ 216,575,172 | $ 209,816,762 | $ 220,195,818 | $ 227,621,615 | $ 253,684,575 | $ 256,435,912 | $ 242,639,596 | $ 240,995,415 | $ 247,096,739 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Gas | $ 136,262,738 | $ 173,251,482 | $ 187,051,036 | $ 221,309,436 | $ 255,994,336 | $ 225,162,779 | $ 225,892,538 | $ 231,136,014 | $ 172,587,241 | $ 164,890,242 |
| Water | 45,309,368 | 42,239,247 | 45,205,312 | 44,853,864 | 47,689,474 | 49,995,955 | 51,616,053 | 54,406,899 | 57,386,552 | 59,596,957 |
| Wastewater | 43,881,354 | 44,784,105 | 46,317,014 | 48,599,478 | 51,484,083 | 55,541,836 | 56,795,731 | 58,803,531 | 60,220,635 | 61,356,769 |
| Stormwater | -- | -- | -- | -- | -- | -- | -- | -- | 9,537,834 | 9,778,441 |
| Coliseum | 1,454,450 | 2,337,854 | 2,358,184 | 2,068,567 | 2,284,149 | 2,149,644 | 2,202,374 | 1,829,195 | 1,463,233 | 1,255,551 |
| Landmark Theatre | 221,204 | 318,101 | 724,250 | 390,879 | 594,775 | 255,549 | 463,078 | 520 | -- | -- |
| Cemeteries | 1,329,445 | 1,386,577 | 1,440,051 | 1,412,205 | 1,458,283 | 1,395,957 | 1,423,292 | 1,368,588 | 1,320,251 | 1,222,954 |
| Operating Grants and Contributions | 17,330,805 | 7,048,589 | 3,578,979 | 5,607,052 | 4,928,275 | 4,779,151 | 7,967,099 | 10,819,719 | 14,624,603 | 15,013,658 |
| Total Business-type Activities Program Revenues | 245,789,364 | 271,365,955 | 286,674,826 | 324,241,481 | 364,433,375 | 339,280,871 | 346,360,166 | 358,364,466 | 317,140,348 | 313,114,571 |
| Total Primary Government Program Revenues | $ 455,218,513 | $ 487,941,127 | $ 496,491,588 | $ 544,437,299 | $ 592,054,990 | $ 592,965,446 | $ 602,796,078 | $ 601,004,062 | $ 558,135,763 | $ 560,211,310 |
| **Net (Expense)/Revenue** | | | | | | | | | | |
| Governmental Activities | $ (344,542,761) | $ (382,160,520) | $ (431,993,219) | $ (386,817,662) | $ (429,626,442) | $ (439,753,123) | $ (432,730,315) | $ (466,352,201) | $ (449,262,403) | $ (500,800,958) |
| Business-type Activities | 31,734,204 | 24,298,243 | 24,096,580 | 23,530,481 | 21,089,277 | 18,040,261 | 26,460,577 | 27,245,713 | 39,279,211 | 38,050,675 |
| Total Primary Government Net Expense | $ (312,808,557) | $ (357,862,277) | $ (407,896,639) | $ (363,287,181) | $ (408,537,165) | $ (421,712,862) | $ (406,269,738) | $ (439,106,488) | $ (409,983,192) | $ (462,750,283) |

(Continued)

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

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Revenues and Other Changes in Net Assets** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Taxes (in General)[3] | $ 315,956,154 | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- |
| Real Estate | -- | 165,361,803 | 172,166,634 | 181,172,923 | 202,214,700 | 211,480,260 | 225,336,583 | 231,467,579 | 219,121,286 | 217,159,681 |
| Sales-1% Local | -- | 20,979,945 | 24,067,131 | 26,302,100 | 27,116,326 | 31,019,396 | 31,274,790 | 30,935,300 | 26,093,786 | 26,315,613 |
| Sales Tax For Educatioin | -- | -- | -- | -- | -- | 27,558,938 | 26,959,337 | 25,312,005 | 24,943,835 | 25,914,852 |
| Personal Property | -- | 43,200,390 | 41,918,417 | 45,091,878 | 25,156,191 | 42,095,364 | 55,220,158 | 45,878,338 | 50,186,338 | 38,461,849 |
| Machinery and Tools | -- | 16,408,110 | 14,831,660 | 14,618,256 | 15,140,256 | 13,149,199 | 13,486,040 | 13,762,378 | 17,119,371 | 16,914,447 |
| General Utility Sales | -- | 33,760,985 | 33,405,551 | 31,124,964 | 30,413,522 | 31,586,945 | 37,118,110 | 35,253,745 | 34,483,451 | 17,098,077 |
| State Communication Taxes | -- | -- | -- | -- | -- | -- | -- | -- | -- | 17,439,622 |
| Bank Stock | -- | 2,976,847 | 2,362,154 | 2,904,338 | 2,891,777 | 3,085,172 | 3,317,298 | 4,494,835 | 8,247,534 | 13,933,727 |
| Prepared Food | -- | 13,722,642 | 16,078,165 | 16,028,093 | 20,889,281 | 23,154,114 | 24,076,647 | 24,489,056 | 23,756,424 | 26,429,441 |
| Lodging Tax | -- | -- | -- | -- | -- | 5,272,618 | 5,984,286 | 5,366,015 | 4,789,681 | 4,789,957 |
| Admissions | -- | 1,465,338 | 1,804,701 | 1,195,603 | 1,218,238 | 1,073,673 | 2,447,670 | 1,604,376 | 2,181,971 | 2,335,970 |
| Rreal Estate Taxes - Delinquent | -- | -- | -- | -- | -- | -- | -- | -- | 9,711,901 | 10,746,487 |
| Personal property Taxes - Delinquent | -- | -- | -- | -- | -- | -- | -- | -- | 5,023,503 | 4,117,223 |
| Delinquent Tax Payments-All Classes | -- | 13,035,895 | 10,303,069 | 9,589,601 | 11,083,065 | 11,812,062 | 19,581,751 | -- | -- | -- |
| Private Utility Poles and Conduits | -- | 93,137 | 93,506 | 150,549 | 94,894 | 95,067 | 95,186 | 96,164 | 156,478 | 158,268 |
| Penalties and Interest | -- | 5,203,306 | 4,564,352 | 4,242,744 | 4,676,998 | 5,319,892 | 3,657,510 | 4,570,206 | 5,423,493 | 4,948,641 |
| Titling Tax-Mobile Home | -- | 10,402 | 7,324 | 16,942 | 7,197 | 5,800 | 9,014 | 10,635 | 10,858 | 4,704 |
| State Recordation | -- | 675,810 | 605,153 | 609,343 | 749,102 | 843,137 | 954,315 | 710,115 | 759,637 | 681,049 |
| Property Rental 1% | -- | 236,383 | 158,960 | 120,684 | 144,979 | 136,469 | 126,334 | 126,534 | 101,748 | 109,871 |
| Vehicle Rental Tax | -- | 955,513 | 868,115 | 864,415 | 752,941 | 1,004,229 | 889,582 | 626,040 | 424,599 | 579,654 |
| ABC Board Receipts | -- | 400,770 | -- | -- | -- | -- | -- | -- | -- | -- |
| Rolling Stock Tax | -- | 33,591 | 2,018,645 | 466,562 | 6,029,547 | 416,003 | -- | -- | -- | -- |
| Telephone Commissions | -- | -- | -- | -- | -- | -- | 477,935 | 449,292 | 450,000 | 390,739 |
| Intergovernmental Revenue Not Restricted to Specific Programs | 2,309,428 | 112,628 | 575,697 | 13,860,051 | 6,159,363 | -- | 171,162 | 166,361 | 156,211 | -- |
| Investment Earnings | 703,044 | 669,795 | 360,647 | 1,501,725 | 1,764,937 | 2,425,883 | 2,102,922 | 89,955 | 105,672 | 165,111 |
| Miscellaneous | 43,668,088 | 45,050,330 | 47,259,923 | 53,846,842 | 35,950,451 | 30,585,867 | 2,224,002 | 2,319,473 | 225,661 | 1,143,368 |
| Transfers | 17,277,420 | 17,219,836 | 17,993,646 | 21,130,671 | 20,165,228 | 20,884,181 | 24,282,511 | 21,560,041 | 22,340,631 | 21,459,319 |
| Special Item[2] | 638,321 | 174,264 | -- | 773,106 | -- | 3,701 | -- | -- | -- | -- |
| Extraordinary Item[1] | -- | -- | 12,754,707 | -- | (323,858) | (402,390) | 306,076 | (130,470) | 15,352 | -- |
| Total Governmental Activities | 380,552,455 | 381,747,720 | 404,198,157 | 425,611,390 | 412,295,135 | 462,605,580 | 480,099,219 | 449,157,973 | 455,829,421 | 451,297,670 |

(Continued)

**Table 18**

**CITY OF RICHMOND, VIRGINIA**

**CHANGES IN NET ASSETS**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|
| Business-type Activities: | | | | | | | | | | |
| Investment Earnings | $ 1,758,397 | $ 1,855,899 | $ 750,057 | $ 1,285,313 | $ 4,166,286 | $ 5,626,435 | $ 4,594,016 | $ 5,601,170 | $ 1,060,118 | $ 897,530 |
| Miscellaneous | 2,839,478 | 2,771,621 | 3,045,762 | 3,793,064 | 3,350,736 | 4,603,438 | 4,873,908 | 1,788,086 | 1,694,580 | 1,163,441 |
| Transfers | (17,277,420) | (17,219,836) | (17,993,646) | (21,130,671) | (20,165,228) | (20,884,181) | (24,282,511) | (21,560,041) | (22,340,631) | (21,459,319) |
| Total Business-type Activities | (12,679,545) | (12,592,316) | (14,197,827) | (16,052,294) | (12,648,206) | (10,654,308) | (14,814,587) | (14,170,785) | (19,585,933) | (19,398,348) |
| Total Primary Government | $ 367,872,910 | $ 369,155,404 | $ 390,000,330 | $ 409,559,096 | $ 399,646,929 | $ 451,951,272 | $ 465,284,632 | $ 434,987,188 | $ 436,243,488 | $ 431,899,322 |
| **Change in Net Assets** | | | | | | | | | | |
| Governmental Activities | $ 36,009,694 | $ (412,800) | $ (27,795,062) | $ 38,793,728 | $ (17,331,307) | $ 22,852,457 | $ 47,368,904 | $ (17,194,228) | $ 6,567,018 | $ (49,503,288) |
| Business-type Activities | 19,054,659 | 11,705,927 | 9,898,753 | 7,478,187 | 8,441,071 | 7,385,953 | 11,645,990 | 13,074,928 | 19,693,278 | 18,652,327 |
| Total Primary Government | $ 55,064,353 | $ 11,293,127 | $ (17,896,309) | $ 46,271,915 | $ (8,890,236) | $ 30,238,410 | $ 59,014,894 | $ (4,119,300) | $ 26,260,296 | $ (30,850,961) |

[1]**Extraordinary Item:**
Fiscal Year 2004, 2006, 2007, 2008 and 2009 Disaster Costs

[2]**Special Item:**
Fiscal Year 2002, 2003, 2005 and 2011 - Gain on Sale of Land
Fiscal Year 2005 & 2007 - Disaster Recovery

[3]**City Taxes:**
Fiscal Year 2002 - There was no requirement to report City Taxes by category.

Note: The changes in net assets for both Governmental and Business -type activities are explained in the City of Richmond's Management's Discussion and Analysis Section.
Note: In FY09 the City classified current and delinquent taxes as a combined unit.
Note: In FY11 the City modified the classification and grouping of General Fund Revenue compared to prior year's.

**CITY OF RICHMOND, VIRGINIA**
**FUND BALANCES OF GOVERNMENTAL FUNDS**
**Last Ten Fiscal Years**
**(modified accrual basis of accounting)**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| General Fund | | | | | | | | | | |
| Non-Spendable | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ 1,029,600 |
| Restricted | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1,391,917 |
| Committed | -- | -- | -- | -- | -- | -- | -- | -- | -- | 14,672,765 |
| Assigned | -- | -- | -- | -- | -- | -- | -- | -- | -- | 15,460,647 |
| Unassigned | -- | -- | -- | -- | -- | -- | -- | -- | -- | 64,062,309 |
| Reserved | 18,597,316 | 21,328,801 | 14,150,287 | 22,216,671 | 16,144,418 | 15,894,601 | 16,908,547 | 2,094,186 | 16,598,886 | -- |
| Unreserved | 40,645,634 | 40,552,729 | 47,690,533 | 45,278,440 | 45,442,420 | 47,507,086 | 47,638,753 | 48,644,484 | 59,423,096 | -- |
| Total General Fund | $ 59,242,950 | $ 61,881,530 | $ 61,840,820 | $ 67,495,111 | $ 61,586,838 | $ 63,401,687 | $ 64,547,300 | $ 50,738,670 | $ 76,021,982 | $ 96,617,238 |
| All Other Governmental Funds | | | | | | | | | | |
| Non-Spendable | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ 212,141 |
| Restricted | -- | -- | -- | -- | -- | -- | -- | -- | -- | 16,262,282 |
| Committed | -- | -- | -- | -- | -- | -- | -- | -- | -- | 9,426,306 |
| Assigned | -- | -- | -- | -- | -- | -- | -- | -- | -- | 295,105 |
| Unassigned | -- | -- | -- | -- | -- | -- | -- | -- | -- | (37,000,000) |
| Reserved | 25,281,516 | 46,983,399 | 68,923,046 | 50,413,044 | 22,836,669 | 48,645,510 | 25,399,353 | 17,029,761 | 6,822,405 | -- |
| Unreserved, reported in: | | | | | | | | | | |
| Special Revenue Funds | 19,581,096 | 20,589,668 | 12,249,538 | 11,473,432 | 12,894,614 | 7,502,105 | 7,478,784 | 8,385,421 | 10,861,875 | -- |
| Capital Project Funds | 34,500 | 34,500 | -- | -- | -- | -- | -- | (67,443,896) | -- | -- |
| Debt Service Fund | -- | 11,461 | 11,461 | 11,461 | (8,058) | -- | -- | -- | -- | -- |
| Total All Other Governmental Funds | $ 44,897,112 | $ 67,619,028 | $ 81,184,045 | $ 61,897,937 | $ 35,723,225 | $ 56,147,615 | $ 32,878,137 | $ (42,028,714) | $ 17,684,280 | $ (10,804,166) |

Note: The changes in fund balances are explained in the City of Richmond's Management's Discussion and Analysis.
Note: The change in classification of fund balance amounts in 2011 is the result of the implementation of GASB statement 54. Further discussion and detail can be viewed in the City of Richmond's Notes to Financial Statements
Note: Exhibit C provides a detail breakout for each of the governmental funds

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Revenues** | | | | | | | | | | |
| Taxes | $ 299,399,915 | $ 306,292,416 | $ 317,204,260 | $ 334,498,995 | $ 350,466,022 | $ 409,441,193 | $ 435,695,263 | $ 427,338,579 | $ 425,707,122 | $ 433,782,081 |
| Licenses, Permits and Privilege Fees | 32,890,826 | 33,259,137 | 31,821,328 | 35,302,960 | 37,275,652 | 37,543,533 | 35,514,381 | 36,190,387 | 35,374,043 | 34,326,099 |
| Intergovernmental | 149,159,095 | 154,433,332 | 146,970,902 | 173,750,992 | 158,577,638 | 164,137,422 | 163,694,270 | 156,307,233 | 151,219,441 | 152,816,149 |
| Service Charges | 16,866,068 | 17,924,528 | 14,933,169 | 16,343,955 | 20,421,258 | 21,119,157 | 21,761,128 | 21,451,494 | 24,407,838 | 25,559,661 |
| Fines and Forfeitures | 8,646,605 | 7,774,458 | 8,559,606 | 10,328,752 | 11,429,454 | 11,023,780 | 10,706,248 | 9,246,562 | 9,760,055 | 9,583,749 |
| Sales of Land | 638,321 | - | - | - | -- | -- | -- | -- | -- | -- |
| Payment in Lieu of Taxes | 16,518,950 | 17,518,465 | 18,102,353 | 19,630,782 | 18,898,355 | 18,635,494 | 19,357,177 | 19,234,942 | 19,780,983 | -- |
| Utility Payments | - | - | - | - | -- | -- | -- | -- | -- | 22,577,356 |
| Investment Income | 703,044 | 669,795 | 365,825 | 1,501,725 | 1,764,937 | 2,425,882 | 2,103,022 | 540,676 | 105,672 | 165,111 |
| Miscellaneous | 55,309,546 | 57,211,587 | 72,862,719 | 64,264,540 | 70,850,022 | 64,820,190 | 27,454,098 | 19,653,520 | 22,718,453 | 20,903,222 |
| Total Revenues | 580,132,370 | 595,083,718 | 610,820,162 | 655,622,701 | 669,683,338 | 729,146,651 | 716,285,587 | 689,963,393 | 689,073,607 | 699,713,428 |
| **Expenditures** | | | | | | | | | | |
| General Government | 60,464,041 | 66,113,349 | 68,978,772 | 72,082,519 | 80,895,144 | 76,901,063 | 77,967,920 | 90,936,507 | 92,896,369 | 86,018,066 |
| Public Safety and Judiciary | 136,466,136 | 139,318,995 | 145,509,707 | 151,733,584 | 157,743,772 | 175,232,251 | 167,022,262 | 177,057,319 | 169,704,353 | 168,930,921 |
| Highways, Streets, Sanitation and Refuse | 44,018,321 | 46,004,841 | 44,054,142 | 54,373,540 | 57,844,351 | 62,404,860 | 61,007,410 | 44,632,867 | 46,687,139 | 58,398,783 |
| Human Services | 81,957,017 | 87,637,237 | 89,044,511 | 90,924,428 | 88,715,030 | 96,880,070 | 105,983,727 | 101,156,059 | 89,445,759 | 89,251,029 |
| Culture and Recreation | 21,604,557 | 22,101,310 | 23,539,612 | 19,628,668 | 19,540,997 | 21,399,788 | 22,420,288 | 22,869,119 | 21,791,546 | 23,274,978 |
| Education | 125,669,753 | 128,823,925 | 131,762,289 | 129,041,941 | 142,303,624 | 159,927,313 | 158,858,678 | 159,155,815 | 151,332,379 | 150,585,819 |
| Non-Departmental | 26,410,541 | 23,461,527 | 25,153,039 | 26,211,317 | 33,373,394 | 41,164,869 | 51,273,499 | 50,990,595 | 46,454,002 | 43,629,933 |
| Capital Outlay | 39,828,063 | 35,347,332 | 58,250,207 | 43,109,262 | 35,531,084 | 26,247,426 | 37,969,088 | 81,224,196 | 55,093,465 | 125,099,224 |
| Debt Service: | | | | | | | | | | |
| Principal Retirement | 36,896,795 | 37,206,080 | 41,473,735 | 43,743,522 | 48,061,126 | 48,020,086 | 33,368,115 | 28,077,064 | 31,748,820 | 29,839,337 |
| Interest Payments | 34,692,049 | 34,974,162 | 40,304,483 | 40,812,004 | 39,385,830 | 38,490,977 | 25,054,610 | 24,805,037 | 19,193,765 | 19,710,167 |
| Issuance Costs | 1,054,532 | 382,904 | 683,283 | 625,909 | 671,476 | 846,451 | -- | 955,068 | 806,838 | 647,705 |
| Total Expenditures | 609,061,805 | 621,371,662 | 668,753,780 | 672,286,694 | 704,065,828 | 747,515,154 | 740,925,597 | 781,859,646 | 725,154,435 | 795,385,962 |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Transfers In | 44,620,298 | 47,449,811 | 53,904,655 | 57,680,867 | 61,784,636 | 60,691,246 | 82,480,356 | 70,306,914 | 67,559,251 | 66,240,273 |
| Transfers Out | (41,729,562) | (46,073,628) | (51,675,655) | (54,938,228) | (59,386,273) | (57,501,875) | (79,507,387) | (67,126,142) | (64,147,702) | (63,243,383) |
| Proceeds from Refunding Bonds | 74,300,000 | 36,630,116 | 9,300,000 | - | 90,847,799 | -- | -- | -- | -- | -- |
| Payment to Escrow Agent | (74,300,000) | (36,630,116) | (9,300,000) | - | (90,622,799) | -- | -- | -- | -- | -- |
| Proceeds from Issuance of Bonds | 31,845,867 | 50,097,993 | 68,297,167 | 3,536,671 | -- | 42,194,332 | -- | -- | 100,917,875 | 80,341,209 |
| Premium on Issuance of Bonds | -- | -- | 2,905,526 | -- | -- | -- | (762,900) | -- | 6,565,000 | 4,441,245 |
| Total Other Financing Sources (Uses) | 34,736,603 | 51,474,176 | 73,431,693 | 6,279,310 | 2,623,363 | 45,383,703 | 2,210,069 | 3,180,772 | 110,894,424 | 87,779,344 |
| **Special Item** | | | | | | | | | | |
| Gain on Sale of Land | 638,321 | 174,264 | -- | - | -- | -- | -- | -- | -- | -- |
| Disaster Recovery | -- | -- | 12,754,707 | 773,106 | -- | -- | -- | -- | -- | -- |
| Total Special Item | 638,321 | 174,264 | 12,754,707 | 773,106 | -- | -- | -- | -- | -- | -- |
| **Extraordinary Item** | | | | | | | | | | |
| Disaster Costs | -- | -- | (14,728,475) | (4,020,240) | (323,858) | (402,390) | 306,076 | -- | 15,352 | -- |
| Total Extraordinary Item | -- | -- | (14,728,475) | (4,020,240) | (323,858) | (402,390) | 306,076 | -- | 15,352 | -- |
| Net Change in Fund Balances | $ 6,445,489 | $ 25,360,496 | $ 13,524,307 | $ (13,631,817) | $ (32,082,985) | $ 26,612,810 | $ (22,123,865) | $ (88,715,481) | $ 74,828,948 | $ (7,893,190) |
| ebt Service as a Percentage of Noncapital Expenditures | 12.5% | 11.7% | 12.4% | 13.0% | 12.7% | 12.1% | 8.5% | 7.5% | 7.6% | 6.8% |

Note: The changes in fund balances are explained in the City of Richmond's Management's Discussion and Analysis.
Note: In FY11 the City modified the classification and grouping of General Fund Revenue compared to prior year's.
(1) In FY11 the Debt Service as a Percentage of Noncapital Expenditures calculation has changed. Current and prior year percentages have been revised to reflect this change.

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| **City Taxes** | | | | | | | | | | |
| City Taxes (In General) | $ 315,956,154 | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- |
| Real Estate | -- | 165,361,803 | 172,166,634 | 181,172,923 | 202,214,700 | 211,480,260 | 225,336,583 | 231,467,579 | 219,121,286 | 217,159,681 |
| Sales-1% Local | -- | 20,979,945 | 24,067,131 | 26,302,100 | 27,116,326 | 31,019,396 | 31,274,790 | 30,935,300 | 26,093,786 | 26,315,613 |
| SalesTax for Education | -- | -- | -- | -- | -- | 27,558,938 | 26,959,337 | 25,312,005 | 24,943,835 | 25,914,852 |
| Personal Property | -- | 43,200,390 | 41,918,417 | 45,091,878 | 25,156,191 | 42,095,364 | 55,220,158 | 45,878,338 | 50,186,338 | 38,461,849 |
| Machinery and Tools | -- | 16,408,110 | 14,831,660 | 14,618,256 | 15,140,256 | 13,149,199 | 13,486,040 | 13,762,378 | 17,119,371 | 16,914,447 |
| General Utility Sales | -- | 33,760,985 | 33,405,551 | 31,124,964 | 30,413,522 | 31,586,945 | 37,118,110 | 35,253,745 | 34,483,451 | 17,098,077 |
| State Communication Taxes | -- | -- | -- | -- | -- | -- | -- | -- | -- | 17,439,622 |
| Bank Stock | -- | 2,976,847 | 2,362,154 | 2,904,338 | 2,891,777 | 3,085,172 | 3,317,298 | 4,494,835 | 8,247,534 | 13,933,727 |
| Prepared Food | -- | 13,722,642 | 16,078,165 | 16,028,093 | 20,889,281 | 23,154,114 | 24,076,647 | 24,489,056 | 23,756,424 | 26,429,441 |
| Transient Lodging | -- | -- | -- | -- | -- | 5,272,618 | 5,984,286 | 5,366,015 | 4,789,681 | 4,789,957 |
| Admissions | -- | 1,465,338 | 1,804,701 | 1,195,603 | 1,218,238 | 1,073,673 | 2,447,670 | 1,604,376 | 2,181,971 | 2,335,970 |
| Real Estate Taxes - Delinquent | -- | -- | -- | -- | -- | -- | -- | -- | 9,711,901 | 10,746,487 |
| Personal Property Taxes - Delinquent | -- | -- | -- | -- | -- | -- | -- | -- | 5,023,503 | 4,117,223 |
| Delinquent Tax Payments-All Classes | -- | 13,035,895 | 10,303,069 | 9,589,601 | 11,083,065 | 11,812,062 | 19,581,751 | -- | -- | -- |
| Private Utility Poles and Conduits | -- | 93,137 | 93,506 | 150,549 | 94,894 | 95,067 | 95,186 | 96,164 | 156,478 | 158,268 |
| Penalties and Interest | -- | 5,203,306 | 4,564,352 | 4,242,744 | 4,676,998 | 5,319,892 | 3,657,510 | 4,570,206 | 5,423,493 | 4,948,641 |
| Titling Tax-Mobile Home | -- | 10,402 | 7,324 | 16,942 | 7,197 | 5,800 | 9,014 | 10,635 | 10,858 | 4,704 |
| State Recordation | -- | 675,810 | 605,153 | 609,343 | 749,102 | 843,137 | 954,315 | 710,115 | 759,637 | 681,049 |
| Property Rental 1% | -- | 236,383 | 158,960 | 120,684 | 144,979 | 136,469 | 126,334 | 126,534 | 101,748 | 109,871 |
| Vehicle Rental Tax | -- | 955,513 | 868,115 | 864,415 | 752,941 | 1,004,229 | 889,582 | 626,040 | 424,599 | 579,654 |
| ABC Board Receipts | -- | 400,770 | -- | -- | -- | -- | -- | -- | -- | -- |
| Rolling Stock Tax | -- | 33,591 | 2,018,645 | 466,562 | 6,029,547 | 416,003 | -- | -- | -- | -- |
| Telephone Commissions | -- | -- | -- | -- | -- | -- | 477,935 | 449,292 | 450,000 | 390,739 |
| Total Primary Government | $ 315,956,154 | $ 318,520,867 | $ 325,253,537 | $ 334,498,995 | $ 348,579,014 | $ 409,108,338 | $ 451,012,546 | $ 425,152,613 | $ 432,985,894 | $ 428,529,872 |

[1]**City Taxes:**
Fiscal Year 2002 - There was no requirement to report City Taxes by category.

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

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Real Estate | $ 151,824,518 | $ 159,003,009 | $ 170,251,093 | $ 181,172,923 | $ 195,007,601 | $ 211,744,174 | $ 220,312,237 | $ 227,921,229 | $ 218,027,758 | $ 221,948,834 |
| Sales-1% Local | 22,202,874 | 20,123,954 | 24,067,131 | 26,302,100 | 27,116,326 | 31,019,396 | 31,274,790 | 30,935,300 | 26,093,786 | 26,315,613 |
| Sales Tax for Education | -- | -- | -- | -- | -- | 27,558,938 | 26,959,337 | 25,312,005 | 24,943,835 | 25,914,852 |
| Personal Property | 42,133,029 | 41,488,407 | 41,918,417 | 45,091,878 | 43,819,129 | 42,147,896 | 44,734,218 | 51,107,922 | 44,081,997 | 44,343,976 |
| Machinery and Tools | 17,010,104 | 15,674,402 | 14,831,660 | 14,618,256 | 14,729,382 | 13,165,608 | 13,679,043 | 14,265,110 | 17,038,468 | 16,857,051 |
| Utility Sales Tax Gas | - | - | - | - | -- | -- | -- | -- | -- | 4,617,822 |
| Utility Sales Tax Electric | - | - | - | - | -- | -- | -- | -- | -- | 12,480,255 |
| General Utility Sales | 32,439,687 | 32,415,856 | 30,272,507 | 31,124,964 | 30,413,522 | 31,586,945 | 37,118,110 | 35,253,745 | 34,483,451 | - |
| State Communication Taxes | - | - | - | - | -- | -- | -- | -- | -- | 17,439,622 |
| Bank Stock | 5,161,545 | 2,854,562 | 2,362,154 | 2,904,338 | 2,891,777 | 3,085,172 | 3,317,298 | 4,494,835 | 8,247,534 | 13,933,727 |
| Prepared Food | 13,294,593 | 13,111,219 | 14,548,707 | 16,028,093 | 17,404,622 | 23,154,114 | 24,076,647 | 24,489,056 | 23,756,424 | 21,726,664 |
| Lodging Tax | - | -- | -- | -- | -- | 5,272,618 | 5,984,286 | 5,366,015 | 4,789,681 | 4,623,900 |
| Admission | 1,391,847 | 1,465,338 | 1,804,701 | 1,195,603 | 1,218,238 | 1,073,673 | 2,447,670 | 1,604,376 | 2,181,971 | 1,843,129 |
| Real Estate Taxes - Delinquent | -- | -- | -- | -- | -- | -- | -- | -- | 9,711,901 | 10,746,487 |
| Personal Property Taxes - Delinquent | -- | -- | -- | -- | -- | -- | -- | -- | 5,023,503 | 4,117,223 |
| Delinquent Tax Payments-All Classes | 7,956,401 | 12,546,757 | 10,303,069 | 9,589,601 | 11,083,065 | 11,812,062 | 19,581,751 | -- | -- | -- |
| Private Utility Poles and Conduits | 91,538 | 93,137 | 93,506 | 150,549 | 94,894 | 95,067 | 95,186 | 96,164 | 156,478 | 158,268 |
| Penalties and Interest | 4,450,781 | 5,203,306 | 4,564,352 | 4,242,744 | 4,676,998 | 5,319,892 | 3,657,510 | 4,570,206 | 5,423,493 | 4,948,641 |
| Titling Tax-Mobile Home | 10,345 | 10,402 | 7,324 | 16,942 | 7,197 | 5,800 | 9,014 | 10,635 | 10,858 | 4,704 |
| State Recordation | 702,350 | 675,810 | 605,153 | 609,343 | 749,102 | 843,137 | 954,315 | 710,115 | 759,637 | 681,049 |
| Property Rental 1% | -- | 236,383 | 158,960 | 120,684 | 144,979 | 136,469 | 126,334 | 126,534 | 101,748 | 109,871 |
| Vehicle Rental Tax | 730,303 | 955,513 | 868,115 | 864,415 | 752,941 | 1,004,229 | 889,582 | 626,040 | 424,599 | 579,654 |
| ABC Board Receipts | -- | 400,770 | -- | -- | -- | -- | -- | -- | -- | -- |
| Rolling Stock Tax | -- | 33,591 | -- | -- | -- | -- | -- | -- | -- | -- |
| Telephone Commissions | -- | -- | 547,411 | 466,562 | 356,249 | 416,003 | 477,935 | 449,292 | 450,000 | 390,739 |
| Total General Governmental Tax Revenues | $ 299,399,915 | $ 306,292,416 | $ 317,204,260 | $ 334,498,995 | $ 350,466,022 | $ 409,441,193 | $ 435,695,263 | $ 427,338,579 | $ 425,707,122 | $ 433,782,081 |

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

## CITY OF RICHMOND, VIRGINIA
## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
## Last Ten Fiscal Years

| Calendar | Real Property | | Personal | Machinery | Less: Tax Exempt | Total Taxable | Tax Rate Per $100 of Assessed Value | | | Estimated | Assessed Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Residential | | | | | Assessed | Real | Personal | Machinery | Actual Taxable | as a Percentage |
| Year | Property | Commercial Property | Property | & Tools | Real Property | Value | Property | Property | & Tools | Value | of Actual Value |
| 2002 | 6,473,254,985 | 7,599,038,460 | 1,507,088,801 | 790,901,800 | 2,892,351,707 | 13,477,932,339 | 1.39 | 3.70 | 2.30 | 13,477,932,339 | 100.00% |
| 2003 | 7,396,450,777 | 8,358,905,035 | 1,393,327,487 | 678,581,056 | 3,103,519,875 | 14,723,744,480 | 1.38 | 3.70 | 2.30 | 14,723,744,480 | 100.00% |
| 2004 | 7,930,422,754 | 8,649,174,035 | 1,172,806,822 | 631,645,652 | 3,344,887,395 | 15,039,161,868 | 1.38 | 3.70 | 2.30 | 15,039,161,868 | 100.00% |
| 2005 | 9,448,941,200 | 9,291,733,951 | 1,330,154,149 | 670,556,827 | 3,661,451,800 | 17,079,934,327 | 1.33 | 3.70 | 2.30 | 17,079,934,327 | 100.00% |
| 2006 | 10,739,603,660 | 9,246,483,112 | 1,522,890,436 | 637,469,276 | 3,914,062,202 | 18,232,384,282 | 1.29 | 3.70 | 2.30 | 18,232,384,282 | 100.00% |
| 2007 | 12,273,304,550 | 11,495,448,724 | 1,418,934,404 | 647,387,014 | 4,726,230,820 | 21,108,843,872 | 1.23 | 3.70 | 2.30 | 21,108,843,872 | 100.00% |
| 2008 | 13,189,929,800 | 12,416,702,435 | 1,468,366,859 | 627,888,746 | 5,000,713,600 | 22,702,174,240 | 1.20 | 3.70 | 2.30 | 22,702,174,240 | 100.00% |
| 2009 | 14,501,085,200 | 12,117,784,643 | 1,387,622,846 | 625,752,634 | 5,519,840,800 | 23,112,404,523 | 1.20 | 3.70 | 2.30 | 23,112,404,523 | 100.00% |
| 2010 | 12,657,788,000 | 14,263,768,672 | 1,420,344,916 | 765,598,939 | 5,827,518,000 | 23,279,982,527 | 1.20 | 3.70 | 2.30 | 23,279,982,527 | 100.00% |
| 2011 | 12,019,466,000 | 13,786,267,222 | 1,484,823,134 | 762,284,948 | 5,918,281,100 | 22,134,560,204 | 1.20 | 3.70 | 2.30 | 22,134,560,204 | 100.00% |

Source: Assessor's Office

## CITY OF RICHMOND, VIRGINIA
## REAL ESTATE TAX LEVIES AND COLLECTIONS
## Last Ten Years

| | | | Current Tax Collections[1] | | Delinquent | Total Tax Collections | |
|---|---|---|---|---|---|---|---|
| Tax Year | Tax Rate | Total Tax Levy[3] | Amount | Percentage of Levy | Tax Collections[2] | Amount | Percentage of Levy |
| 2002 | 1.39 | 162,359,912 | 153,719,867 | 94.7% | 5,221,188 | 158,941,055 | 97.9% |
| 2003 | 1.38 | 175,100,400 | 165,330,253 | 94.4% | 9,498,935 | 174,829,188 | 99.8% |
| 2004 | 1.38 | 184,806,582 | 179,024,489 | 96.9% | 7,715,852 | 186,740,341 | 101.0% |
| 2005 | 1.33 | 201,274,826 | 191,839,265 | 95.3% | 7,619,922 | 199,459,187 | 99.1% |
| 2006 | 1.29 | 214,819,901 | 206,416,778 | 96.1% | 6,901,572 | 213,318,350 | 99.3% |
| 2007 | 1.23 | 224,815,976 | 218,210,831 | 97.1% | 5,696,407 | 223,907,238 | 99.6% |
| 2008 | 1.20 | 233,179,816 | 221,199,403 | 94.9% | 15,227,545 | 236,426,948 | 101.4% |
| 2009 | 1.20 | 236,538,376 | 223,155,601 | 94.3% | 6,001,432 | 229,157,033 | 96.9% |
| 2010 | 1.20 | 234,474,521 | 222,858,692 | 95.0% | 9,711,902 | 232,570,594 | 99.2% |
| 2011 | 1.20 | 234,035,458 | 222,720,502 | 95.2% | 10,742,828 | 233,463,330 | 99.8% |

Source: City of Richmond - Department of Finance

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

| | | | Current Tax Collections[1] | | Delinquent | Total Tax Collections to Date | |
|---|---|---|---|---|---|---|---|
| Tax Year | Tax Rate | Total Tax Levy[3] | Amount | Percentage of Levy | Tax Collections[2] | Amount | Percentage of Levy |
| 2002 | 3.70 | 48,353,865 | 42,133,029 | 87.1% | 5,068,925 | 47,201,954 | 97.6% |
| 2003 | 3.70 | 46,689,746 | 41,662,589 | 89.2% | 3,864,364 | 45,526,953 | 97.5% |
| 2004 | 3.70 | 46,468,895 | 42,080,193 | 90.6% | 3,297,269 | 45,377,462 | 97.7% |
| 2005 | 3.70 | 48,443,250 | 43,739,697 | 90.3% | 4,868,959 | 48,608,656 | 100.3% |
| 2006 | 3.70 | 50,187,847 | 43,230,723 | 86.1% | 4,328,616 | 47,559,339 | 94.8% |
| 2007 | 3.70 | 52,721,272 | 44,112,841 | 83.7% | 5,826,972 | 49,939,813 | 94.7% |
| 2008 | 3.70 | 53,094,279 | 43,226,559 | 81.4% | 2,687,649 | 45,914,208 | 86.5% |
| 2009 | 3.70 | 53,145,714 | 45,087,886 | 84.8% | 5,957,159 | 51,045,045 | 96.0% |
| 2010 | 3.70 | 53,716,305 | 45,700,784 | 85.1% | 4,740,164 | 50,440,948 | 93.9% |
| 2011 | 3.70 | 49,636,035 | 43,078,673 | 86.8% | 4,755,160 | 47,833,833 | 96.4% |

**Current Tax Collections[1]:** These columns represent the amount and percentage on the tax levy within the respective tax year reporting period. These amounts are adjusted to reflect the state's personal property relief payments in the proper period.

**Delinquent Tax Collections[2]:** This column represents delinquent taxes collected within the respective reporting period.

**Tax Levy[3] -** This column includes only the original levy; adjustments to this levy are not reflected.

Source: City of Richmond - Department of Finance

**Table 24**

**CITY OF RICHMOND, VIRGINIA**
**REAL ESTATE ASSESSED VALUES OF LARGEST TAXPAYERS**
**As of January 1, 2011**

| | 2011 | | | | 2002 | | |
|---|---|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxpayer | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Philip Morris Inc. | $ 704,881,000 | 1 | 3.54% | Philip Morris & Philip Morris USA | $ 225,895,200 | 1 | 2.02% |
| Hines Riverfront Plaxa LP | 242,000,000 | 2 | 1.22% | Boston Properties | 185,000,000 | 2 | 1.65% |
| James Center Property LLC | 183,956,000 | 3 | 0.92% | Sun Trust Banks, Inc. | 154,194,700 | 3 | 1.38% |
| Dominion Resources Inc. | 144,411,000 | 4 | 0.73% | Federal Reserve Bank of Richmond | 73,886,600 | 4 | 0.66% |
| Chippenham Hospital Inc. | 106,455,000 | 5 | 0.54% | Ethyl Corporation | 73,210,400 | 5 | 0.65% |
| Federal Reserve Bank | 103,928,000 | 6 | 0.52% | One James Center Associates | 68,500,000 | 6 | 0.61% |
| Gambles Hill Third Street LLC | 83,900,000 | 7 | 0.42% | Whitehall Robins | 62,263,800 | 7 | 0.56% |
| Parmenter 919 Main Street LP | 83,574,000 | 8 | 0.42% | Orton Val T Trustee | 55,429,300 | 8 | 0.50% |
| Foundry Park I LLC | 82,000,000 | 9 | 0.41% | Two James Center Associates | 52,000,000 | 9 | 0.47% |
| Riverside Owner LLC | 78,151,000 | 10 | 0.39% | Chippenham Hospital, Inc | 49,293,400 | 10 | 0.44% |
| Stony Point Fashion Park Associates LLC | 70,709,000 | 11 | 0.36% | Dominion Resources, Inc | 42,000,000 | 11 | 0.38% |
| First States Investors 3500 LLC | 69,571,000 | 12 | 0.35% | AAPOP, LLP | 42,000,000 | 12 | 0.38% |
| American Retirement Corp | 63,000,000 | 13 | 0.32% | Merican Retirement Corporation | 39,846,000 | 13 | 0.36% |
| AH Richmond Tower I LLC | 54,572,000 | 14 | 0.27% | Alleghany Warehouse Co., Inc. | 34,944,600 | 14 | 0.31% |
| Robins A H Co Inc. | 48,212,000 | 15 | 0.24% | Highwood Forsyth Limited | 31,210,900 | 15 | 0.28% |
| Media General, Inc. | 46,067,000 | 16 | 0.23% | SJW Limited Partnership | 28,640,000 | 16 | 0.26% |
| Miller & Rhoads Building LLC | 42,010,000 | 17 | 0.21% | SCDHC-Southwood, LLC | 23,901,000 | 17 | 0.21% |
| Total of Taxpayers | 2,207,397,000 | | 11.10% | Total of Taxpayers | 1,242,215,900 | | 11.11% |
| All Other Properties | 17,680,055,122 | | 88.90% | All Other Properties | 9,937,725,838 | | 88.89% |
| Totals | $ 19,887,452,122 | | 100.00% | Totals | $ 11,179,941,738 | | 100.00% |

Source: City's Real Estate Assessor

**CITY OF RICHMOND, VIRGINIA**
**PRINCIPAL EMPLOYERS**
**As of June 30, 2011**

| | 2011 | | | | 2002 | | |
|---|---|---|---|---|---|---|---|
| Employer | Approximate Number of Employees | Rank | Percentage of Principal Employment | Employer | Approximate Number of Employees | Rank | Percentage of Principal Employment |
| Capital One | 7,871 | 1 | 8.63% | Commonwealth of Virginia | 41,100 | 1 | 24.43% |
| Virginia Commonwealth University Health System | 7,741 | 2 | 8.49% | Federal Government | 15,000 | 2 | 8.92% |
| HCA Virginia Health System | 7,282 | 3 | 7.99% | Capital One Financial Corporation | 10,125 | 3 | 6.02% |
| Bon Secours Richmond Health System | 5,735 | 4 | 6.29% | Chesterfield County | 10,004 | 4 | 5.95% |
| Dominion Resources Inc. | 5,244 | 5 | 5.75% | City of Richmond | 9,104 | 5 | 5.41% |
| Altria Group Inc. | 4,387 | 6 | 4.81% | Henrico County | 9,040 | 6 | 5.37% |
| SunTrust Banks Inc. | 4,093 | 7 | 4.49% | Philip Morris, USA | 6,689 | 7 | 3.98% |
| Wells Fargo & Co. | 3,010 | 8 | 3.30% | Virginia Commonwealth University Health System | 6,575 | 8 | 3.91% |
| Bank of America | 2,900 | 9 | 3.18% | HCA, Inc. | 5,861 | 9 | 3.48% |
| WellPoint Inc. | 2,870 | 10 | 3.15% | Circuity City Stores, Inc. | 5,290 | 10 | 3.14% |
| DuPont | 2,785 | 11 | 3.05% | Wal-mart Stores, Inc. | 5,148 | 11 | 3.06% |
| United Parcel Service Inc. | 2,385 | 12 | 2.62% | Wachovia Corporation | 4,500 | 12 | 2.68% |
| Verizon Communications Inc. | 2,000 | 13 | 2.19% | Sun Trust Banks, Inc. | 4,200 | 13 | 2.50% |
| The Kroger Co. | 1,853 | 14 | 2.03% | Dominion Resources, Inc. | 3,841 | 14 | 2.28% |
| Federal Reserve Bank of Richmond | 1,759 | 15 | 1.93% | Ukrop's Super Markets, Inc. | 3,787 | 15 | 2.25% |
| University of Richmond | 1,474 | 16 | 1.62% | Verizon Virginia, Inc. | 3,500 | 16 | 2.08% |
| Genworth Financial | 1,256 | 17 | 1.38% | Bon Secours Richmond Health System | 3,448 | 17 | 2.05% |
| Honeywell International Inc. | 1,244 | 18 | 1.36% | Dupont | 3,265 | 18 | 1.94% |
| Total of Principal Employers | 65,889 | | 72.27% | Total of Principal Employers | 150,477 | | 89.45% |
| Other Principal Employers[1] | 25,286 | | 27.73% | | 17,747 | | 10.55% |
| Totals | 91,175 | | 100.00% | Totals | 168,224 | | 100.00% |

**Other Principal Employers[1]:** These numbers represent the amount and percentage of the remaining top 50 employers for the citizens within the Richmond Metropolitan Statistical Area.

Source: Richmond Times-Dispatch

Note: Public employer's data was not available for 2011.

**Table 25**

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

| Fiscal Year | Gross Revenue | Less: Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | Coverage |
| 2002 | $ 222,293,385 | $ 174,842,378 | 47,451,007 | $8,960,861 | $ 21,019,119 | 29,979,980 | 1.58 |
| 2003 | 257,454,148 | 200,480,366 | 56,973,782 | 9,378,904 | 23,896,768 | 33,275,672 | 1.71 |
| 2004 | 273,973,867 | 214,894,187 | 59,079,680 | 14,015,416 | 27,051,440 | 41,066,856 | 1.44 |
| 2005 | 311,528,607 | 248,572,360 | 62,956,247 | 15,117,801 | 27,684,009 | 42,801,810 | 1.47 |
| 2006 | 354,513,119 | 267,435,241 | 87,077,878 | 13,877,566 | 28,234,697 | 42,112,263 | 2.07 |
| 2007 | 332,534,070 | 264,341,546 | 68,192,524 | 15,512,828 | 28,242,331 | 43,755,159 | 1.56 |
| 2008 | 335,154,223 | 270,811,760 | 64,342,463 | 20,562,701 | 29,429,144 | 49,991,845 | 1.29 |
| 2009 | 347,058,210 | 278,970,601 | 68,087,609 | 20,508,027 | 29,939,215 | 50,447,242 | 1.35 |
| 2010 [1] | 288,046,809 | 212,931,591 | 75,115,218 | 21,104,375 | 34,343,862 | 55,448,237 | 1.35 |
| 2011 | 282,734,644 | 206,819,854 | 75,914,790 | 23,548,199 | 31,501,282 | 55,049,481 | 1.38 |

**Debt Service Coverage Covenant**

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

Source: City of Richmond - Department of Public Utilities

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

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

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Debt Limit | $ 1,117,994,174 | $ 1,196,677,008 | $ 1,325,845,739 | $ 1,507,923,335 | $ 1,665,270,552 | $ 1,904,252,245 | $ 2,060,991,864 | $ 2,109,902,904 | $ 2,109,403,867 | $ 1,988,745,212 |
| Total net applicable to limit | 681,368,153 | 689,578,088 | 738,231,520 | 685,384,668 | 635,988,545 | 633,857,964 | 592,625,025 | 605,137,771 | 630,231,266 | 703,768,481 |
| Legal Debt Margin | $ 436,626,021 | $ 507,098,920 | $ 587,614,219 | $ 822,538,667 | $ 1,029,282,007 | $ 1,270,394,281 | $ 1,468,366,839 | $ 1,504,765,133 | $ 1,479,172,601 | $ 1,284,976,731 |
| Total net debt applicable to the limit as a percentage of debt limit | 60.95% | 57.62% | 55.68% | 45.45% | 38.19% | 33.29% | 28.75% | 28.68% | 29.88% | 35.39% |

**Legal Debt Margin Calculation for Fiscal Year 2011**

| | |
|---|---|
| Assessed Value (Taxable) | $ 19,887,452,122 |
| Debt limit (10% of total assessed value) | 1,988,745,212 |
| General Obligation Bonds | 703,768,481 |
| Legal Debt Margin | $ 1,284,976,731 |

Source: City of Richmond - Department of Finance

Note: Article VII, Section 10 of the Constitution of Virginia provides that the legal debt limit for municipalities is ten (10) percent of the preceeding assessment for real estate taxes.
The Total Net Debt Applicable to Limit shown on 6/30/2011 does not include $554,658,872 of self-supporting Public Utility Revneue Bonds, $13,170,000 of Certificates of Participation, and $9,068,116 of Lease Revenue Bodns that by State law are not required to be included in calculations for legal margin for the creation of additional debt.

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

| | Governmental Activities | | | | | | Business-Type Activities | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Virginia Public School Authority Bonds | General Obligation Notes | HUD Section 108 Notes | Lease Revenue Bond | Certificates of Participation Series 2001A | General Obligation Bonds | Utility Revenue Bonds | Total Primary Government | Percentage of Personal Income | Per Capita |
| 2002 | 353,531,356 | 3,836,492 | 12,850,000 | 6,475,000 | - | 18,840,000 | 285,968,639 | 264,061,852 | 945,563,339 | 14.42% | 4,764 |
| 2003 | 376,693,205 | 3,483,946 | 5,290,000 | 6,765,000 | - | 18,840,000 | 278,982,829 | 260,504,754 | 950,559,734 | 13.89% | 4,798 |
| 2004 | 418,075,775 | 3,263,521 | 1,820,000 | 6,125,000 | - | 18,225,000 | 270,503,062 | 256,891,626 | 974,903,984 | 13.17% | 4,938 |
| 2005 | 392,957,068 | 3,042,389 | 7,000,000 | 5,595,000 | - | 17,585,000 | 259,195,982 | 320,815,598 | 1,006,191,037 | 13.19% | 5,084 |
| 2006 | 376,095,157 | 2,820,514 | 5,600,000 | 5,020,000 | 12,100,000 | 16,920,000 | 246,092,420 | 320,513,843 | 985,161,934 | 11.71% | 4,951 |
| 2007 | 387,222,408 | 2,597,288 | 4,700,000 | 4,465,000 | 11,555,580 | 16,230,000 | 234,580,147 | 414,194,548 | 1,075,544,971 | 12.13% | 5,360 |
| 2008 | 354,881,308 | 2,372,353 | 8,500,000 | 3,910,000 | 10,981,807 | 15,510,000 | 222,734,874 | 406,325,632 | 1,025,215,974 | 11.28% | 5,054 |
| 2009 | 327,097,155 | 2,145,328 | 63,560,000 | 3,355,000 | 10,377,099 | 14,760,000 | 208,811,286 | 551,289,644 | 1,181,395,512 | 13.46% | 5,778 |
| 2010 | 400,951,978 | 1,916,098 | 33,220,000 | 2,800,000 | 9,739,788 | 13,980,000 | 191,239,793 | 553,815,743 | 1,207,663,400 | N/A | 5,914 |
| 2011 | 453,213,764 | 1,684,543 | 74,780,000 | 2,245,000 | 9,068,116 | 13,170,000 | 171,845,174 | 554,658,872 | 1,280,665,469 | N/A | N/A |

N/A: Information is not available from the U.S. Department of Commerce Bureau of Economic Analysis

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

Note: See Demographic and Economic Statistics chart for personal income and population data. These ratios are calculated using personal income and population for the most current year available.

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

| Fiscal Year | General Obligation Bonds | Virginia Public School Authority Bonds | General Obligation Notes | HUD Section 108 Notes | Lease Revenue Bond | Certificates of Participation Series 2001A | Total | Percentage of Estimated Actual Taxable Value of Property | Debt Per Capita |
|---|---|---|---|---|---|---|---|---|---|
| 2002 | 639,499,995 | 3,836,492 | 12,850,000 | 6,475,000 | - | 18,840,000 | 681,501,487 | 2.91% | 3,434 |
| 2003 | 655,676,034 | 3,483,946 | 5,290,000 | 6,765,000 | - | 18,840,000 | 690,054,980 | 2.79% | 3,483 |
| 2004 | 688,578,837 | 3,263,521 | 1,820,000 | 6,125,000 | - | 18,225,000 | 718,012,358 | 2.98% | 3,637 |
| 2005 | 652,153,050 | 3,042,389 | 7,000,000 | 5,595,000 | - | 17,585,000 | 685,375,439 | 2.50% | 3,463 |
| 2006 | 622,187,577 | 2,820,514 | 5,600,000 | 5,020,000 | 12,100,000 | 16,920,000 | 664,648,091 | 2.30% | 3,340 |
| 2007 | 621,802,555 | 2,597,288 | 4,700,000 | 4,465,000 | 11,555,580 | 16,230,000 | 661,350,423 | 2.02% | 3,296 |
| 2008 | 577,616,182 | 2,372,353 | 8,500,000 | 3,910,000 | 10,981,807 | 15,510,000 | 618,890,342 | 3.00% | 3,051 |
| 2009 | 535,908,441 | 2,145,328 | 63,560,000 | 3,355,000 | 10,377,099 | 14,760,000 | 630,105,868 | 2.99% | 3,082 |
| 2010 | 592,191,771 | 1,916,098 | 33,220,000 | 2,800,000 | 9,739,788 | 13,980,000 | 653,847,657 | 3.09% | 3,202 |
| 2011 | 625,058,938 | 1,684,543 | 74,780,000 | 2,245,000 | 9,068,116 | 13,170,000 | 726,006,597 | 3.65% | N/A |

N/A: Information is not available from the U.S. Department of Commerce Bureau of Economic Analysis

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

Note: See Demographic and Economic Statistics chart for personal income and population data. These ratios are calculated using personal income and population for the most current year available.

**Table 28**

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

| Fiscal Year | Population(1) | Personal Income (Amounts expressed in thousands) | Per Capita Personal Income(2) | Median Age | School Enrollment(3) | City Unemployment Rate(4) | State Unemployment Rate(4) |
|---|---|---|---|---|---|---|---|
| 2002 | 198,480 | 6,557,843 | 33,040 | 37.5 | 26,136 | 6.0% | 4.4% |
| 2003 | 198,098 | 6,844,354 | 34,550 | 36.7 | 25,266 | 6.2% | 4.5% |
| 2004 | 197,432 | 7,399,970 | 37,481 | 35.9 | 25,054 | 6.0% | 4.0% |
| 2005 | 197,915 | 7,630,295 | 38,553 | 35.4 | 24,726 | 5.5% | 3.8% |
| 2006 | 198,992 | 8,409,514 | 42,261 | 34.0 | 24,247 | 4.6% | 3.2% |
| 2007 | 200,655 | 8,864,854 | 44,180 | 34.0 | 23,987 | 4.4% | 3.1% |
| 2008 | 202,867 | 9,088,603 | 44,801 | 35.3 | 24,226 | 5.8% | 4.0% |
| 2009 | 204,451 | 8,774,262 | 42,916 | 35.5 | 23,200 | 10.2% | 7.1% |
| 2010 | 204,214 | N/A | N/A | 32.0 | 22,994 | 10.5% | 7.1% |
| 2011 | N/A | N/A | N/A | N/A | 23,454 | 9.3% | 6.3% |

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

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

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

**(4) Source:** Virginia Employment Commission & U.S. Department of Labor, Bureau of Labor Statistics.
Data reflects annual benchmark revision issued in February of each year.
Unemployment rates are not seasonally adjusted.

**Table 29**

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Function** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | 531 | 553 | 554 | 583 | 502 | 650 | 731 | 681 | 696 | 696 |
| Public Saftey and Judiciary | | | | | | | | | | |
| Police | 809 | 793 | 846 | 905 | 982 | 979 | 1,028 | 1,000 | 980 | 942 |
| Firefighters and Officers | 399 | 241 | 416 | 423 | 426 | 425 | 463 | 413 | 406 | 434 |
| Others | 537 | 652 | 671 | 690 | 658 | 588 | 603 | 590 | 577 | 573 |
| Highways, Streets, Sanitation and Refuse | | | | | | | | | | |
| Engineering & Maintenance | 548 | 540 | 521 | 532 | 551 | 538 | 566 | 527 | 452 | 454 |
| Human Services | | | | | | | | | | |
| Human Services Advocacy | 22 | 28 | 21 | 37 | 47 | 26 | 24 | 34 | 35 | 43 |
| Social Services | 483 | 465 | 461 | 466 | 411 | 455 | 481 | 472 | 456 | 443 |
| Public Health | 102 | 98 | 104 | 112 | 0 | 0 | 0 | 0 | 0 | 0 |
| Culture and Recreation | 313 | 283 | 247 | 266 | 235 | 295 | 260 | 273 | 276 | 261 |
| Transportation | 7 | 8 | 8 | 7 | 5 | 0 | 0 | 0 | 0 | 0 |
| Business-type Activities: | | | | | | | | | | |
| Gas Utility | 347 | 333 | 314 | 304 | 213 | 320 | 322 | 425 | 404 | 359 |
| Water Utility | 88 | 92 | 90 | 81 | 214 | 101 | 102 | 128 | 110 | 110 |
| Wastewater Utility | 101 | 100 | 98 | 90 | 61 | 108 | 113 | 164 | 139 | 131 |
| Electric Utility | 21 | 21 | 19 | 18 | 32 | 15 | 19 | 24 | 24 | 24 |
| Stores and Transportation Division | 14 | 14 | 14 | 13 | 11 | 12 | 13 | 10 | 6 | 6 |
| Coliseum | 25 | 25 | 25 | 25 | 28 | 25 | 25 | 25 | 17 | 17 |
| Landmark Theatre | 9 | 9 | 7 | 7 | 0 | 5 | 5 | 0 | 0 | 0 |
| Cemeteries NCO | 15 | 22 | 18 | 18 | 21 | 20 | 20 | 20 | 20 | 21 |
| Total | 4,371 | 4,277 | 4,434 | 4,577 | 4,397 | 4,562 | 4,775 | 4,786 | 4,598 | 4,514 |

Source: Various City departments

**Table 30**

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Function** | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Police | | | | | | | | | | |
| Physical Arrests | 13,924 | 14,252 | 15,911 | 17,536 | 17,034 | 19,210 | 20,064 | 20,425 | 14,487 | 13,595 |
| Parking Violations | 116,050 | 96,079 | 101,813 | 103,594 | 19,455 | 73,335 | 101,675 | 104,380 | 134,151 | 128,038 |
| Traffic Violations | 27,657 | 23,150 | 21,224 | 30,516 | 22,474 | 25,047 | 28,195 | 30,965 | 31,518 | 30,454 |
| Fire | | | | | | | | | | |
| Number of calls answered | 26,222 | 25,817 | 28,258 | 30,956 | 31,746 | 28,234 | 19,864 | 29,098 | 29,587 | 32,450 |
| Inspections | 2,142 | 2,774 | 3,662 | 1,853 | 2,104 | 2,660 | 1,322 | 1,090 | 5,336 | 4,093 |
| Highways and Streets | | | | | | | | | | |
| Street resurfacing (miles) | 141 | 95 | 82 | 70 | 102 | 85 | 70 | 62 | 122 | 115 |
| Potholes repaired | 7,691 | 14,833 | 12,167 | 21,011 | 10,691 | 7,500 | 898 | 6,128 | 11,409 | 9,158 |
| Sanitation and Refuse | | | | | | | | | | |
| Refuse collected (tons/day) | 317 | 317 | 307 | N/A | 338 | 293 | 335 | 374 | 291 | 300 |
| Recyclables collected (tons/day) | 41 | 41 | 39 | 38 | 37 | 35 | 25 | 213 | 21 | 42 |
| Culture and Recreation | | | | | | | | | | |
| Parks permits issued | 579 | 505 | 482 | 539 | 610 | 584 | 543 | 598 | 579 | 546 |
| Business-type Activities: | | | | | | | | | | |
| Gas | | | | | | | | | | |
| Maximum daily sendout (MCF) | 124,752 | 162,574 | 151,823 | 163,129 | 129,755 | 151,996 | 147,713 | 160,509 | 139,351 | 153,078 |
| Annual Sendout (MCF) | 16,718,496 | 19,168,315 | 17,952,764 | 18,500,224 | 16,620,288 | 16,551,672 | 17,722,952 | 17,056,844 | 16,006,116 | 17,662,077 |
| Water | | | | | | | | | | |
| Average daily consumptions (MGD) | 85 | 78 | 88 | 75 | 67 | 63 | 66 | 62 | 58 | 59 |
| Maximum daily consumptions (MCD) | 127 | 127 | 105 | 95 | 98 | 98 | 90 | 90 | 89 | 99 |
| Water in Storage (gallons)[1] | 73,000,000 | 73,000,000 | 73,000,000 | 73,000,000 | 73,000,000 | 73,000,000 | 73,000,000 | 73,000,000 | 73,000,000 | 73,000,000 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (MGD) | 46 | 54 | 60 | 64 | 51 | 59 | 49 | 49 | 55 | 46 |
| Maximum daily sewage treatment (MGD) | 80 | 78 | 85 | 85 | 83 | 84 | 84 | 84 | 96 | 84 |
| Coliseum | | | | | | | | | | |
| Average daily attendance per activity | 997 | 1,010 | 1,013 | 883 | 921 | 1,220 | 1,193 | 4,169 | 4,895 | 4,957 |
| Landmark Theatre | | | | | | | | | | |
| Total tickets sold for all activities | N/A | 145,296 | 141,726 | 129,598 | 140,097 | 150,596 | 139,506 | 122,645 | 156,448 | 100,032 |
| Total attendances for all activities | N/A | 15,773 | 14,303 | 221,602 | 220,615 | 180,155 | 196,893 | 195,790 | 177,105 | 139,749 |
| Cemeteries | | | | | | | | | | |
| Number of interments | 1,067 | 1,079 | 1,080 | 1,050 | 973 | 777 | 841 | 901 | 790 | 777 |
| Number of lot sales | 36 | 20 | 24 | 22 | 17 | 23 | 18 | 14 | 16 | 20 |
| Number of single grave sales | 635 | 688 | 700 | 646 | 382 | 664 | 601 | 568 | 504 | 473 |
| Number of foundations | 793 | 645 | 649 | 637 | 627 | 525 | 532 | 560 | 494 | 522 |

Source: Various City departments

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

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

**Table 31**

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Function** | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 7 | 7 | 7 | 7 | 7 | 10 | 4 | 8 | 7 | 7 |
| Patrol Units | 135 | 133 | 132 | 128 | 232 | 222 | 323 | 204 | 173 | 164 |
| Fire | | | | | | | | | | |
| Stations | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Fire trucks | 46 | 46 | 46 | 46 | 46 | 55 | 64 | 51 | 54 | 54 |
| Highways and Streets | | | | | | | | | | |
| Streets (miles)[1] | 1,867 | 1,867 | 1,867 | 1,865 | 1,857 | 1,865 | 1,858 | 822 | 822 | 822 |
| Streetlights | 32,856 | 32,977 | 33,063 | 33,184 | 32,900 | 33,188 | 33,000 | 30,548 | 30,783 | 36,027 |
| Traffic Signals | 450 | 453 | 456 | 460 | 502 | 511 | 465 | 468 | 476 | 469 |
| Sanitation and Refuse | | | | | | | | | | |
| Collection Trucks | N/A | N/A | 33 | 38 | 45 | 38 | 37 | 47 | 34 | 33 |
| Culture and Recreation | | | | | | | | | | |
| Parks acreage | 2,801 | 2,801 | 2,801 | 2,801 | 2,807 | 2,805 | 2,805 | 2,818 | 2,808 | 2,810 |
| Parks | 55 | 58 | 58 | 58 | 67 | 71 | 71 | 71 | 71 | 71 |
| Baseball/Softball Diamonds | 54 | 54 | 54 | 54 | 55 | 48 | 48 | 48 | 48 | 48 |
| Athletic Fields | 25 | 25 | 25 | 25 | 27 | 31 | 31 | 31 | 31 | 31 |
| Golf Courses (Driving Range/Par 3 Course) | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Swimming Pools | 10 | 10 | 9 | 9 | 9 | 9 | 9 | 8 | 9 | 9 |
| Tennis Courts | 141 | 141 | 141 | 138 | 138 | 130 | 130 | 130 | 140 | 140 |
| Community Centers | 18 | 18 | 18 | 18 | 24 | 24 | 24 | 24 | 20 | 20 |
| Theatres | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 2 | 2 | 2 |
| Coliseums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Gas | | | | | | | | | | |
| Miles of Service Lines[2] | 1,736 | 1,766 | 1,777 | 1,796 | 1,818 | 1,850 | 1,013 | 1,033 | 1,050 | 1,057 |
| Number of Gate Stations | 6 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Water | | | | | | | | | | |
| Miles of Water Lines | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Water Pumping Stations | 12 | 12 | 12 | 13 | 13 | 12 | 12 | 12 | 12 | 12 |
| Wastewater | | | | | | | | | | |
| Miles of Sewer Lines | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Miles of Interceptors | 42 | 42 | 42 | 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| Sewer Pumping Stations | 3 | 3 | 3 | 3 | 3 | 5 | 5 | 5 | 5 | 5 |

Source: Various City departments

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

(2) Change in calculation methods caused a change in the amounts reported for FY08-FY10. This revised calculation method was used for the current year which provides a fair comparison for FY08-FY11. Historic detail information prior to FY08 was not available in order to apply the change in calculation methods thus amounts reported for FY2002-FY2007are based on the historic calculation method.

# ACKNOWLEDGEMENTS

This Comprehensive Annual Financial Report (CAFR) was prepared by:

The personnel of the
**Financial Services Division**

301 N. Ninth Street
Richmond, Virginia 23219
(804) 780-7710
www.richmond.k12.va.us

P. Andy Hawkins
Chief Operations Officer

The Department of Budget and Financial Reporting
Lynn G. Bragga, M.B.A., Director

Angela R. Anderson, Chief of Financial Reporting

Jeffrey S. Bernas, Financial Analyst

LaTanya Bouldin, Budget Analyst

Judy Bretzman, Budget Analyst

*And* very special thanks to:
Bridget Davis, Administrative Office Associate
for the cover design, layout and significant technical support

The personnel of the Department of Finance
Wanda H. Payne, Interim Finance Director

The staff of the Internal Audit Department
Debora Johns, CGAP, Chief Auditor

*********

**This page intentionally left blank**

RICHMOND
VIRGINIA
PUBLIC SCHOOLS

A Publication of Richmond Public Schools
Richmond, Virginia

In accordance with federal laws, the laws of the Commonwealth of Virginia and the policies of the School Board of the City of Richmond, the Richmond Public Schools does not discriminate on the basis of sex, race, color, age, religion, disabilities or national origin in the provision of employment and services. The Richmond Public Schools operates equal opportunity and affirmative action programs for students and staff. The Richmond Public Schools is an equal opportunity/affirmative action employer. The Section 504 Coordinator is Mr. Harley Tomey, Richmond Public Schools, 301 North Ninth Street, Richmond, Virginia 23219, (804) 780-7911. The ADA Coordinator is Ms. Valarie Abbott Jones, 2015 Seddon Way, 1st Floor, Richmond, VA 23230-4117 (804) 780-6211 The Title IX Officer is Ms. Angela C. Lewis, Richmond Public Schools, 301 North Ninth Street, Richmond, Virginia 23219, (804) 780-7716. The United States Department of Education's Office of Civil Rights may also be contacted at P. O. Box 14620, Washington, DC 20044-4620, (202) 208-2545.


School Board

Dawn C. Page, Chair

Maurice A. Henderson, Vice Chair

Kimberly M. Bridges

Donald L. Coleman

Adria A. Graham-Scott

Kimberly B. Gray

Norma H. Murdoch-Kitt

Chandra H. Smith

Evette L. Wilson

Superintendent
Dr. Yvonne W. Brandon