



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2014



Richmond Public Schools • Richmond, Virginia

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**RICHMOND PUBLIC SCHOOLS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2014**

*Prepared By: Department of Finance*

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[www.richmond.k12.va.us](http://www.richmond.k12.va.us)



**THE SCHOOL BOARD OF THE CITY OF RICHMOND**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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# Introductory Section

(unaudited)

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The Introductory Section contains the letter of transmittal, which provides a profile of Richmond Public Schools (RPS) and an overview of its school membership, accomplishments, major initiatives, financial policies, future planning, awards and acknowledgements

Also included in this section are the following:

- Listing of members of The School Board of the City of Richmond and RPS' administration
- The school division's organizational chart
- Awards for excellence in financial reporting







# 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

November 3, 2015

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

### **MEMBERS**

**As of June 30, 2014**

THE HONORABLE:

DONALD L. COLEMAN  
DISTRICT 7  
CHAIR

KRISTEN N. LARSON  
DISTRICT 4  
VICE CHAIR

GLEN H. STURTEVANT, JR.  
DISTRICT 1

KIMBERLY B. GRAY  
DISTRICT 2

JEFFREY M. BOURNE  
DISTRICT 3

MAMIE L. TAYLOR  
DISTRICT 5

SHONDA M. HARRIS-  
MUHAMMED  
DISTRICT 6

DERIK E. JONES  
DISTRICT 8

TICHI L. PINKNEY EPPES  
DISTRICT 9

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, 2014 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 LLP 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.

# PROFILE OF THE SCHOOL SYSTEM

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## OVERVIEW

Richmond Public Schools (RPS) serves over 23,000 students, representing the region's diverse socioeconomic mix. RPS is comprised of two preschool centers, 25 elementary schools (with one annex building); one charter elementary school, eight middle schools, five comprehensive high schools and three specialty schools (Franklin Military Academy, Open High School, Richmond Community High School); one school serving students with exceptional needs (Amelia Street); two programs for students with exceptional needs (REAL located at Henderson MS and Thirteen Acres); two career & technical education schools, the Richmond Technical Center (RTC) North & South; and one alternative education school. U.S. News and World Report ranked Richmond Community and Open high schools among the state's top public high schools. And, Franklin Military Academy stands as the nation's first public military school.

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 or apply to attend the Maggie L. Walker Governor's School for Government and International Studies and the Appomattox Governor's School for the Arts and Technology.

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 to serve four-year terms. The Chairman, Vice Chairman and other officers are elected by the other members of the School Board annually.

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 Maggie L. Walker 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 and teachers 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. Virginia State Department of Education regulations restrict the uses of and accounting for School Activity Funds. Employees of the School Board are responsible for the management of these funds however the School Board does not have a continuing financial interest in the School Activity Funds.

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 as a political subdivision of 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 the Commonwealth of Virginia.

## **ECONOMIC CONDITION AND OUTLOOK**

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### **LOCAL 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 to its estimated 214,114 citizens (2013 U.S. Census Bureau Annual Estimates of Resident Population).

Three outstanding higher educational institutions are located in Richmond: Virginia Commonwealth University, a public university with a student population over 33,000 and the East Coast's largest, most comprehensive medical school; University of Richmond, a private liberal arts university with rankings such as one of the top business programs in the country and best liberal arts colleges in the nation; and Virginia Union University, a private university which offers a well-rounded education in liberal arts, teaching and civic engagement. 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.

As of June 30, 2014, all three of the national credit agencies, Moody's Investor Service, Fitch Ratings, and Standard & Poor's, rank Richmond in the "AA" investment grade category which is considered "very strong". The City's ratings are either one or two notches away from "AAA", the highest possible credit rating

### **Demographics**

The City's population, as estimated by the U.S. Census Bureau, is approximately 214,100, and is 41% White, 51% African-American, 6% Hispanic and 2% other and mixed race (data as of 2010 Census count). The population of the City has grown by approximately 4.8% between April 2010 and July 2013. 81.5% of persons residing in Richmond are high school graduates or higher.

### **Employment**

According to the U.S. Department of Labor Bureau of Labor Statistics, unemployment in the City is 5.7 percent compared to Virginia's seasonally adjusted unemployment rate of 5.2 percent as of June 2014. In 2013, the

Mayor's Anti-Poverty Commission presented strategies for increasing full-time employment within the City. These strategies include: expanding access to jobs through expanded public transit and long-term improvements in school system outcomes, especially preparation for work.

Also in 2013 the City opened a new Resource Workforce Center in the city's downtown, to assist citizens with services like job search assistance, training and education resources. The City's Workforce Development Program focuses on education and development of a viable workforce in the city. The Workforce Development Program has assisted in the training and employment of hundreds of city residents, and the City wants to encourage more businesses to get involved in providing additional employment opportunities.

### **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.

In 2015 the City hosted the UCI World Cycling Championship, an internationally-renowned event that is projected to generate approximately \$158 million in economic impact to the region, net the City \$86 million, host 450,000 on-site spectators and reach a global television audience of more than 300 million viewers.

In the summer of 2013, the Bon Secours Washington Redskins Training Center opened as a practice facility for the Washington Redskins football team. The new \$10 million training camp is a "state-of-the-art" facility expected to bring an estimated \$40 million investment to Richmond and hundreds of new jobs, generating \$8.5 million annually to the City's economy. As part of the enhancements in to the economic development package in this plan, Bon Secours has agreed to an annual commitment of \$100,000 per year for ten years for Richmond Public School's capital projects and the City is dedicating \$195,000 each year for eight years for school's program enhancements.

On the horizon for the City is "Revitalize RVA" economic development plan which is expected to generate up to \$187 million in net new revenue for the City. The plan includes a ballpark, grocery store, hotel and new apartment units in and around the City's Shockoe Bottom area.

### **Additional Information**

In the Statistical Section, Tables 1 through 16 are the financial trends and demographic information for Richmond Public Schools. Tables 17 through 31 illustrate financial trends, demographics, economic analyses, business and residential tax and assessment valuations and collection statistics that pertain to the City of Richmond, Virginia.

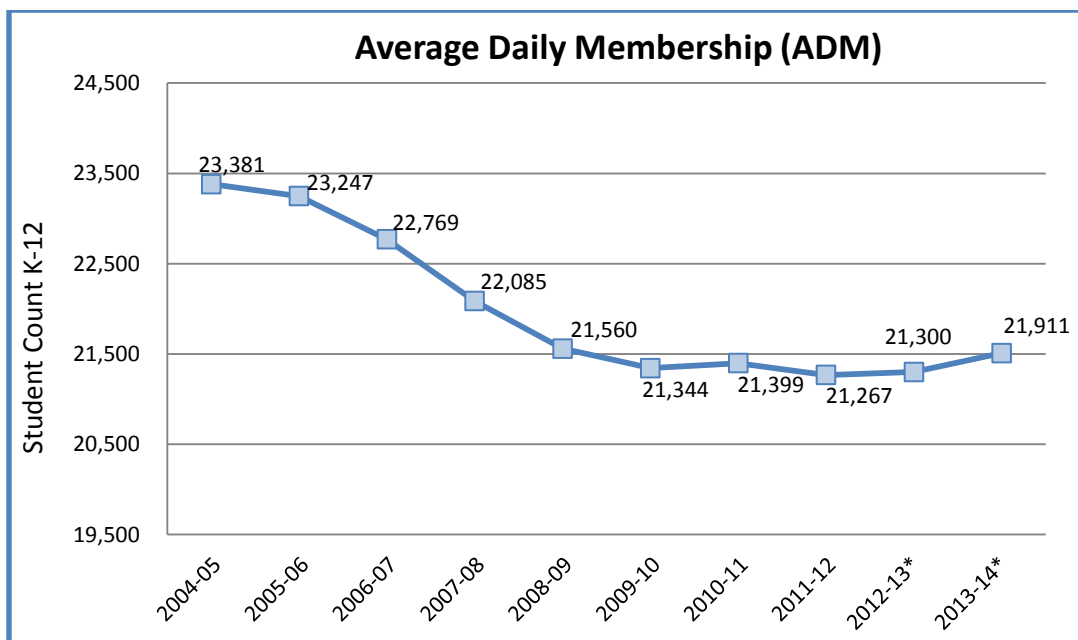
# SCHOOL MEMBERSHIP

## Enrollment

September membership reflects the number of students enrolled in Richmond Public Schools on September 30. Data are collected by school and reported by grade assignment and ethnicity. Excluded from the September 30 count are pupils in hospitals, clinics or detention homes, and local programs such as vocational and alternative education centers (i.e., centers or schools that receive, but do not officially enroll students). September 2014 membership totaled 23,957 students.

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 2014 ADM as reported to the Virginia Department of Education is 21,911.

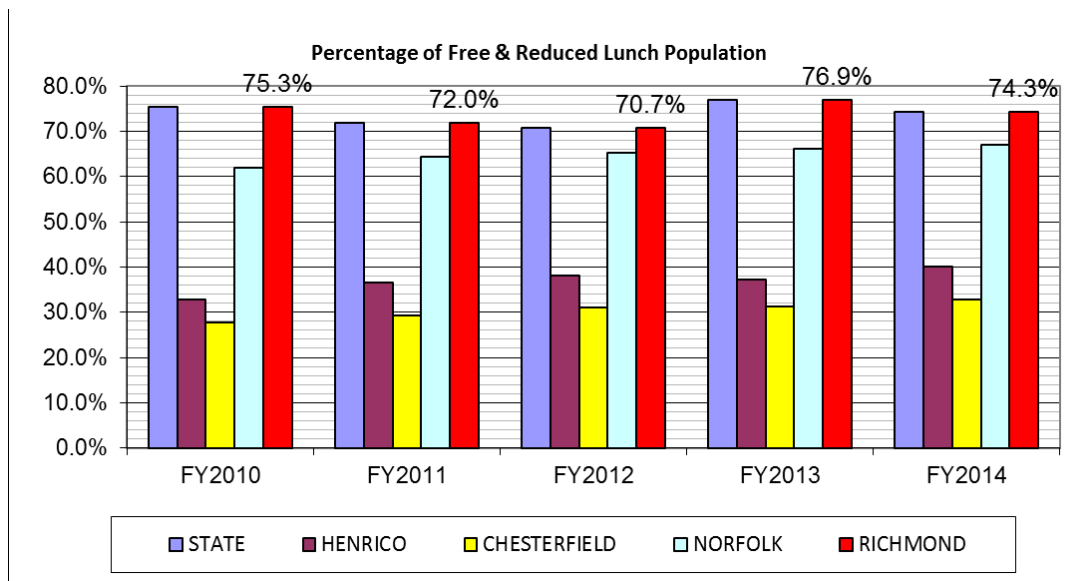


## Special Education Services

Approximately 4,430 students qualify for special education services as reported to the Virginia Department of Education as of September 2014. The Richmond Special Education Advisory Committee works with the school board, administrators, parents, and teachers who are responsible for students receiving special education services. The school division also operates the Parent Resource Center which provides direct assistance to parents and educators of students with disabilities.

### Free and Reduced – Price Meals

Free and reduced lunch population is a measure of poverty. As reflected in the Department of Education's February 15, 2014 report, 17,351 or 74.3% of RPS students receive subsidized meals under the Federal school lunch program.



## ACCOMPLISHMENTS

### STUDENT ACHIEVEMENT

#### Standards of Learning and Accreditation

The primary assessment used in Virginia is the SOL (Standards of Learning) tests. SOL tests are administered each spring to students in grades three through eight and End of Course in language arts, writing, science, social studies and math. These test scores are used to determine whether or not a school meets the federal and state guidelines for accreditation and school improvement. Additionally, benchmark testing takes place at the end of each nine week reporting period; and assessments to gauge student growth are utilized in selected Priority and Focus schools. PALS (Phonological Awareness Literacy Screening) is the tool used in elementary grade levels to assess reading progress.

In school year 2013-2014, the school division SOL assessments and achievement in English, mathematics, history and science are as follows: 53% pass rate in English-reading, 56% pass rate in English-writing, 70% pass rate in history and social science, a 55% pass rate in mathematics and a 66% pass rate in science. (Source: VDOE state report card.)

District-wide, 30 percent of schools, or 13 of 44 schools, earned accreditation status based on student standards in English, mathematics, history and science on the SOLs testing program.

## Graduation

The Virginia On-Time Graduation Rate expresses the percentage of students in a cohort who earned a Board of Education-approved diploma within four years of entering high school for the first time. The on-time graduation rate for Richmond City high schools for 2014 was 80.5 percent compared to the state's average of 89.9 percent.

## District-wide and School Recognitions

In 2014, for the sixth year, *U. S. News and World Report* ranked Richmond Community and Open High schools among the state's top 30 public high schools. Richmond Community High School received a gold medal ranking of 13<sup>th</sup> in the state. Open High School was awarded a gold medal, ranking 17<sup>th</sup> in the state.

Thomas Jefferson High School was named one of the top 100 best Working in Support of Education (W!SE) high schools in the nation. The W!SE Financial Literacy Certification Program is a New York-based non-profit group that promotes financial literacy education. The top 100 ranking is based on W!SE standardized industry certification test scores.

The Virginia Board of Education recognized Broad Rock Elementary School as a Title 1 Distinguished School for its efforts in raising the achievement levels of economically disadvantaged students. The award is based on student performance on Standards of Learning (SOL) assessments during the 2011-2012 and 2012-2013 school years. Title 1 Distinguished schools are recognized for meeting all state and federal accountability requirements for two consecutive years and achieving reading and mathematics SOL pass rates at a 60<sup>th</sup> percentile or higher.

The John Marshall High School Boys Basketball Team secured the 3A boys basketball state championship title, a first in the school's history.

# MAJOR INITIATIVES

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## INSTRUCTION

### Instruction and Curriculum Initiatives

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.



## **FACILITIES**

### **New School Facilities**

As part of the “Building a Better Richmond” program, 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. In January 2013, students, staff teachers and administrators entered into two brand new elementary schools at Oak Grove and Broad Rock. In January 2014, students, staff teachers and administrators entered into Martin Luther King, Jr. Ground-breaking for Huguenot HS began in November 2011, and students are slated to occupy the space on the first day of school in January 2015.

## **RESOURCE ALLOCATION**

Richmond Public Schools is striving to preserve its core mission and values and sustain levels of student achievement while facing significant budgetary influences during a sluggish economic recovery period. For the fifth consecutive year, Richmond Public Schools faced tenuous revenue streams. Local revenue was at \$129.9 million was an increase of \$528 thousand. State revenues increased by \$366 thousand. The majority of the district’s state revenue originates from the Virginia Department of Education totaling \$111 million.

The general operating revenues were slated to decrease by \$2.8 million, with the FY2014 revenue budget representing a 1.1% decrease from the FY2013 adopted budget. The main sources of revenue for the operating budget are the City and the Virginia Department of Education. The FY2014 state revenue is based on a projected March 31 ADM in FY2014 of 21,911 students. The projected ADM does not include approximately 2,000 pre-k students.

In addition to changes in operating revenue, the district faced issues related to mandatory increases in expenditures. The Virginia Retirement System (VRS) began requiring school division employees to begin paying 5% member contribution on a pre-tax salary reduction basis effective July 1, 2012. The legislation authorized during the 2012 General Assembly session included a requirement for offsetting salary increases. School boards could elect to phase in the member contribution and corresponding salary increase for employees over the next five years. Employees hired or rehired on or after July 1, 2012 must pay the full 5% member contribution upon employment; no phase-in option is provided and school divisions were not required to provide an offsetting 5% salary increase.

The FY2014 financial plan included implementing a 1% member contribution to the VRS and a corresponding salary increase effective July 1, 2013. Additionally, the division provided a 2% mid-year salary increase. Other factors that impacted expenditures are health insurance increases and bringing the Alternative Education Program in-house.

# FINANCIAL POLICIES

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## 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 Process and Controls

### *Budget Process and Development*

Richmond Public Schools has three budget phases in the development process:

**I. Superintendent's Proposed Budget** is the beginning phase of budget development used to gather input from parents, business leaders, and other community stakeholders. This phase represents the Superintendent's recommended financial plan for the upcoming school year presented to the School Board in January.

**II. School Board's Approved Budget** is the School Board's recommended spending plan submitted to the Mayor, the City Administration, and the City Council. This phase consists of numerous work sessions and at least one public hearing to ensure input from all interested stakeholders. The budget is approved in February/March so it can be incorporated into the Mayor's financial plan for submission to City Council in March.

**III. School Board's Adopted Budget** represents the School Board's adopted budget based on state funding levels and the appropriation ordinance adopted by City Council. The Mayor's recommendation is forwarded to the City Council, which must adopt the schools' appropriation by legal ordinance on or before May 31 of each year. Subsequent to the City Council's action, the School Board makes any required adjustments to balance the budget, which is adopted in June.

### *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

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### 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, 2013. 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. The School Board has received a Certificate of Achievement for the last twenty-two consecutive years and believes our current report continues to conform to the Certificate of Achievement program requirements.

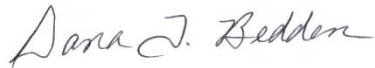
In addition, the Association of School Business Officials (ASBO) sponsors a Certificate of Excellence in Financial Reporting program to foster excellence in the preparation and issuance of school system annual financial reports. The ASBO program is the highest form of recognition in school financial reporting. The School Board was awarded its twentieth ASBO Certificate of Excellence for its fiscal 2013 report. We believe that the current CAFR also conforms to the ASBO Certificate of Excellence program requirements.

## ACKNOWLEDGEMENTS

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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 LLP. Appreciation is also extended to the School Board and the administration whose continuing support is vital to the financial health of the school system.

Respectfully submitted,



Dana T. Bedden, Ed. D.  
Superintendent of Schools



Ralph L. Westbay  
Assistant Superintendent for Financial Services

# SCHOOL BOARD MEMBERS AND OFFICIALS

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As of June 30, 2014

## BOARD MEMBERS

Donald Coleman, Chair  
District Seven

Kristen Larson, Vice-Chair  
District Four

Glen Sturtevant  
District One

Kimberly B. Gray  
District Two

Jeffrey Bourne, Chair  
District Three

Mamie Taylor  
District Five

Shonda Harris-Muhammed  
District Six

Derik Jones  
District Eight

Tichi Pinkney Eppes  
District Nine

## OFFICIALS

Dana T. Bedden, Ed.D.  
Superintendent of Schools

Angela Lewis  
Clerk of the School Board

Debora Johns, CGAP  
Chief Auditor

Andrea Kane  
Associate Superintendent of Academic Services

Candice Hunter  
Chief of Staff

Ralph Westbay  
Assistant Superintendent of Financial Services

Thomas Kranz  
Assistant Superintendent of Support Services

Michelle Boyd, Ed.D.  
Executive Director Exceptional Education and Student Services

Janice Garland  
Executive Director of School Improvement

Anthony Leonard, Ed.D  
Executive Director of Elementary Schools

Abe Jeffers  
Executive Director of Secondary Schools

D. Timothy Billups  
Executive Director of Human Resources



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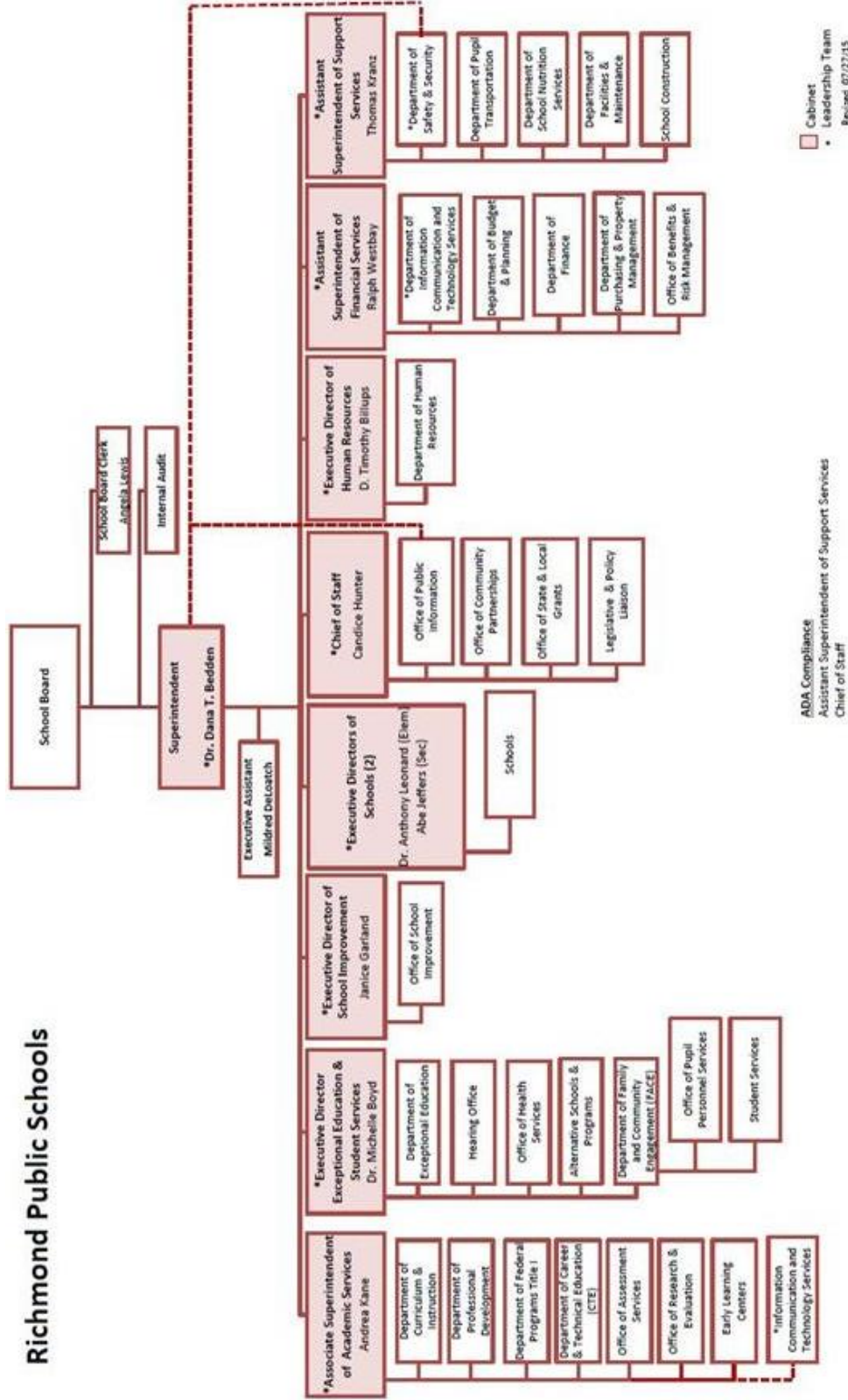
**The School Board  
of the City of Richmond  
Virginia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Richmond Public Schools



ADA Compliance  
Assistant Superintendent of Support Services  
Chief of Staff

Cabinet  
Leadership Team  
Revised 07/27/15





## Financial Section

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The Financial Section includes the report of independent auditor, management's discussion and analysis, basic financial statements, including the accompanying notes, required supplementary information, and other supplementary information.



## **Report of Independent Auditor**

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

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

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, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 16 to the basic financial statements, the School Board adopted the provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 67, *Financial Reporting for Pension Plans*, effective July 1, 2013. Our opinions are not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and pension information on pages 7-20, 66-70, and 71-75, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015, 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* in considering the School Board's internal control over financial reporting and compliance.

*Cherry Behrman CP*

Richmond, Virginia  
November 13, 2015

# Management's Discussion and Analysis

(unaudited)

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The Management's Discussion and Analysis subsection provides a narrative introduction to and overview and analysis of the basic financial statements. It includes a description of the government-wide and fund financial statements, as well as an analysis of Richmond Public Schools' financial position and results of operations.

## 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, Virginia (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, 2014. 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 2014

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide information about the activities of Richmond Public Schools (RPS) as a whole, and present both a long-term and short-term view of RPS' property and debt obligations, and other financial matters.

- The School Board's net position (assets less liabilities) on a government-wide basis (i.e., for the School Board "taken as a whole") was \$(14.7) million at June 30, 2014, down \$3.8 million from \$(10.9) million at June 30, 2013. The decrease in net position was attributable to a \$957 thousand decrease in total assets and a \$2.9 million increase in liabilities. Total assets decreased primarily as a result of a \$1.8 million decrease in prepaid items offset by increases in investments of \$107 thousand and capital assets of \$362 thousand. Total liabilities increased primarily as a result of an increase of \$1.8 million in noncurrent liabilities. The actuarially determined obligation to provide future postemployment health and dental benefits to eligible retired employees increased by \$2.2 million and the net pension obligation increased by \$1 million offset by the obligation to pay leave benefits, which decreased by \$690 thousand, and worker compensation liability, which decreased by \$519 thousand. Unearned revenues increased by \$503 thousand and amounts due to other governments and external parties increased by \$847 thousand.
- Of the \$(14.7) million net position, \$5.5 million was restricted by outside parties (primarily for capital projects) and \$6.6 million was invested in capital assets net of related debt of approximately \$5.8 million, leaving an unrestricted deficit (after considering all School Board liabilities) of \$(26.8) million. Overall, the net position for the School Board, taken as a whole, decreased by \$3.8 million in FY14 (see the discussion of unrestricted net position under "Government-wide Statements" beginning on page 9).
- The School Board's total revenues of \$307 million in fiscal 2014 represented a decrease of \$8.2 million or (2.6) percent compared to fiscal 2013 revenues of \$315.2 million. Total revenues consisted of program revenues, which decreased by \$9.7 million, and general revenues, which increased by \$1.5 million. Of the \$9.7 million decrease in total program revenues, state and federal operating grants accounted for a decrease of \$6.5 million. Revenue from capital grants and contributions decreased by \$3 million, due to a decrease in City appropriations for ADA projects (see the "Summary of Government-wide Revenue" beginning on page 12 and the "Summary of Changes in Net Position" on page 14).

- The School Board’s total expenses of \$310.8 million in fiscal 2014 represented a decrease of \$8.8 million or 2.75 percent less than fiscal 2013 expenses of \$319.6 million. The decrease in expenses primarily resulted from a decrease of \$7.5 million in instructional expenses and \$849 thousand in facilities services (see the “Summary of Government-wide Expenses, by Function” on page 13; and the “Summary of Changes in Net Position” beginning on page 14).

## FUND FINANCIAL STATEMENTS

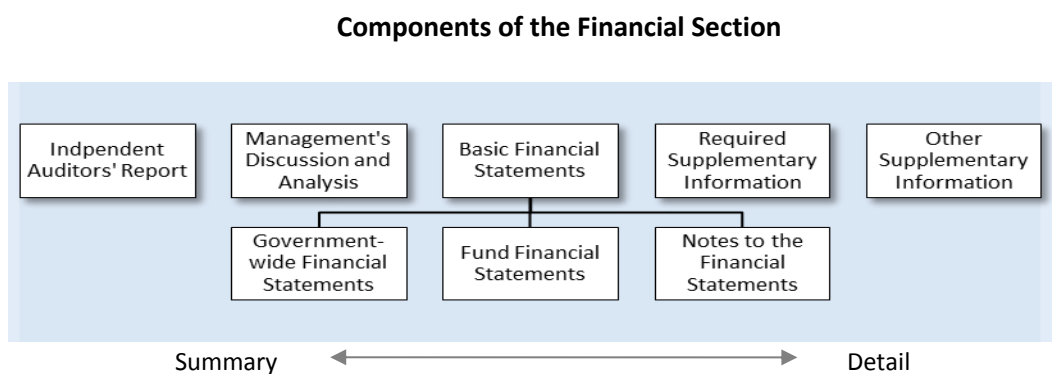
Fund financial statements report RPS’ operations in more detail than government-wide financial statements by providing information about RPS’ most significant funds. These statements reflect activities financed in the short-term as well as resources remaining for future spending.

- The School Board’s governmental funds reported a combined fund balance of \$17.7 million, a decrease of \$3.1 million from fiscal 2013 combined fund balance of \$20.9 million. Of the \$17.7 million, a total of \$322 thousand represents non-spendable amounts for inventory, prepaid insurance and investments and \$1.1 million in resources held in permanent funds. Restricted fund balances for special revenue funds of \$1.8 million restricted to expenditures for specific purposes and \$1.3 million for the nutrition service fund for cafeteria operations at each school.

The assigned fund balance of \$8.5 million are comprised of \$2.6 million for previously executed contracts for on-going projects and initiatives, and \$1.6 million self-supporting programs, which will be used specifically for the purpose of the program; and \$4.3 for major renovation and repair projects. The remaining \$4.7 million in unassigned fund balance is available to the School Board to fund its noncurrent liabilities due in more than a year, which totaled \$44.5 million at June 30, 2014, or to meet shorter-term objectives 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 unassigned fund balances under “Fund Financial Statements” - Governmental Funds on page 10).

## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this CAFR consists of the: 1) report of independent auditor, 2) management’s discussion and analysis (presented here), 3) basic financial statements, 4) required supplementary information and 5) other supplementary information. As the following chart shows, the basic financial statements include three components: the government-wide financial statements, the fund financial statements, and notes to the financial statements.





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 “overall” 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 Position and a Statement of Activities.

The Statement of Net Position 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 Position reports the School Board’s net position - the difference between assets and liabilities - as of the end of the fiscal year. The Statement of Activities reports the change in the net position between the beginning and the end of the current fiscal year, based on the School Board’s financial activity for the year.

Net position includes assets that are either (1) net investment 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). The change in net position from year to year may serve as a gauge of RPS’ financial position performance.

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 position 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 Position 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 (5) 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 Position* and the *Statement of Changes in Fiduciary Net Position*. 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 Position 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 Position:

<b>Table 1</b> <b>Summary of Net Position</b> <b>As of June 30</b> <b>(in millions of dollars)</b>				
	<b>Governmental Activities</b>		<b>Change</b>	<b>Total Percentage Change</b>
	<b>2014</b>	<b>2013</b>	<b>2014-2013</b>	<b>2014-2013</b>
<b>Assets:</b>				
Current and other assets	\$ 66.0	\$ 67.3	\$ (1.3)	(1.9) %
Capital assets, net	12.1	11.7	0.4	3.1
Total assets	<u>78.1</u>	<u>79.0</u>	<u>(0.9)</u>	(1.2)
<b>Liabilities:</b>				
Long-term liabilities	45.7	43.4	2.3	5.3
Other liabilities	47.1	46.5	0.6	1.3
Total liabilities	<u>92.8</u>	<u>89.9</u>	<u>2.9</u>	3.3
<b>Net Position:</b>				
Net investment in capital assets	6.6	5.9	0.7	11.2
Restricted	5.5	7.2	(1.7)	(23.6)
Unrestricted	(26.8)	(24.0)	(2.8)	11.7
Total net position	<u>\$ (14.7)</u>	<u>\$ (10.9)</u>	<u>\$ (3.8)</u>	35.2 %

## DISCUSSION OF GOVERNMENT-WIDE NET POSITION

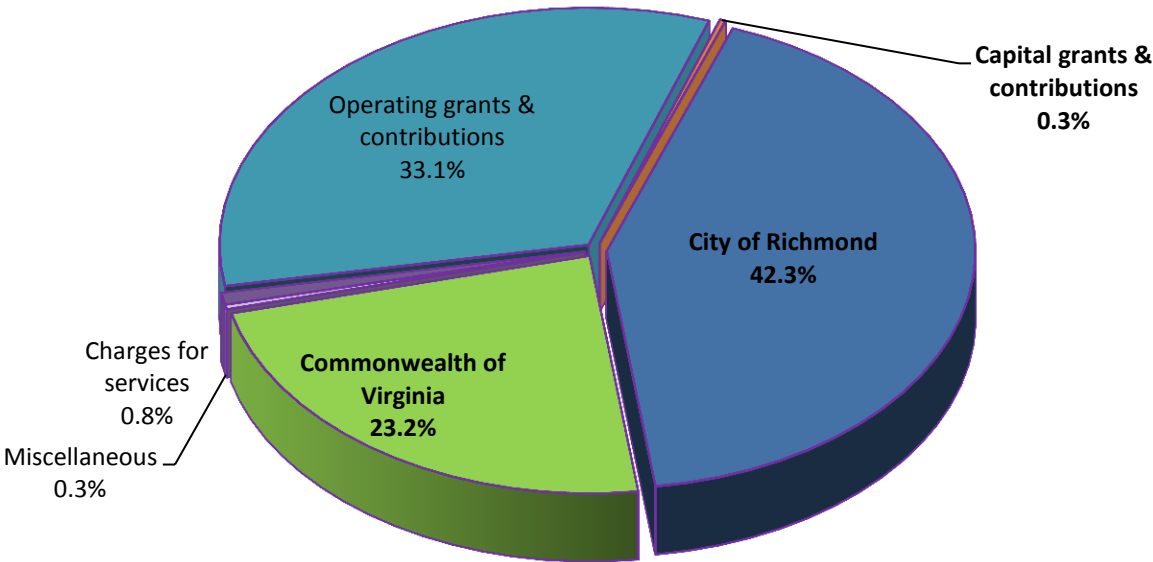
As reflected in Table 1 above, the School Board's total liabilities exceeded assets by \$14.7 million on June 30, 2014 representing a decrease in net position of \$3.8 million from June 30, 2013. The School Board's net position is comprised of investments in capital assets of \$12.1 million (equipment and vehicles) less outstanding debt used to acquire any of those assets of \$5.5 million, and restricted resources of \$4.3 million appropriated by ordinance of the City for major renovation and repair improvement projects. The remaining \$1.1 million is restricted by third parties for Permanent Fund purposes, leaving an unrestricted deficit of \$(26.8) 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 2014. Revenue sources, which originate from *Charges for Services*, *Operating Grants and Contributions*, and *Capital Grants and Contributions*, total 33.1 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 65.8 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 operating grants and contributions.

**Table 2**  
**Sources of Revenues for Fiscal Year 2014**



**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 2014. As shown, the biggest part of the costs incurred in the School Board’s programs, 77.6 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 percent. Accordingly, the combined costs to instruct students and to provide well-maintained and secure facilities amounted to 86.6 percent of all School Board costs.

The cost to transport, provide nutrition service, and to track attendance and provide health services to students amounted to 4.2 percent, 3.9 percent and 2.2 percent of total costs, respectively, totaling another 10.3 percent of costs. Finally, administrative costs were 2.3 percent, facilities services, which include major capital improvement projects, accounted for .7 percent and interest on long-term debt accounted for .1 percent of the total costs of School Board operations during fiscal year 2014.

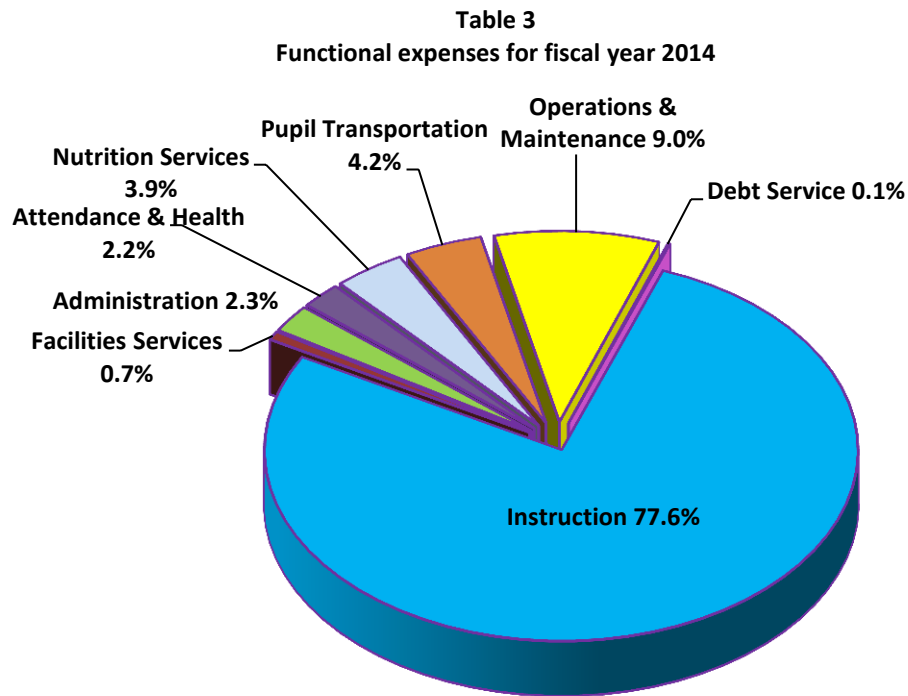


Table 4 following presents a comparative condensed summary of changes in net position and a more detailed discussion of the changes in the School Board's government-wide net position:

	<b>Governmental Activities</b>		<b>FY 2014 Increase/ (Decrease)</b>	<b>Total Percentage Change 2013-2014</b>
	<b>2014</b>	<b>2013</b>		
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 2.5	\$ 2.7	\$ (0.2)	(7.4) %
Operating grants and contributions	101.6	108.1	(6.5)	(6.0)
Capital grants and contributions	0.8	3.8	(3.0)	(78.9)
Total program revenues	104.9	114.6	(9.7)	(8.5)
General revenues:				
Intergovernmental aid - unrestricted:				
City of Richmond	130.0	129.4	0.6	0.4
Commonwealth of Virginia	71.2	70.9	0.3	0.5
Miscellaneous	0.9	0.3	0.6	207.7
Total general revenues	202.1	200.6	1.5	0.8
Total revenues	307.0	315.2	(8.2)	(2.6)
<b>Expenses:</b>				
Instruction	241.3	248.8	(7.5)	(3.0)
Support services:				
Administration	7.3	7.5	(0.2)	(2.7)
Attendance and health	6.8	7.0	(0.2)	(2.9)
Nutrition services	12.2	13.0	(0.8)	(6.2)
Pupil transportation	13.1	13.0	0.1	0.8
Operations and maintenance	27.6	26.9	0.7	2.6
Facilities services	2.2	3.1	(0.9)	(29.0)
Total support services expenses	69.2	70.5	(1.3)	(1.8)
Interest on long-term debt	0.3	0.3	-	
Total expenses	310.8	319.6	(8.8)	(2.8)
Change in net position	(3.8)	(4.4)	0.6	(14.4) %
Net position July 1	(10.9)	(6.5)	(4.4)	
Net position - June 30	\$ (14.7)	\$ (10.9)	\$ (3.8)	

As the above table shows, the School Board's net position decreased by \$ 3.8 million from fiscal year 2013 to fiscal year 2014. Total revenues for RPS' governmental activities totaled \$307 million during fiscal year 2014, representing a decrease of \$8.2 million from fiscal year 2013. Total expenses were \$310.8 million during fiscal year 2014, representing a decrease of \$8.8 million from fiscal year 2013.

Factors impacting the net decrease in revenues during fiscal year 2014 were:

- A decrease in federal program revenues of approximately \$7.5 million in federal grant revenue from Title I grants. Fiscal year 2013 included \$5.2 million more in Title 1 grant carryover money and \$1.3 million more in Title 1 ARRA school improvement grant money than fiscal year 2014. The Title 1 ARRA school improvement grant was a 39 month grant that ended on September 30, 2013. The grant was active for 12 months in fiscal year 2013 but only 3 months in fiscal year 2014.

- A decrease of approximately \$3 million in City appropriations for school maintenance and major renovation projects.
- A decrease of approximately \$469 thousand in state revenue for K-3 reductions.
- These decreases were offset by increases in the following areas: approximately \$1.3 million received in compensation supplements in fiscal year 2014 and not 2013, approximately \$240 thousand received from the Richmond Education Foundation for Renaissance Learning and MTA manipulatives programs, and approximately \$681 thousand increase in Standards of Quality (SOQ) funding.

Total expenses for RPS' governmental activities totaled \$310.8 million during fiscal year 2014, representing a decrease of \$8.8 million from fiscal year 2013. The decrease in expenses of \$8.8 million was primarily due to:

- A decrease of \$7.5 million for Instruction, which is RPS' largest program, primarily attributable to decreased spending in: classroom instruction - non-professional service payments of approximately \$2.0 million and instruction improvement payments of approximately \$6.4 million; and tuition payments of approximately \$830 thousand. These decreases were offset by increases in the following areas: approximately \$1.6 million in computer supplies for the new student information system implemented in fiscal year 2014 and approximately \$643 thousand for textbooks purchased.
- A net decrease of \$1.3 million for support services. The most significant reductions in expenses occurred in facilities (\$849 thousand), nutrition services (\$747 thousand) and administration (\$237 thousand) offset by an increase in operations and maintenance of approximately \$712 thousand.

## 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 \$17.7 million at June 30, 2014, a decrease of \$3.1 million. The following table presents a summary of fund balances of the governmental funds as of June 30, 2013 and 2014:

	2014	2013	Variance	Percent Variance 2013-2014
General Fund:				
Nonspendable	\$ 0.3	\$ 2.4	\$ (2.1)	(86.6) %
Committed		5.1	(5.1)	(100.0)
Assigned	4.2	1.4	2.8	197.7
Unassigned	6.5	3.8	2.7	70.3
Total General Fund	<u>11.0</u>	<u>12.7</u>	<u>(1.7)</u>	(13.7)
All Other Governmental Funds:				
Nonspendable	\$ 1.1	\$ 1.0	\$ 0.14	13.6 %
Restricted	3.1	2.3	0.8	35.8
Assigned	4.3	6.1	(1.8)	(29.0)
Unassigned	(1.8)	(1.2)	(0.6)	47.0
Total All Other Governmental Funds	<u>6.7</u>	<u>8.2</u>	<u>(1.4)</u>	(17.0)
Total Fund Balances	<u>\$ 17.7</u>	<u>\$ 20.9</u>	<u>\$ (3.1)</u>	(15.0) %

The major components of the decrease in fund balance are:

- Current year General Fund expenditures of \$245.4 million (net of expenditures for transfers to other funds of \$1.6 million) exceeded revenues of \$245.3 million by \$114 thousand, which resulted in a net change in the general fund balance of \$(1.7) million. The decrease in the change in General Fund balance from fiscal 2013 of \$2.6 million to \$1.7 in fiscal 2014 represented a decrease in the change in fund balance \$955 thousand.

The \$955 thousand decrease in the change in fund balance of the General Fund primarily resulted from an overall increase in revenue of \$932 thousand in local, state and federal operating revenue resulting from an increase in local appropriation from the City of \$528 thousand, an increase in state funding of \$475 thousand, and an \$70 thousand decrease in federal funding.

- A net increase in operating expenditures of \$361 thousand primarily resulting from an increase of approximately \$1.3 million in operations and maintenance offset by decreases of approximately \$563 thousand in instruction, \$223 thousand in administration costs, and \$70 thousand in facilities services.
- 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 2014.
- The Nutrition Services Fund reported a restricted fund balance of \$1.3 million or an increase of \$287 thousand. Revenues remained relatively flat while overall expenditures decreased. The largest expenditure decrease was \$329 thousand in computer equipment.
- At the end of the current fiscal year, the Capital Projects Fund reported a total fund balance of \$4.3 million, a decrease of \$1.8 million from fiscal year 2013. During fiscal year 2014, RPS received \$771 thousand in appropriations from the City for major infrastructure maintenance whereas RPS received \$3.8 million in appropriations for major infrastructure maintenance, including remediation projects to ensure all facilities are accessible to persons with disabilities. RPS expended \$2.4 million in FY14 vs. \$4.4 million in FY13 on those projects. The decrease in fund balance resulted from reduced revenue available for expenditures in school renovations and facility improvement activities.
- 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 fiscal 2014, resulting in an increase in the fund balance of the Permanent Funds of \$101 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):

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Budgetary fund balances:</b>	\$ 1.4	\$ 4.5	\$ 4.5	\$ -
<b>Revenue Sources (inflows):</b>				
City of Richmond	130.0	130.0	130.0	-
Commonwealth of Virginia	114.2	114.2	112.0	(2.2)
Federal government	0.7	0.7	0.7	0.0
Miscellaneous	0.9	0.9	0.6	(0.3)
<b>Total amounts available for expenditure</b>	<b>247.2</b>	<b>250.3</b>	<b>247.8</b>	<b>(2.5)</b>
<b>Expenditures (outflows):</b>				
Personnel services - salaries and wages	\$ 147.2	\$ 146.7	\$ 147.2	\$ (0.4)
Employee benefits	62.0	60.8	55.4	5.4
Purchased services	16.2	17.5	17.3	0.2
Other charges	10.6	10.7	12.2	(1.5)
Materials and supplies	6.0	7.2	6.4	0.8
Other operating expenditures	1.4	1.8	1.5	0.3
Capital outlay	1.5	2.6	2.0	0.7
<b>Other financing uses:</b>				
Notes payable	0.3	1.0	0.6	0.4
Transfers out	2.0	2.0	1.6	0.4
<b>Total expenditures and other financing uses</b>	<b>247.2</b>	<b>250.3</b>	<b>244.1</b>	<b>6.2</b>
<b>Amounts available for expenditure over expenditures and other financing uses - budgetary basis</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3.7</b>	<b>\$ 3.7</b>

As shown on exhibit I, the actual amounts available for expenditures was \$(3.7) million under final budget basis expenditures for FY 2014, the net result of total revenues exceeding budget by approximately \$2.5 million offset by total expenditures under budget of \$6.2 million.

Several factors contributing to the change in total revenues during fiscal year 2014 are as follows:

- Total revenue from the Commonwealth of Virginia was \$2.2 million below the final budget, primarily attributable to: (1) a \$1.1 million increase in Standards of Quality (SOQ) basic aid revenue as a result of mid-year budget adjustments for average daily membership offset by (2) \$(2.1) million shortfall in Categorical and Lottery funded programs primarily attributable to \$(1.8) million in K-3 class size reduction funding, which is based on elementary enrollment which meet class size ratio requirements (3) \$(832) thousand shortfall in state sales tax revenue and (4) \$(625) thousand shortage in revenues collected for Medicaid.
- Actual operating expenditures were under final budget basis expenditures by \$4.7 million. A portion of these savings were used towards fund balance in anticipation of the estimated funding gap in revenue and expenditures of for fiscal 2015.

The major variance between the final budget and actual expenditures includes:

- \$5.4 million under budget for employee benefits. The savings of approximately \$2.5 million in health care benefits and approximately \$682 thousand in worker's compensation, based on payment of claims under self-insurance programs.
- \$1.4 million over budget in Transportation due to a \$1.1 million shortfall in expense recovery fees budgeted and \$533 thousand over budget for utilities;
- \$773 under budget for material and supplies
- During fiscal year 2014, the School Board amended the legally adopted budget at various times for the following purposes, as detailed on Exhibit I:
  - To appropriate (add) approximately \$3.0 million to pay for commitments in the form of encumbrances established prior to July 1, 2013, 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, 2013, 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 2014, the School Board had invested \$12.1 million (see financial statement note 5) in vehicles (primarily school buses) and equipment, as reflected in Table 7 below:

Table 7 Capital Assets As of June 30 (In millions of dollars)			
	Governmental Activities		Total Change
	2014	2013	2013-2014
Vehicles, net	\$ 2.8	\$ 3.2	\$ (0.4)
Other equipment, net	9.3	8.5	0.8
Total	<u>\$ 12.1</u>	<u>\$ 11.7</u>	\$ 0.4

This year's investment in capital assets of approximately \$1.8 million included purchases of 4 replacement vehicles totaling approximately \$56 thousand and \$959 thousand in technology assets including new student information system, library manager system, servers, catalyst and switches, \$717 thousand in accessible and compliant playground equipment, \$39 thousand in vending machines, and \$21 thousand in washing machines for the student athletic program. Capital asset vehicle disposals amounted to \$182 thousand and equipment disposals amounted to approximately \$158 thousand.

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 Position. 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 major repairs and renovations 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 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 have a liability for long-term debt related to a capital lease for energy improvements of \$5.8 million. The capital lease decreased by \$234 thousand as a result of current year principal payments. The School Board does not have any legal debt limit, debt margin, or bonds outstanding.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

### **FISCAL YEAR 2015 BUDGET**

#### ***Revenues***

Richmond Public Schools is striving to preserve its core mission and values and sustain levels of student achievement while facing significant budgetary influences during a sluggish economic recovery period. The beginning of economic recovery is reflected in this budget. While the overall increase in resources is 6.2%, a significant portion is due to a required outlay of expenditures. The biggest factor is the 24% increase in the VRS retirement rate, which generated an increase in the state share for professional staff. Local revenue is projected at \$134.9 million, which is an increase of \$4.8 million, while prior year fund balance is estimated to be \$3.8 million reflecting a decrease of \$1.4 million. State revenues are expected to increase \$7.6 million or 8.5%. A majority of the state revenue originates from the Virginia Department of Education totaling \$97.5 million. Additional state revenues totaling \$1.2 million is generated by the division's Medicaid reimbursements.

Tuition and other revenues supporting the general operating budget are projected to decrease by \$130,000 related to lower vendor electronic payment participation. Federal revenues are slated to remain flat.

The general operating revenues are slated to increase \$15.4 million, with the FY2015 revenue budget of approximately \$262.6 million representing a 6.2% increase from the FY2014 adopted budget. The primary sources of revenue for the operating budget are the City and the Virginia Department of Education.

The FY2015 state revenue budget is based on a projected March 31 average daily membership (ADM) in FY2015 of 21,845 students. The projected ADM does not include approximately 1,900 pre-k students.

#### ***Expenditures***

The district is facing issues related to mandatory increases in expenditures. The Virginia Retirement System (VRS) began requiring school division employees to begin paying the 5% member contribution on a pre-tax

salary reduction basis effective July 1, 2012. The legislation authorized during the 2012 General Assembly session includes a requirement for offsetting salary increases. The final 1% shift of this benefit is accomplished in this budget. Employees hired or rehired on or after July 1, 2012 must pay the full 5% member contribution upon employment; no phase-in option is provided for these employees and school divisions are not required to provide an offsetting 5% salary increase.

The fiscal year 2015 financial plan includes providing a 3% annual salary increase for Teachers and 2% for all other employees. Other factors impacting expenditures are: a) health insurance increase of 7.3%, b) state retirement employer share increase from 11.66% to 14.5%, textbook purchases for the first time in 3 years of \$3 million. RPS is adding 39 positions to add equity for elementary resource offering, absorbing 19 federal special education positions due to federal sequestration loss of funds. Additional funds are focusing on data driven decisions for instruction, model middle school planning, and extending guidance counselor contracts for improved student scheduling. The School Board implemented \$3.3M of reductions to redirect additional funds to instructional improvement.

## **CONTACTING RPS MANAGEMENT**

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

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The Basic Financial Statements subsection includes the government-wide statements, which incorporates the governmental activities of Richmond Public Schools in order to provide an overview of the financial position and results of operations for the reporting entity. This subsection also includes the fund financial statements and the accompanying notes to the financial statements.

# **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 Position**

**June 30, 2014**

**Assets**

Equity in cash with the City of Richmond, Virginia	\$ 42,452,633
Cash on hand or in banks	360,410
Investments	1,347,336
Accounts receivable	448,155
Due from other governments	21,176,029
Inventory of materials and supplies	239,331
Prepaid Items	5,937
Capital assets, net	<u>12,061,538</u>
 Total assets	 <u><u>\$ 78,091,369</u></u>

**Liabilities:**

Accounts payable	\$ 3,206,000
Accrued liabilities	31,018,827
Due to other governments and external parties	8,932,278
Unearned revenues	2,553,054
Noncurrent liabilities:	
Due within one year	2,574,699
Due in more than one year	<u>44,545,513</u>
 Total liabilities	 <u><u>92,830,371</u></u>

**Net position:**

Net investment in capital assets	6,564,752
Restricted for:	
Capital Projects	4,330,268
Permanent fund purposes - nonexpendable	203,471
Permanent fund purposes - expendable	932,429
Unrestricted (deficit)	<u>(26,769,922)</u>
 Total net position	 <u><u>(14,739,002)</u></u>
 Total liabilities, deferred inflows of resources and net position	 <u><u>\$ 78,091,369</u></u>

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 Activities**

**For The Fiscal Year Ended June 30, 2014**

Functions/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 241,275,324	969,978	90,154,727	-	(150,150,619)
Support services:					
Administration	7,286,658	-	-	-	(7,286,658)
Attendance and health	6,838,649	-	-	-	(6,838,649)
Nutrition services	12,187,901	1,272,305	11,209,392	-	293,796
Pupil transportation	13,085,753	-	-	-	(13,085,753)
Operations and maintenance	27,641,138	266,684	211,034	-	(27,163,420)
Facilities services	2,239,173	-	-	771,000	(1,468,173)
Total support services	69,279,272	1,538,989	11,420,426	771,000	(55,548,857)
Interest on long-term debt	304,556	-	-	-	(304,556)
 Total governmental activities	 \$ 310,859,152	 2,508,967	 101,575,153	 771,000	 (206,004,032)
General revenues:					
Intergovernmental aid not restricted to specific purposes:					
City of Richmond, Virginia					129,972,012
Commonwealth of Virginia					71,249,521
Miscellaneous					923,476
					<u>202,145,009</u>
					<u>Change in net position</u>
					(3,859,023)
					<u>Net position - July 1, 2013</u>
					(10,879,979)
					<u>Net position - June 30, 2014</u>
					\$ (14,739,002)

See accompanying notes to basic financial statements.



## **Fund Financial Statements**

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

**Balance Sheet**

**Governmental Funds**

**June 30, 2014**

	General	Special Revenue	Nutrition Services	Capital Projects	Permanent	Total Governmental Funds
<b>Assets</b>						
Equity in cash with the City of Richmond, Virginia	\$ 42,452,633	-	-	-	-	42,452,633
Cash on hand or in banks	321,569	-	38,841	-	-	360,410
Investments	147,179	-	-	-	1,200,157	1,347,336
Accounts receivable	68,091	272,390	107,674	-	-	448,155
Due from other governments	604,389	14,789,238	518,025	5,264,377	-	21,176,029
Due from other funds	9,520,141	-	1,133,012	-	-	10,653,153
Prepaid Items	5,937	-	-	-	-	5,937
Inventory of materials and supplies	169,324	-	70,007	-	-	239,331
<b>Total assets</b>	<b>\$ 53,289,263</b>	<b>15,061,628</b>	<b>1,867,559</b>	<b>5,264,377</b>	<b>1,200,157</b>	<b>76,682,984</b>
<b>Liabilities</b>						
Accounts payable	\$ 1,812,043	1,161,960	117,480	114,517	-	3,206,000
Accrued liabilities	30,691,424	2,539,918	362,184	-	-	33,593,526
Due to fiduciary external parties	3,771,217	265,262	-	-	-	4,036,479
Due to other funds	1,133,011	8,636,293	-	819,592	64,257	10,653,153
Unearned revenues	24,852	2,458,195	70,007	-	-	2,553,054
Due to Primary Government	4,895,299	-	-	-	-	4,895,299
Advances from the City of Richmond, Virginia	500	-	-	-	-	500
<b>Total liabilities</b>	<b>42,328,346</b>	<b>15,061,628</b>	<b>549,671</b>	<b>934,109</b>	<b>64,257</b>	<b>58,938,011</b>
<b>Fund balance (deficit):</b>						
Nonspendable:						
Inventories	169,324	-	-	-	-	169,324
Prepaid Insurance	5,537	-	-	-	-	5,537
Investments	147,179	-	-	-	-	147,179
Permanent fund purposes	-	-	-	-	1,135,900	1,135,900
Restricted	-	1,764,136	1,317,888	-	-	3,082,024
Assigned:						
General Fund - FY 2015 General Operating Budget	4,167,911	-	-	-	-	4,167,911
Capital Projects Fund	-	-	-	4,330,268	-	4,330,268
Unassigned	6,470,966	(1,764,136)	-	-	-	4,706,830
<b>Total fund balances</b>	<b>10,960,917</b>	<b>-</b>	<b>1,317,888</b>	<b>4,330,268</b>	<b>1,135,900</b>	<b>17,744,973</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 53,289,263</b>	<b>\$ 15,061,628</b>	<b>\$ 1,867,559</b>	<b>\$ 5,264,377</b>	<b>\$ 1,200,157</b>	<b>\$ 76,682,984</b>

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 Position**

**June 30, 2014**

Total fund balances - governmental funds (Exhibit C)	\$ 17,744,973
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Amounts reported for governmental activities in the Statement of Net Position 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 \$34,320,008 and the accumulated depreciation is \$22,258,470	12,061,538
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The portion of noncurrent liabilities due in more than one year applicable to the School Board's Governmental Funds (note 7) 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	(2,666,485)	
Compensated absences	(10,384,802)	
Net pension obligations	(2,655,632)	
Net OPEB obligations	(23,341,808)	
Capital leases	(5,496,786)	
		(44,545,513)

Total net position - governmental activities (Exhibit A)	\$ (14,739,002)
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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, 2014**

	General	Special Revenue	Nutrition Services	Capital Projects	Permanent	Total Governmental Funds
<b>Revenues:</b>						
Intergovernmental:						
City of Richmond, Virginia	\$ 129,972,012	-	-	771,000	-	130,743,012
Commonwealth of Virginia	112,997,327	7,821,319	256,830	-	-	121,075,476
Federal government	775,154	39,704,276	10,952,562	-	-	51,431,992
Donations and gifts	-	512,600	-	-	-	512,600
Charges for goods and services:						
Tuition and fees	620,723	736,746	-	-	-	1,357,469
Food sales	-	-	1,198,303	-	-	1,198,303
Investment income, net:						
Net increase in fair value of investments	-	-	-	-	122,218	122,218
Miscellaneous	890,831	427,990	77,220	-	-	1,396,041
<b>Total revenues</b>	<b>245,256,047</b>	<b>49,202,931</b>	<b>12,484,915</b>	<b>771,000</b>	<b>122,218</b>	<b>307,837,111</b>
<b>Expenditures:</b>						
Current operating:						
Instruction	191,475,518	49,505,420			21,597	241,002,535
Support services:						
Administration	7,321,981	-	-	-	-	7,321,981
Attendance and health	6,147,526	658,530	-	-	-	6,806,056
Nutrition services	-	-	12,197,803	-	-	12,197,803
Pupil transportation	12,297,290	430,120	-	-	-	12,727,410
Operations and maintenance	27,495,635	185,205	-	-	-	27,680,840
Facilities services	94,105	-	-	-	-	94,105
Miscellaneous	-	2,944	-	-	-	2,944
<b>Total support services</b>	<b>53,356,537</b>	<b>1,276,799</b>	<b>12,197,803</b>	<b>-</b>	<b>-</b>	<b>66,831,139</b>
<b>Total current operating</b>	<b>244,832,055</b>	<b>50,782,219</b>	<b>12,197,803</b>	<b>-</b>	<b>21,597</b>	<b>307,833,674</b>
Capital outlay	-	-	-	2,569,215	-	2,569,215
Debt service:						
Capital lease principal	233,601	-	-	-	-	233,601
Capital lease interest	304,556	-	-	-	-	304,556
<b>Total expenditures</b>	<b>245,370,212</b>	<b>50,782,219</b>	<b>12,197,803</b>	<b>2,569,215</b>	<b>21,597</b>	<b>310,941,046</b>
Excess (deficiency) of revenues over (under) expenditures	(114,165)	(1,579,288)	287,112	(1,798,215)	100,621	(3,103,935)
<b>Other financing sources (uses):</b>						
Transfers in (note 4)	-	1,579,288	-	-	-	1,579,288
Transfers out (note 4)	(1,579,288)	-	-	-	-	(1,579,288)
<b>Net change in fund balances</b>	<b>(1,693,453)</b>	<b>-</b>	<b>287,112</b>	<b>(1,798,215)</b>	<b>100,621</b>	<b>(3,103,935)</b>
<b>Fund balances - July 1, 2013</b>	<b>12,654,370</b>	<b>-</b>	<b>1,030,776</b>	<b>6,128,483</b>	<b>1,035,279</b>	<b>20,848,908</b>
<b>Fund balances - June 30, 2014</b>	<b>\$ 10,960,917</b>	<b>-</b>	<b>1,317,888</b>	<b>4,330,268</b>	<b>1,135,900</b>	<b>17,744,973</b>

See accompanying notes to basic financial statements.

**(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, 2014**

Net change in fund balances - total governmental funds (Exhibit E) \$ (3,103,935)

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:

Capital outlay	\$	1,810,684	
Depreciation expense		<u>(1,449,042)</u>	361,642

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:

<u>Applicable expenses</u>		Amounts Incurred (Over) Under Financial Resources Used	
Workers' compensation	\$	768,959	
Compensated absences:			
Vacation pay		723,552	
Sick pay		354,188	
Net pension obligation (note 10(c)(iii))		(1,016,292)	
Net OPEB obligation (note 11(c))		(2,216,431)	
Capital leases - energy improvements		269,294	
Net amount incurred under financial resources used			<u>(1,116,730)</u>

Net reconciling items (755,088)

Change in net position of governmental activities (Exhibit B) \$ (3,859,023)

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 Position**

**Fiduciary Funds**

**June 30, 2014**

	Employee Early Retirement Incentive Plan	Agency Funds
Assets:		
Cash on hand or in banks	\$ -	\$ 1,318,701
Investments - money market fund	1,162,275	-
	<u>1,162,275</u>	<u>-</u>
 Total cash and investments	 <u>1,162,275</u>	 <u>1,318,701</u>
 Accounts receivable	 10	 6,875
Due from other governments	-	39,554
Due from General Fund	-	3,771,217
	<u>-</u>	<u>3,771,217</u>
 Total assets	 <u>\$ 1,162,285</u>	 <u>\$ 5,136,347</u>
Liabilities:		
Accounts payable	-	58,994
Accrued liabilities	-	1,065,064
Amounts held for other organizations	-	4,012,289
	<u>-</u>	<u>4,012,289</u>
 Total liabilities	 <u>-</u>	 <u>\$ 5,136,347</u>
Net position:		
Held in trust for employee pension benefits	1,162,285	
	<u>1,162,285</u>	
 Total net position	 <u>\$ 1,162,285</u>	

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 Position**

**Fiduciary Funds**

**For The Fiscal Year Ended June 30, 2014**

	Employee Early Retirement Incentive Plan
Additions:	
Contributions	\$ -
Investment Income:	
Dividends	2,195
Total investment income	2,195
Total additions	2,195
Deductions:	
Benefits	1,128,539
Total deductions	1,128,539
Change in net position	(1,126,344)
Net position - July 1, 2013	2,288,629
Net position - June 30, 2014	\$ 1,162,285

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)  
Notes to Basic Financial Statements  
June 30, 2014

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 accounting principles generally accepted in the United States of America (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 Position 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 Position** – The Statement of Net Position reports the financial position of the School Board as a whole. In addition to reporting current assets and liabilities, the Statement of Net Position 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 position of the School Board is reported in three categories: 1) net investment 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 position are available. The School Board may defer the use of restricted net position 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



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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 position as shown on the Government-wide Statement of Net Position 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 position 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

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funding progress, the schedule of employer contributions and other trend data 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 Postemployment 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 \$1,421,500 to the Governor's School for the school year 2013-2014. 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 \$612,400 to the Center for the school year 2013-2014. Complete financial

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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 Fund** – The Special Revenue Fund is used to account for proceeds of private grants and state and federal grant revenue sources, other than major capital projects, that are restricted to expenditures for specified purposes. The *Special Revenue Fund* records transactions related to contributions and grant resources derived from specific revenue sources and for specified purposes, that have limitations on spending imposed by contributors, grantors, or other governments and that are not specifically reported in another fund.

**Nutrition Services Fund** - accounts for the operations of cafeterias at each school. The *Nutrition Services Fund* accounts for sales proceeds from the school cafeterias, which includes state grants and federal reimbursement from participation in the National School Lunch Program.

**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 position restricted for capital projects in the Government-wide Statement of Net Position 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.

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**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, which 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 Position. Agency funds do not, however, present results of operations, and accordingly are not reported in the Statement of Changes in Fiduciary Net Position. 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**

GAAP 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 legally required to remain 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

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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. A majority vote action is required to be taken to establish, modify, or rescind a fund balance commitment.

**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. Negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The School Board has classified fund balances based on the following hierarchy: non-spendable, restricted, committed, assigned and unassigned.

The School Board considers restricted amounts to have been spent when expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. The School Board has not established a policy for use of unrestricted fund balance amounts.

Management considers committed amounts would be reduced first and then continuing in descending order using unassigned resources last.

(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 accordance with GAAP. 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.

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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-two percent of the School Board's revenue is from City appropriation, approximately thirty-nine percent is from the Commonwealth of Virginia, approximately seventeen 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. 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**

The School Board uses encumbrance accounting, which represents the estimated amount of future expenditures if all open purchase orders, unfinished contracts, or other commitments were completed. Encumbrances do not lapse. In the General Fund, the School Board, by formal action, approves encumbrances classified as committed fund balance, to indicate

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that they cannot be used for any other purpose unless the School Board takes the same action to remove the encumbrance.

Encumbrances in the Special Revenue fund are included as part of the restricted fund balance. Encumbrances in the Nutrition Service and Capital Project funds are classified as assigned in fund balance at year-end.

(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.

(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. The governmental funds record prepayments using the purchases method. Prepayments are recorded as expenditures when paid and at fiscal year-end an adjustment is made to reflect the correct expenditure and prepaid asset balance.

(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 54 school

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buildings and facilities with a net book value approximating \$21 million not including new construction) 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 3).

(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 medical and workers' compensation claim liabilities.

(m) **Unearned Revenues**

Unearned revenues mainly represent amounts received in advance of meeting eligibility requirements (e.g., unexpended grant proceeds, unused commodities at year-end).

(n) **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



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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.

(o) **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).

(p) **Self-insurance Claims**

The School Board is self-insured for its medical claims, 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 medical and workers' compensation claims (IBNR). The liabilities for IBNR medical and 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 and health care claims liabilities are limited to the amounts expected to be paid from expendable available financial resources. Claims are reported in the 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, 2014, the carrying amount and the financial institutions' balances of the School Board's deposits with financial institutions applicable to governmental activities approximated \$360,400. In addition, the carrying amount of deposits with financial institutions held by the School Board's Fiduciary Funds totaled \$1,318,701 and the related financial institutions' balances totaled \$1,520,101. The difference of \$201,400 between the carrying amounts and the financial institutions' balances were attributable to outstanding checks of approximately \$203,000 less deposits in transit of \$1,759 in student activity funds.

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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 \$42,452,633 at June 30, 2014. 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) **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, 2014, 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	\$ 211,004	\$ 211,004
Mutual Funds	874,273	989,153
Common Stocks	147,179	147,179
<b>Total</b>	<b>\$ 1,232,456</b>	<b>\$ 1,347,336</b>

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Investments related to Permanent Funds include \$211,004 in money market funds and \$989,153 in mutual funds. Investments related to the General Fund include \$147,179 in common stocks.

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

Investment Type	Cost	Fair Value
Money Market Investments	\$ <u>1,162,285</u>	\$ <u>1,162,285</u>

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, 2014, the Plan had investments at fair market value in the Heritage Money Market Fund Portfolio, totaling \$1,162,285, or 100 percent of the Plan's net position.

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.

The School Board does not have a formal policy for custodial credit risk for its investments.

**Interest rate risk**

Interest rate risk represents the risk the School Board is exposed to as a result of changes 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 custodial credit risk.

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**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, 2014, the School Board had investments of \$1,162,285 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 Position, 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, 2014:

	Federal	State	City	Other	Total
<b>Governmental Funds:</b>					
General Fund	\$ 56,829	\$ 492,573	\$ -	\$ 54,987	\$ 604,389
Special Revenue Fund	13,342,071	1,423,030	-	24,137	14,789,238
Nutrition Services Fund	518,025	-	-	-	518,025
Capital Projects Fund	-	-	5,264,377	-	5,264,377
Total	\$ 13,916,925	\$ 1,915,603	\$ 5,264,377	\$ 79,124	\$ 21,176,029
<b>Statement of Fiduciary Net Position:</b>					
Agency Funds	\$ -	\$ 26,000	\$ -	\$ 13,554	\$ 39,554

At June 30, 2014, the School Board's General Fund had \$3,771,217 due to Fiduciary Funds and \$500 of advances from the City.

**4) Interfund Balances and Transfers**

In the Fund financial statements, interfund receivable and payable balances as of June 30, 2014 were:

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TO FUND	FROM FUND	
	Interfund Receivables	Interfund Payables
General	\$ 9,520,141	\$ 1,133,011
Special Revenue	-	8,636,293
Nutrition Services	1,133,012	-
Capital Projects	-	819,592
Permanent	-	64,257
Total	<u>\$ 10,653,153</u>	<u>\$ 10,653,153</u>

The balance of \$8,636,293 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, 2014 were as follows:

Transfers In	Transfers Out (General Fund)
Special Revenue Fund	\$ 1,579,288
Total	<u>\$ 1,579,288</u>

## 5) Capital Assets

Changes in capital assets during the fiscal year ended June 30, 2014 are summarized below:

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	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets being depreciated:				
Vehicles	\$ 16,729,678	\$ 56,076	\$ 182,163	\$ 16,603,591
Other equipment	9,918,523	1,754,608	158,340	11,514,791
Energy and water equipment	6,201,626	-	-	6,201,626
Total being depreciated	<u>32,849,827</u>	<u>1,810,684</u>	<u>340,503</u>	<u>34,320,008</u>
Less: Accumulated depreciation				
Vehicles	13,537,516	497,346	182,163	13,852,699
Other equipment	6,931,031	724,568	158,340	7,497,259
Energy and water equipment	681,384	227,128	-	908,512
Total accumulated depreciation	<u>21,149,931</u>	<u>1,449,042</u>	<u>340,503</u>	<u>22,258,470</u>
Capital assets, net	<u>\$ 11,699,896</u>	<u>\$ 361,642</u>	<u>\$ -</u>	<u>\$ 12,061,538</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 495,128
Support Services	
Administration	1,950
Pupil Transportation	363,954
Operations and Maintenance	262,093
Nutrition Services	22,072
Facilities acquisition and improvements	196,347
Technology	<u>107,498</u>
Total	<u>\$ 1,449,042</u>

## 6) Capital Leases

The School Board 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 of which, \$5,766,080 remained outstanding at June 30, 2014. 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:

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Assets:

Energy and water equipment	\$ 6,201,626
Less: Accumulated depreciation	<u>(908,512)</u>
Total	<u><u>\$ 5,293,114</u></u>

The total future minimum lease obligations and the total net present value of the minimum lease payments as of June 30, 2014 are as follows:

Fiscal Year	Principal	Interest
2015	\$ 269,294	\$ 290,350
2016	298,816	275,791
2017	338,932	259,505
2018	383,133	241,041
2019	430,881	220,220
2020-2024	3,012,716	692,407
2025-2026	1,032,308	31,645
Present value of minimum lease obligations	<u><u>\$ 5,766,080</u></u>	<u><u>\$ 2,010,960</u></u>

## 7) Noncurrent Liabilities

Changes in the total noncurrent liabilities during the fiscal year ended June 30, 2014 are summarized below:

	Amounts Payable at June 30, 2013	Increases	Decreases	Amounts Payable at June 30, 2014	Due Within One Year	Due in More Than One Year
Workers' compensation liability	\$ 4,464,283	1,102,937	(1,622,048)	3,945,172	1,278,687	2,666,485
Vacation pay liability	3,674,663	154,164	(781,152)	3,047,675	285,362	2,762,313
Sick pay liability	8,427,188	1,223,372	(1,286,715)	8,363,845	741,356	7,622,489
Net pension obligations	1,639,340	1,016,292	-	2,655,632	-	2,655,632
Net OPEB obligations	21,125,377	5,799,312	(3,582,881)	23,341,808	-	23,341,808
Capital leases - energy improvements	5,999,681	-	(233,601)	5,766,080	269,294	5,496,786
Total	<u><u>\$ 45,330,532</u></u>	<u><u>9,296,077</u></u>	<u><u>(7,506,397)</u></u>	<u><u>47,120,212</u></u>	<u><u>2,574,699</u></u>	<u><u>44,545,513</u></u>

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 Position (Exhibit A).

## 8) Lease Commitments

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The School Board leases buildings, classroom facilities and business machines under various operating lease agreements, which are subject to annual appropriation of funds. Total costs for such leases were \$1,866,817 for the fiscal year ended June 30, 2014. At June 30, 2014, the annual operating lease commitments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2015	\$ 2,467,205
2016	606,028
2017	419,786
Total minimum lease payments	<u>\$ 3,493,019</u>

**9) Fund Balances**

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

- *Nonspendable 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. Negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.



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The fund balances in the Governmental Funds' Balance Sheet have been classified to reflect the following:

(a) **Nonspendable**

Nonspendable Fund balance for inventory of materials and supplies indicates the portion of fund balance related to the General fund for warehouse inventory of \$169,324 , which is not otherwise available for appropriation and expenditure.

Nonspendable General Fund balance for prepaid insurance of \$5,537 represents (i) \$25,000 held as a required deposit for the short-term disability insurance program and (ii) \$19,463 deficit in the self-insured workers' compensation bank account.

Nonspendable General Fund balance for investments of \$147,179 is held in common stock.

Nonspendable Fund balance for Permanent Funds of \$1,135,900 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 \$1,764,136 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 \$1,317,888 is restricted to expenditures for the specific purpose of operating the National School Lunch Program and cafeteria operations.

(c) **Assigned:**

The School Board has delegated the responsibility to assign funds to the Superintendent or the Assistant Superintendent for Financial Services. The Superintendent, as part of the 2015 financial plan to eliminate a projected budgetary deficit in the subsequent year's General Fund budget, assigned \$4,167,911 in General Fund Balance. The Superintendent assigned the Capital Projects fund balance of \$4,330,268 for the purpose of expenditures to complete approved school renovation and facility improvement projects.

- \$1.6 million of General Funds fund balance is assigned to self-supporting services and programs. Resources of the major programs listed below will be used specifically for the purpose of the program that generated the revenue:

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- Arthur Ashe Athletic Center: Approximately \$270.1 thousand. Funds generated from building rental fees and receipts are specifically used for supplies, equipment and general operations of the center.
  - Driver's Education program: Approximately \$63.3 thousand. Funds generated from student fees pertaining to the Driver's Education program, which are specifically used for equipment to operate the program.
  - Indirect Cost fund: Approximately \$390.4 thousand. Funds generated from federal indirect cost recovery to pay contractual salaries and benefits.
  - Medicaid fund: Approximately \$112.4 thousand. Funds generated from administrative and direct service billing claims. Fund balance remaining at June 30, 2014 will be used to support the delivery of special education services to students.
  - Nursing: Approximately \$27.7 thousand. Funds generated from fees and services for health related services provided by nursing professionals.
  - RTC bookstore: Approximately \$68.3 thousand. Funds generated from student fees to purchase books for the Apprenticeship and evening vocational programs at the Richmond Technical Center.
  - Unemployment and worker's compensation: Approximately \$657.9 thousand. Funds generated from federal direct cost recovery retained to pay insurance cost in current year operations.
- \$2.6 million of General Fund fund balance is assigned to pay during the fiscal year for goods and services not received prior to the end of the fiscal year.

(d) **Unassigned**

The unassigned general fund balance totals \$6,470,966. These funds will be utilized by the School Board during future budget development.

The negative unassigned fund balance of \$(1,764,136) in the Special Revenue fund is equal to contractual obligations related to specific purposes.

**10) Health Care Plan**

On July 1, 2010, RPS began to self-insure health care for all eligible employees and retirees by contracting with providers for administrative services only. Services under these contracts include claims adjudication, disease management, lifestyle programs and wellness initiatives.

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The Department of Benefits & Risk Management manages the plan, ensures statutory compliance. In accordance with the Affordable Care Act (ACA), any employee who works an average of thirty (30) or more hours within a designated “measurement period” will be eligible to enroll in the School-sponsored health plan.

CIGNA Healthcare is contracted as the third-party administrator for the medical plans. RPS offers two medical plan options: Premier and Classic. In-network services for the Premier Plan are covered at 90% with a \$20 office visit co-pay for Primary Care Physicians, and a \$40 office visit co-pay for Specialists. In-network services for the Classic Plan are covered at 80% with a \$25 office visit co-pay for Primary Care Physicians, and a \$50 office visit co-pay for Specialists. Out-of-network providers are covered at 50%. Wellness checkups and services are covered at 100%. Prescription drug coverage is included with both medical plans utilizing a three tier co-pay structure and mandatory mail-order for maintenance medications after three (3) retail fills.

RPS purchases specific stop-loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$300,000 per occurrence for individual claims, and an additional 125% aggregate stop loss limitation that has been subsequently cancelled effective as of August 2014, for RPS. A liability of \$4 million has been recorded to the General Fund based on an estimate from RPS’s outside actuary, MERCER.

**11) 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 are as follows:

**(d) 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. 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.

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Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

Within the VRS Plan, VRS administers three different benefit plans for local government employees – Plan 1, Plan 2, and Hybrid:

- Members hired before July 1, 2010, and they were vested as of January 1, 2013 are covered under Plan 1. Plan 1 is a defined benefit plan. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of creditable service or age 50 with at least 25 years of service credit. They may retire with a reduced benefit as early as age 55 with at least five years of creditable service or age 50 with at least ten years of service.
- Members hired or rehired on or after July 1, 2010 or their hire date is before July 1, 2010, and they were not vested as of as of January 1, 2013 are covered under Plan 2. Plan 2 is a defined benefit plan. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of creditable service or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of creditable service.
- Most members hired or rehired on or after January 1, 2014 are covered under the Hybrid plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window held January 1-April 30, 2014. The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Members are eligible for an unreduced retirement benefit, under the defined benefit component, when they reach normal Social Security retirement age and have at least five years of creditable service or when their age and service equal 90. Members may retire with a reduced benefit as early as age 60 with at least five years of creditable service. Members are eligible to receive distributions upon leaving employment, subject to restrictions, under the defined contribution component.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit.

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Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.7%.

Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.65%.

Under the Hybrid Plan, defined benefit component, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier is 1.0%. For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for those plans.

At retirement, members can elect the Basic Benefits, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advanced Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5 percent; under Plan 2, the COLA cannot exceed three percent. COLA is not applicable under the Hybrid Plan. During years of no inflation or deflation, the COLA is zero. 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: <http://www.varetire.org/Pdf/Publications/2012-annual-rpeort.pdf>

(ii) **Funding Policy**

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.0 percent of their annual reported compensation to the VRS. All or part of the 5.0 percent member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5.0 percent member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.0 percent member contribution. This could be phased in over a period of 5 years and the employer is required to provide a salary increase

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equal to the amount of the increase in the employee-paid member contribution. For fiscal year 2014 the School Board assumed 1.0 percent of the 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, 2014, 2013 and 2012 were \$24,240,781, \$17,138,963, and \$16,804,356 respectively, and were equal to the required contributions. The School Board's contribution rate applicable to professional employees for the fiscal years ended June 30, 2014 and 2013 was 11.66 of the annual covered payroll. The contribution rate for fiscal year ended June 30, 2012 was 6.33 percent. The School Board's contribution rate applicable to nonprofessional employees for the fiscal years ended June 30, 2014 and 2013 was 9.25 percent of the annual covered payroll. The contribution rate for fiscal year ended June 30, 2012 was 6.86 percent.

(iii) **Annual Pension Cost**

For the fiscal year ended June 30, 2014, the School Board's annual pension cost of \$1,482,148 for nonprofessional employees and \$24,240,781 for professional employees was equal to the School Board's required and actual contributions. The fiscal 2014 required contribution was determined as part of the June 30, 2013 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, 2013 included (a) 7.0 percent investment rate of return, (b) projected salary increase rates between 3.75 percent and 6.20 percent per year for teachers (c) 2.50 percent per year cost-of-living adjustments compounded annually for Plan 1 members and 2.25 percent per year for Plan 2 members and (d) an inflation rate of 2.50 percent per year. The School Board's assets are equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The School Board's unfunded actuarial accrued liability is being amortized as a level percent of payroll on an open basis. The remaining amortization period at June 30, 2014 for the Unfunded Actuarial Accrued liability (UAAL) was 30 years, decreasing by one each year in subsequent valuations until reaching 0 years.

(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:

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**Three-Year Trend Information**

Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
2012	\$ 1,369,054	100.0	%	\$ -
2013	\$ 1,041,698	100.0	%	\$ -
2014	\$ 1,482,148	100.0	%	\$ -

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

As of June 30, 2013, the most recent actuarial valuation date, the actuarial value of the agent plan assets was \$38,753,457. The Plan was 82.42 percent funded. The actuarial accrued liability for benefits was \$47,018,522, resulting in an unfunded actuarial liability (UAAL) of \$8,265,065. The covered payroll was \$11,019,683 and the ratio of the UAAL to the covered payroll was 75 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 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 7.0 percent investment return assumption. The actuarial value recognizes this excess return (or shortfall) over a five-year period at the rate of 20.0 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.

**(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

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cost of the plan. The School Board reimburses the City for contributions made on its behalf. Employees do not make contributions to the plan.

Membership in RRS consisted of the following as of June 30, 2014:

Retirees currently receiving benefits	358
Active employees eligible for benefits	<u>6</u>
Total	<u><u>364</u></u>

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 percent 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, 2014, the School Board contributed 34.41 percent of annual covered payroll. The School Board's prior fiscal year contribution resulted in an overpayment of \$27,371 that was applied to the projected fiscal year 2014 contribution, for a net payment to RRS of \$49,793.

The School Board's contributions to the RRS for the fiscal years ended June 30, 2014, 2013, and 2012 were \$77,164, \$78,257, \$257,146 and respectively, and were equal to the required contributions for each year.

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

(iii) **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



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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 and (b) projected salary increases of 3.75 percent per year.

Membership in the Plan consisted of the following as of July 1, 2014, the most recent biennial actuarial valuation:

Active employees eligible for benefits	245
Retirees currently receiving benefits	<u>301</u>
Total	<u><u>546</u></u>

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.

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- 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(h).

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

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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 \$383,700 during the fiscal year ended June 30, 2014.

(iv) **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 \$2,655,632 in the Government-wide Statement of Net Position. Substantially all investment and administrative costs of the Plan are borne by the General Fund.

(v) **Annual Pension Cost Under GASB Statement No. 27**

The School Board's annual pension cost for the fiscal year ended June 30, 2014 and its net pension obligation to the Plan, as determined by the most recent biennial actuarial valuation, dated July 1, 2014, is as follows:

Actuarially determined contribution	\$ 1,397,360
Interest on net pension obligation	57,328
Adjustment to annual required contribution	<u>(438,396)</u>
Annual pension cost	1,016,292
Contributions made	<u>-</u>
Increase in net pension obligation	1,016,292
Net pension obligation – beginning of year	<u>1,639,340</u>
Net pension obligation – end of year	<u><u>\$ 2,655,632</u></u>

(vi) **Three-Year Trend Information Under GASB Statement No. 27**

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Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 1,684,546	-	\$ 2,134,557
2013	\$ 1,234,811	140.1 %	\$ 1,639,340
2014	\$ 1,016,292	-	\$ 2,655,632

The annual required contribution as of June 30, 2014 was determined as part of the most recent biennial actuarial valuation, dated July 1, 2014, 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.

**(vii) Funded Status and Funding Progress - Under GASB Statement No. 27**

As of the most recent biennial actuarial valuation, dated July 1, 2014, the plan was 15.2 percent funded. The actuarial accrued liability for benefits of \$7,648,437 and the actuarial value of assets was \$1,162,285 resulting in an unfunded actuarial liability (UAAL) of \$6,486,152. The covered payroll was \$13,871,224, and the ratio of the UAAL to the covered payroll was 46.8 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

**(viii) Pension Liability – Plan - Under GASB Statement No. 67**

Note disclosure and related required supplementary information about the Plan's investment performance, total pension liability, net pension liability and contributions as required under GASB Statement No. 67, are as shown below. The amounts are not reflected in the financial statements of the School Board.

- a. Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return based on cash flows on pension plan investments, net of pension plan investment expense, was 0.12%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
- b. Net Pension Liability: The components of the net pension liability as of June 30, 2014 were as follows:

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Total Pension Liability	\$ 7,648,437
Plan Fiduciary Net Position	<u>(1,162,285)</u>
Net Pension Liability	<u>\$ 6,486,152</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability 15.20%

- c. Actuarial Methods and Significant Assumptions: Significant actuarial assumptions used in the valuation include: (a) Individual Entry Age Normal method, (b) rate of return on the investment of present and future assets of 3.5 percent per year compounded annually, (c) projected salary increases of 3.75 percent per year, and (d) 1994 Group Annuity Mortality Table for males and females set back one year (pre-retirement) or 1994 Group Annuity Mortality Table for males and females set back three year (post-retirement).
- d. Discount Rate: The discount rate used to measure the total pension liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the current contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through the life of the plan. The long-term expected rate of return on pension plan investments is 3.5%. It was applied to periods of projected benefit payments, and the expected municipal bond rate was not applied to determine the discount rate.
- e. Sensitivity of Net Pension Liability to Changes in the Discount Rate: The net pension liability is shown below as calculated on the current 3.50% discount rate and also as calculated using discount rates 1 percent lower or 1 percent higher:

<u><b>1% Decrease (2.5%)</b></u>	<u><b>Current Rate (3.5%)</b></u>	<u><b>1% Increase (4.5%)</b></u>
\$6,651,897	\$6,486,152	\$6,321,513

## **12) Postretirement Health Benefits**

### **(a) Plan Description**

The School Board provides certain postretirement health 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.

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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, 2014:

Active participants	3,091
Inactive participants (retired or disabled)	195
Total	<u>3,286</u>

The actuarial assumptions at July 1 2014, the most recent actuarial valuation date, included (a) a discount rate of 3.5 percent, (b) zero payroll growth and (c) health care cost trend rate projection of 8.5 Percent for plan year 2014.

**(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 contribution 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, 2014, the School Board’s share of those payments was \$1,740,475.

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

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 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 8.5 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 benefits for the year ended June 30, 2014:

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Annual Required Contribution	\$ 6,188,700
Interest on NOO at Discount Rate to End of Year	739,388
Adjustment to the ARC	<u>(1,128,776)</u>
Annual OPEB Expense	5,799,312
Estimated Employer Costs for Retirees	<u>(3,582,881)</u>
Increase in net OPEB obligation	2,216,431
Net OPEB obligation – beginning of year	<u>21,125,377</u>
Net OPEB obligation – end of year	<u><u>\$ 23,341,808</u></u>

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:

June 30	Cost	Contributions	Contributed	Obligation
2012	\$ 6,945,139	3,767,366	54.2 %	\$ 18,901,118
2013	\$ 5,651,898	3,427,639	60.6 %	\$ 21,125,377
2014	\$ 5,799,312	3,582,881	61.8 %	\$ 23,341,808

**(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, 2014, the actuarial accrued liability for benefits totaled \$51,894,829 all of which was unfunded. The covered payroll totaled \$155,851,571 and the ratio of the unfunded actuarial accrued liability was 33.3 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 benefits plan does not issue a stand-alone financial report and is not included in the report of another entity.

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**12) Commitments and Contingencies**

**(e) 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 expenditure was 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, 2014, the School Board had contractual commitments approximating \$404,300 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, 2014. 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 based on fee schedules or time and expenses. During fiscal year 2014, the City provided approximately \$2,335,300 in water and gas utilities for all Richmond Public Schools. In addition, the City provided approximately \$245,400 in fuel and repairs and maintenance for school buses and vehicle fleet. The City provided approximately \$118,100 in printing services.

The City also provides administrative office space in City Hall to the School Board for which the School Board is not charged.

**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



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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, 2014, the amount of claim liabilities was \$3,945,172 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, 2014 are as follows:

	Fiscal Year Liability	Claims and Changes in Estimates	Payments on Claims	Liability at Fiscal Year End
2012 - 2013	\$ 4,632,493	\$ 881,479	\$ 1,049,690	\$ 4,464,282
2013 - 2014	\$ 4,464,282	\$ 1,102,937	\$ 1,622,048	\$ 3,945,172

**15) Subsequent Events**

The School Board has evaluated subsequent events through October 20, 2015 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. There were no subsequent events requiring recognition as of May 26, 2015 which have been incorporated into these financial statements herein.

**16) New Pronouncements**

Effective July 1, 2013, the School Board adopted the provisions of the Governmental Accounting Standards Board's Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement required governments to reclassify certain assets or liabilities within the financial statements as deferred inflows or deferred outflows. School Board management assessed the requirements of the statement noting it had no impact on the School Board's financial statement as of and for the year ended June 30, 2014.

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The GASB issued Statement No. 66, *Technical Corrections – 2012 an amendment of GASB Statements No. 10 and No. 62* in March 2012. The requirements of the related Statement are effective for financial statements for periods beginning after December 15, 2012. Management has implemented this Statement and has changed all applicable statement presentations.

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 in June 2012*. The objective of this Statement is to improve financial reporting by state and local government pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of the Statement and to defined contribution plans that provide postemployment benefits other than pensions. This Statement is effective for periods beginning after June 15, 2013. The School Board has implemented this statement in fiscal year 2014.

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – and amendment of GASB Statement No. 27* in June 2012. The requirements of the related Statement are effective for financial statements for periods beginning after June 15, 2014. Management is in the process of completing their assessment of the impact of these requirements; however, it has decided not to early implement.

In April 2013, The GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to enhance the comparability and disclosure of financial statements among governments by requiring consistent reporting by governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement is effective for periods beginning after June 15, 2013. The School Board has implemented this statement in fiscal year 2014.

# Required Supplementary Information (unaudited)

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The Required Supplementary Information subsection includes

- Budgetary comparison schedule for the General Operating Fund which accounts for all revenues and expenditures of Richmond Public Schools that are not required to be accounted for in other funds
- Trend data, the schedule of funding progress and the schedule of employer contributions, for the Virginia Retirement System, the Early Retirement Incentive Plan for Employees of Richmond Public Schools and Other Postemployment Employee Benefits
- The notes to the required supplementary information

**Budgetary Comparison Schedule (Unaudited)**  
**General Operating Fund**  
**For The Fiscal Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Budgetary fund balances:</b>				
Prior year assigned fund balance, budgeted at July 1, 2013	\$ 1,400,000	1,400,000	1,400,000	-
Prior year fund balance committed for encumbrances and other subsequently added to original budget	-	3,120,566	3,120,566	-
<b>Total budgetary fund balances available</b>				
<b>for expenditure</b>	<u>1,400,000</u>	<u>4,520,566</u>	<u>4,520,566</u>	<u>-</u>
<b>Revenue sources:</b>				
<b>Intergovernmental:</b>				
City of Richmond - appropriation	<u>129,972,012</u>	<u>129,972,012</u>	<u>129,972,012</u>	<u>-</u>
Commonwealth of Virginia:				
Department of Education:				
Employee benefits	9,444,742	9,444,742	9,566,162	121,420
Standards of Quality:				
Basic aid	45,084,409	45,084,409	46,187,470	1,103,061
Textbooks	750,526	750,526	763,481	12,955
Education of the gifted	516,597	516,597	523,238	6,641
Vocational education	685,053	685,053	693,860	8,807
Special education	10,309,481	10,309,481	10,442,018	132,537
Remedial education	3,728,483	3,728,483	3,776,416	47,933
Incentive:				
Add'l Assistance Retire, Inflation & Preschool	1,598,967	1,598,967	1,598,967	-
Compensation supplements	1,297,625	1,297,625	1,312,382	14,757
Early Reading Specialist Initiatives	61,946	61,946	30,973	(30,973)
Categorical:				
Special education - homebound payments	100,445	100,445	71,109	(29,336)
Special education - private tuition	-	-	18,343	18,343
Visually handicapped	17,700	17,700	-	(17,700)
Lottery:				
At risk	4,529,900	4,529,900	4,588,155	58,255
Foster children education	197,668	197,668	126,465	(71,203)
K-3 class size reduction	5,708,943	5,708,943	3,913,869	(1,795,074)
SOL algebra readiness	341,913	341,913	340,206	(1,707)
Virginia preschool initiative	3,069,948	3,069,948	2,819,340	(250,608)
Cultural transition - English as a second language	716,617	716,617	620,736	(95,881)
Textbooks (Split funded)	257,175	257,175	257,175	-
State sales tax	24,295,383	24,295,383	23,463,085	(832,298)
Other State Agencies	<u>1,500,000</u>	<u>1,500,000</u>	<u>875,042</u>	<u>(624,958)</u>
<b>Total Commonwealth of Virginia</b>	<u>114,213,521</u>	<u>114,213,521</u>	<u>111,988,492</u>	<u>(2,225,029)</u>
<b>Federal government:</b>				
Impact aid Public Law 103-382	225,000	225,000	207,866	(17,134)
Army Reserve	425,000	425,000	450,583	25,583
Air Force	<u>60,000</u>	<u>60,000</u>	<u>59,876</u>	<u>(124)</u>
<b>Total federal government</b>	<u>710,000</u>	<u>710,000</u>	<u>718,325</u>	<u>8,325</u>
<b>Total intergovernmental revenues</b>	<u>244,895,533</u>	<u>244,895,533</u>	<u>242,678,829</u>	<u>(2,216,704)</u>
Tuition	250,000	250,000	66,675	(183,325)
Miscellaneous revenues	<u>664,100</u>	<u>664,100</u>	<u>549,540</u>	<u>(114,560)</u>
<b>Total revenues</b>	<u>245,809,633</u>	<u>245,809,633</u>	<u>243,295,044</u>	<u>(2,514,589)</u>
<b>Total amounts available for expenditure</b>	<u>\$ 247,209,633</u>	<u>250,330,199</u>	<u>247,815,610</u>	<u>(2,514,589)</u>

See accompanying note to Budgetary Comparison Schedule and Report of Independent Auditor

(Continued)

**Budgetary Comparison Schedule (Unaudited)**  
**General Operating Fund**  
**For The Fiscal Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	
Expenditures:				
Personnel services - salaries and wages	\$ 147,160,049	146,703,797	147,152,403	(448,606)
Employee benefits	61,993,513	60,790,249	55,378,224	5,412,025
Purchased services:				
Service contracts	1,679,869	2,091,380	2,418,054	(326,674)
Professional services	2,715,633	2,944,744	3,008,300	(63,556)
Tuition	5,784,609	5,960,319	6,154,339	(194,020)
Temporary services	214,050	286,979	184,240	102,739
Nonprofessional services	4,040,906	4,158,628	3,411,398	747,230
Repairs and maintenance	1,736,993	2,012,962	2,080,170	(67,208)
Total purchased services	16,172,060	17,455,012	17,256,501	198,511
Other charges:				
Advertising	88,225	99,305	75,347	23,958
Student transportation	767,355	683,969	967,956	(283,987)
Garage services	2,400,981	2,506,883	2,381,375	125,508
Transportation expense recovery - field trips	(3,400,000)	(3,400,000)	(2,306,023)	(1,093,977)
Warehouse service	1,200,000	1,215,275	932,979	282,296
Insurance	1,187,152	1,182,412	1,216,321	(33,909)
Utilities	6,575,000	6,488,474	7,021,330	(532,856)
Communications	1,526,202	1,584,683	1,536,582	48,101
Rentals	301,130	383,896	400,997	(17,101)
Total other charges	10,646,045	10,744,897	12,226,864	(1,481,967)
Materials and supplies:				
Supplies	4,288,145	5,431,473	4,755,880	675,593
Printing and binding	157,768	160,899	130,111	30,788
Books and periodicals	223,263	236,286	215,835	20,451
Textbooks	1,281,500	1,286,809	1,258,227	28,582
Other	74,977	57,594	40,025	17,569
Total materials and supplies	6,025,653	7,173,061	6,400,078	772,983
Other operating expenditures:				
Staff development	361,003	610,565	499,150	111,415
Dues and fees	132,689	221,385	165,842	55,543
Travel	208,654	220,291	131,966	88,325
Commencement	57,085	60,495	48,588	11,907
Awards	33,140	61,619	13,418	48,201
Contribution to School Activity Funds	255,633	262,682	312,820	(50,138)
Other	325,315	321,242	305,442	15,800
Total other operating expenditures	1,373,519	1,758,279	1,477,226	281,053
Capital outlay:				
Land & Building Improvements	-	153	-	153
Equipment additions	988,716	1,421,380	905,546	515,834
Equipment replacement	494,722	1,202,911	1,066,720	136,191
Total capital outlay	1,483,438	2,624,444	1,972,266	652,178
Total expenditures	\$ 244,854,277	247,249,739	241,863,562	5,386,177

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing uses:				
Payments for Debt Service	\$ 335,000	1,030,796	625,553	405,243
Transfers in From Other Funds	-	-	-	-
Transfers out to Other Funds	2,020,356	2,020,356	1,579,288	441,068
Total other financing uses	2,355,356	3,051,152	2,204,841	846,311
Total expenditures and other financing uses	247,209,633	250,300,891	244,068,403	6,232,488
Amounts available for expenditure over expenditures, other financing uses and encumbrances - budgetary basis	\$ -	29,308	3,747,207	3,717,899

See accompanying note to Budgetary Comparison Schedule and Report of Independent Auditor

(Continued)

## Budgetary Comparison Schedule (Unaudited)

## General Operating Fund

For The Fiscal Year Ended June 30, 2014

Amounts available for expenditure over expenditures, other financing uses and encumbrances - budgetary basis (Exhibit I)		\$ <u>3,747,207</u>
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):		
The amount of prior year committed fund balance budgeted for expenditure in the current year is a budgetary resource above, but is not a current year revenue for financial reporting purposes	(1,400,000)	
Changes in fund balance committed 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 General Operating Fund fund balance reserved for encumbrances, added to original budget	(3,120,566)	
Encumbrances at June 30, 2013 for supplies and equipment ordered but not received as of June 30, 2013 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 General Operating Fund fund balance reserved for encumbrances, included in budgetary basis expenditures	<u>2,577,869</u>	
Net change in General Operating Fund fund balance reserved for encumbrances		<u>(542,697)</u>
Net reconciling items - legally adopted General Operating fund budget		<u>(1,942,697)</u>
Net change in fund balance - legally adopted General Operating fund budget		1,804,510
Revenues and other financing sources less than expenditures and other financing uses for General Fund activities not included in the General Operating fund's legally adopted budget, as amended		<u>(3,497,963)</u>
Net change in fund balance - General Fund (Exhibit E)		<u>(1,693,453)</u>
General Fund fund balance - July 1, 2013 (Exhibit E)		<u>12,654,370</u>
General Fund fund balance - June 30, 2014 (Exhibit E)		\$ <u>10,960,917</u>

See accompanying note to Budgetary Comparison Schedule and Report of Independent Auditor

**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule – General Fund**  
**For the Period Ended June 30, 2014**

**(A) Budgetary Accounting and Reporting**

In accordance with accounting principles generally accepted in the United States of America (GAAP), the preceding Budgetary Comparison Schedule (the Schedule), which presents the School Board's original and final fiscal year 2014 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 \$3,120,566. Additionally, the final budget amounts include all other adjustments to the fiscal year 2014 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 2013 that remain outstanding at June 30, 2014. 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 the School Board.

The School Board did not receive any supplemental appropriations during fiscal year 2014. Revenues and expenditures in the Schedule do not reflect \$12,518,667 in debt service expenditures paid by the City during fiscal year 2014 on City debt incurred for construction and renovation of School Board occupied buildings. See page 17 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 2014 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, 2014**

**(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) of 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.

	(a)	(b)	(a-b)	(a/b)	(c)	((a-b)/c)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Assets (UAAL)	Funded Ratio Assets as % of AAL	Annual Covered Payroll	UAAL as a % of Covered Payroll
6/30/2011	\$ 37,136,620	\$ 45,870,197	\$ (8,733,577)	81.0%	\$ 11,761,415	(74.3%)
6/30/2012	\$ 37,435,626	\$ 47,403,387	\$ (9,967,761)	79.0%	\$ 11,721,182	(85.0%)
6/30/2013	\$ 38,753,457	\$ 47,018,522	\$ (8,265,065)	82.4%	\$ 11,019,683	(75.0%)

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.

**Early Retirement Incentive Plan for Employees of Richmond Public Schools**  
**Schedules of Trend Data**  
**For the Period Ended June 30, 2014**

**(C) Pension Trend Data – Under GASB Statement No. 27**

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, 2014) and for the preceding five 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.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Assets (UAAL)	Funded Ratio Assets as % of AAL	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
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%)
7/1/2011	\$ 3,373,824	\$ 9,251,105	\$ (5,877,281)	36.5%	\$ 27,067,502	(21.7%)
7/1/2012	\$ 1,724,963	\$ 7,659,247	\$ (5,934,284)	22.5%	\$ 18,925,507	(31.4%)
7/1/2013	\$ 2,288,629	\$ 6,904,383	\$ (4,615,754)	33.1%	\$ 20,825,381	(22.2%)
7/1/2014	\$ 1,162,285	\$ 7,648,437	\$ (6,486,152)	15.2%	\$ 13,871,224	(46.8%)

The following is a schedule of School Board contributions to the Plan for fiscal years ended June 30, 2008 through 2014:

Fiscal Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
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%
2012	\$ 1,789,240	\$ -	-
2013	\$ 1,730,028	\$ 1,730,028	100.0%
2014	\$ 1,841,364	\$ -	-

**Pension Trend Data – Under GASB Statement No. 67****Schedule of Changes in Net Pension Liability and Related Ratios (dollar amounts in millions)**

	<u>2014</u>
<b>Total pension liability</b>	
Service cost	\$ 0.2
Interest	0.2
Difference between expected and actual experience	1.4
Benefit payments, including refunds of member contributions	<u>(1.1)</u>
Net change in total pension liability	0.7
Plan total pension liability - beginning	<u>6.9</u>
Plan total pension liability - ending	<u><u>\$ 7.6</u></u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ -
Net investment income	-
Benefit payments, including refunds of member contributions	(1.1)
Administrative expense	<u>-</u>
Net change in Plan fiduciary net position	(1.1)
Plan fiduciary net position - beginning	<u>2.3</u>
Plan fiduciary net position - ending	<u>1.2</u>
Plan net pension liability - ending	<u><u>\$ 6.4</u></u>

Plan fiduciary net position as a percentage of the total pension liability - 15.2%

Covered-employee payroll - \$13.9

Plan net position liability as a percentage of covered-employee payroll - 46.0%

**Schedule of Employer Contributions (dollar amounts in millions)**

	<u>2014</u>
Actuarially determined contribution	\$ 1.4
Contributions in relation to the actuarially determined contribution	<u>-</u>
Contribution deficiency	<u>(1.4)</u>
 Covered-employee payroll	 \$ 13.9
Contributions as a percentage of covered-employee payroll	10.1%

Annual money-weighted rate of return, net of investment expense, for 2014 was .12%

Exhibit K

	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>	<b>Deferred Outflows</b>	<b>Pension Expense</b>
Balance - June 30, 2013	\$ 6,904,383	\$ 2,288,629	\$ 4,615,754	\$ -	\$ -
Changes:					
Service cost	159,179	-	159,179	-	159,179
Interest expense	227,498	-	227,498	-	227,498
Experience losses	1,484,614	-	1,484,614	-	1,484,614
Net investment income	-	2,195	(2,195)	-	-
Expected return	-	-	-	-	(141,825)
Current expense	-	-	-	-	27,926
Noncurrent expense	-	-	-	111,704	-
Benefits paid	(1,127,237)	(1,127,237)	-	-	-
Administrative expense	-	(1,302)	1,302	-	-
Net change	<u>744,054</u>	<u>(1,126,344)</u>	<u>1,870,398</u>	<u>111,704</u>	<u>1,757,392</u>
Balance - June 30, 2014	<u>\$ 7,648,437</u>	<u>\$ 1,162,285</u>	<u>\$ 6,486,152</u>	<u>\$ 111,704</u>	<u>\$ 1,757,392</u>

**Required Supplementary Information (Unaudited)**  
**Other Postretirement Employee Benefits**  
**Schedules of Funding Progress and Employer Contributions**  
**For the Period Ended June 30, 2014**

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 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, 2014). 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.

	(a)	(b)	(a-b)	(a/b)	(c)	((a-b)/c)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio Assets as % of AAL	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2010	\$ -	\$ 56,705,967	\$ (56,705,967)	0.0%	\$ 161,840,397	(35.0%)
7/1/2011	\$ -	\$ 62,370,144	\$ (62,370,144)	0.0%	\$ 160,918,060	(38.8%)
7/1/2012	\$ -	\$ 55,583,957	\$ (55,583,957)	0.0%	\$ 159,893,427	(34.8%)
7/1/2014	\$ -	\$ 51,894,829	\$ (51,894,829)	0.0%	\$ 155,851,571	(33.3%)

The following is a schedule of School Board contributions to the Plan for fiscal year ended June 30, 2014:

Fiscal Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2012	\$ 6,945,139	\$ 3,767,366	54.2%
2013	\$ 5,651,898	\$ 3,427,639	60.6%
2014	\$ 5,799,312	\$ 3,582,881	61.8%

## Other Supplementary Information

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The Other Supplementary Information subsection includes the Statement of changes in assets and liabilities for the Student Activity Fund

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

**Statement of Changes in Net Assets and Liabilities**

**Agency Funds**

**For the Fiscal Year Ended June 30, 2014**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Assets:				
Cash on hand or in banks	\$ 1,403,594	1,318,701	1,403,594	1,318,701
Accounts receivable	309	6,875	309	6,875
Due from other governments	46,918	39,554	46,918	39,554
Due from General Fund	3,821,754	3,771,217	3,821,754	3,771,217
	<u>3,821,754</u>	<u>3,771,217</u>	<u>3,821,754</u>	<u>3,771,217</u>
Total assets	<u>\$ 5,272,575</u>	<u>5,136,347</u>	<u>5,272,575</u>	<u>5,136,347</u>
Liabilities:				
Accounts payable	50,799	58,994	50,799	58,994
Accrued liabilities	917,899	1,065,064	917,899	1,065,064
Amounts held for other organizations	4,303,877	4,012,289	4,303,877	4,012,289
	<u>4,303,877</u>	<u>4,012,289</u>	<u>4,303,877</u>	<u>4,012,289</u>
Total liabilities	<u>\$ 5,272,575</u>	<u>5,136,347</u>	<u>5,272,575</u>	<u>5,136,347</u>

See Report of Independent Auditor.



# Statistical Section (unaudited)

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## **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

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**Table 1****General Fund Expenditures by Function (Unaudited)****Last Ten Fiscal Years**

Fiscal Year Ended June 30 <sup>(1)</sup>	Instruction	Administration	Attendance and Health	Pupil Transportation
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
2012	194,712,449	7,116,834	6,561,888	12,840,508
2013	192,038,630	7,545,457	6,329,385	12,162,376
2014	191,475,518	7,321,981	6,147,526	12,297,290

Source: Department Finance-Comprehensive Annual Financial Report

**Table 1****General Fund Expenditures by Function (Unaudited)****Last Ten Fiscal Years**

<b>Operations and Maintenance</b>	<b>Facilities Services</b>	<b>Total Operating Expenditures</b>
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
28,669,382	95,171	249,996,232
26,143,266	164,273	244,383,387
27,408,239	94,105	244,744,659

**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
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
2012	123,756,791	108,584,322	6,401,489	1,617,087	240,359,689
2013	129,443,723	112,522,670	845,605	1,430,160	244,242,158
2014	129,972,012	112,997,327	775,154	1,511,554	245,256,047

Source: Department Finance-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 POSITION OF GOVERNMENTAL ACTIVITIES (unaudited)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Current and other assets	49,708,327	50,051,777	54,805,167	68,402,094	77,830,965	80,308,938	70,088,402	62,994,039	79,048,141	66,029,831
Capital assets, net	5,389,541	5,071,394	4,548,199	3,904,881	4,997,020	11,170,412	10,448,482	11,408,373	11,699,896	12,061,538
Total assets	55,097,868	55,123,171	59,353,366	72,306,975	82,827,985	91,479,350	80,536,884	74,402,412	90,748,037	78,091,369
Long-term liabilities	16,784,773	18,579,050	16,829,031	22,014,825	25,347,604	33,802,634	37,400,886	42,394,825	43,428,783	45,710,159
Other liabilities and deferred inflows	35,737,754	36,854,631	41,001,920	48,178,947	45,284,263	48,631,970	33,949,813	38,501,498	46,499,337	47,120,212
Total liabilities and deferred inflow:	52,522,527	55,433,681	57,830,951	70,193,772	70,631,867	82,434,604	71,350,699	80,896,323	89,928,120	92,830,371
Net Position										
Net investment in capital assets	5,389,541	5,071,394	4,548,199	3,904,881	4,997,020	4,563,292	4,246,856	5,231,490	5,933,816	6,564,752
Restricted	6,905,789	3,584,317	4,106,081	4,453,049	10,176,772	8,482,385	7,293,362	7,716,548	7,163,762	5,466,168
Unrestricted	(9,719,989)	(8,966,221)	(7,131,865)	(6,244,727)	(2,977,674)	(4,000,931)	(2,354,033)	(19,441,949)	(23,977,557)	(26,769,922)
Total net position	2,575,341	(310,510)	1,522,415	2,113,203	12,196,118	9,044,746	9,186,185	(6,493,911)	(10,879,979)	(14,739,002)

Source: Department Finance-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 Position (unaudited)**

**Last Ten Fiscal Years**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$ 223,563,640	232,214,067	243,839,962	245,391,774	253,283,675	252,709,931	234,433,357	256,715,702	248,793,093	241,275,324
Support Services:										
Administration	9,058,311	7,364,887	7,967,415	7,809,749	6,932,833	7,111,413	7,144,859	7,199,283	7,523,707	7,286,658
Attendance and Health	6,726,730	6,865,786	7,449,333	7,609,883	7,885,700	7,574,018	7,397,645	7,560,791	7,025,854	6,838,649
Nutrition Services	11,583,774	10,916,735	10,497,502	10,814,918	10,932,368	10,893,806	11,447,257	12,300,932	12,935,055	12,187,901
Pupil Transportation	11,717,471	11,811,271	11,308,710	11,620,030	8,937,843	10,713,703	10,791,692	13,067,688	13,017,562	13,085,753
Operations and Maintenance	38,432,499	31,304,605	32,152,478	29,682,315	33,112,629	30,130,034	30,774,255	29,976,859	26,928,277	27,641,138
Facilities services	12,621,694	5,685,286	3,820,187	3,535,188	3,982,025	7,301,134	7,611,884	5,462,937	3,088,205	2,239,173
Total Support Services	90,140,479	73,948,570	73,195,625	71,072,083	71,783,398	73,724,108	75,167,592	75,568,490	70,518,660	69,279,272
Interest on long-term debt	-	-	-	-	-	-	-	469,342	337,767	304,556
Total School Board	313,704,119	306,162,637	317,035,587	316,463,857	325,067,073	326,434,039	309,600,949	332,753,534	319,649,520	310,859,152
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
Instruction	\$ 1,687,590	1,354,203	1,372,462	1,192,112	1,174,247	1,201,590	1,070,017	1,190,286	1,090,847	969,978
Support Services	2,265,562	2,211,606	2,426,151	2,211,214	2,363,728	2,046,665	1,691,216	1,713,212	1,579,377	1,538,989
Operating Grants and Contributions	85,356,027	88,288,599	94,139,933	96,192,111	100,531,637	101,290,648	106,820,664	111,223,459	108,114,524	101,575,153
Capital Grants and Contributions	5,035,556	2,472,195	3,768,429	3,373,815	9,216,231	6,695,973	6,072,480	5,717,528	3,782,000	771,000
Total School Board	94,344,735	94,326,603	101,706,975	102,969,252	113,285,843	111,234,876	115,654,377	119,844,485	114,566,748	104,855,120
Total Net (expense)/revenue	(219,359,384)	(211,836,034)	(215,328,612)	(213,494,605)	(211,781,230)	(215,199,163)	(193,946,572)	(212,909,049)	(205,082,772)	(206,004,032)
<b>General Revenues</b>										
Intergovernmental aid not restricted to specific purposes:										
City of Richmond, Virginia	125,586,825	132,431,214	132,032,424	132,027,386	131,336,375	127,102,268	124,234,268	123,756,791	129,443,723	129,972,012
Commonwealth of Virginia	75,634,378	76,319,039	84,818,465	81,659,439	89,605,306	74,016,676	65,358,815	67,418,227	70,919,364	71,249,521
Federal Government	85,646	79,500	175,812	222,301	715,686	10,329,484	1,994,626	5,611,358	-	-
Other	161,188	120,429	134,836	176,267	206,778	599,363	199,194	442,577	333,617	923,476
Extraordinary Item <sup>(2)</sup>	1,206,281	-	-	-	-	-	-	-	-	-
Total General Revenues	202,674,318	208,950,182	217,161,537	214,085,393	221,864,145	212,047,791	191,786,903	197,228,953	200,696,704	202,145,009
<b>Change in Net Position</b>	\$ (16,685,066)	(2,885,852)	1,832,925	590,788	10,082,915	(3,151,372)	(2,159,669)	(15,680,096)	(4,386,068)	(3,859,023)

<sup>(2)</sup> Extraordinary Item:

Fiscal Year 2005 Disaster Recovery Cost from Hurricane Gaston

Source: Department Finance-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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Non-Spendable	\$ -	-	-	-	-	-	7,298,472	833,669	2,355,222	322,440
Committed	-	-	-	-	-	-	8,523,298	5,680,960	5,098,900	-
Assigned	-	-	-	-	-	-	6,000,000	8,229,300	1,400,000	4,167,911
Unassigned	-	-	-	-	-	-	5,229,325	559,026	3,800,248	6,470,566
Reserved	6,999,297	9,562,782	8,269,312	13,984,120	16,239,878	13,997,878	-	-	-	-
Unreserved	65,757	35,016	1,101,073	1,117,988	4,914,198	7,470,096	-	-	-	-
Total General Fund	7,065,054	9,597,798	9,370,385	15,102,108	21,154,076	21,467,974	27,051,095	15,302,955	12,654,370	10,960,917
All Other Governmental Funds										
Non-Spendable	\$ -	-	-	-	-	-	910,854	976,927	1,035,279	1,135,900
Restricted	-	-	-	-	-	-	4,491,024	2,786,287	2,274,679	3,082,024
Assigned	-	-	-	-	-	-	8,059,640	6,739,621	6,128,483	4,330,268
Unassigned	-	-	-	-	-	-	(4,491,024)	(1,313,249)	(1,243,903)	(1,764,136)
Reserved	5,296,631	2,753,447	3,731,082	2,523,355	7,484,652	7,061,025	-	-	-	-
Unreserved, reported in:										
Grants Fund	(1,260,421)	(527,765)	(601,826)	(546,888)	(768,381)	(1,284,438)	-	-	-	-
Nutrition Services <sup>(1)</sup>	(183,272)	-	265,817	569,610	891,163	1,409,130	-	-	-	-
Capital Project Funds	3,052,581	1,373,666	1,037,788	2,574,962	3,785,192	3,023,277	-	-	-	-
Total All Other Governmental Funds	6,905,519	3,599,348	4,432,861	5,121,039	11,392,626	10,208,994	8,970,494	9,189,586	8,194,538	6,784,056
Total Fund Balances	<u>\$ 13,970,573</u>	<u>13,197,146</u>	<u>13,803,246</u>	<u>20,223,147</u>	<u>32,546,702</u>	<u>31,676,968</u>	<u>36,021,589</u>	<u>24,492,541</u>	<u>20,848,908</u>	<u>17,744,973</u>

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 Finance-Comprehensive Annual Financial Report



Table 6

**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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Intergovernmental	\$ 290,541,993	298,563,724	313,746,989	312,291,219	328,952,653	317,618,827	303,330,008	312,947,802	311,670,353	303,250,480
Donations and special gifts	880,096	990,762	1,234,438	1,044,433	2,643,217	1,637,511	1,185,296	810,899	587,521	512,600
Charges for goods and services	3,982,555	3,560,154	3,629,669	3,558,242	3,459,961	3,298,844	2,810,910	3,015,731	2,696,059	2,555,772
Investment income	68,769	105,227	142,521	8,831	(11,982)	92,591	50,184	88,879	76,516	122,218
Other	1,046,991	761,078	587,836	563,566	804,482	1,272,601	845,588	881,947	870,724	1,396,041
Total Revenues	<u>296,520,404</u>	<u>303,980,945</u>	<u>319,341,453</u>	<u>317,466,291</u>	<u>335,848,331</u>	<u>323,920,374</u>	<u>308,221,986</u>	<u>317,745,258</u>	<u>315,901,173</u>	<u>307,837,111</u>
<b>Expenditures</b>										
Instruction	\$ 224,211,876	231,003,751	245,909,810	241,452,173	250,197,514	252,038,755	231,690,122	254,243,955	247,840,612	241,002,535
Support Services	72,311,504	68,332,876	69,399,451	67,059,696	70,205,966	65,602,332	66,670,892	69,293,359	66,562,486	66,743,743
Capital Outlay	11,586,928	5,417,745	3,426,091	2,534,521	4,492,082	13,350,647	7,264,197	5,359,907	4,393,138	2,569,215
Debt Service:										
Interest	-	-	-	-	-	-	436,262	469,342	337,767	304,556
Principal	-	-	-	-	-	-	-	24,743	410,803	320,997
Total Expenditures	<u>308,110,308</u>	<u>304,754,372</u>	<u>318,735,352</u>	<u>311,046,390</u>	<u>324,895,562</u>	<u>330,991,734</u>	<u>306,061,473</u>	<u>329,391,306</u>	<u>319,544,806</u>	<u>310,941,046</u>
Excess (deficiency) of revenues over expenditures	(11,589,904)	(773,427)	606,101	6,419,901	10,952,769	(7,071,360)	2,160,513	(11,646,048)	(3,643,633)	(3,103,935)
<b>Other Financing sources (uses)</b>										
Transfers in	2,969,075	2,553,881	2,406,292	1,939,834	2,038,328	1,743,827	1,591,405	1,734,512	1,758,786	1,579,288
Transfers out to Primary Government <sup>(1)</sup>	(6,218,440)	-	-	-	-	-	-	-	-	-
Transfers out	(2,969,075)	(2,553,881)	(2,406,292)	(1,939,834)	(2,038,328)	(1,743,827)	(1,591,405)	(1,734,512)	(1,758,786)	(1,579,288)
Capital Lease	-	-	-	-	1,370,786	6,201,626	-	-	-	-
Total other financing sources (uses)	<u>(6,218,440)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,370,786</u>	<u>6,201,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Extraordinary Item</b>										
Disaster recovery-Hurricane Gaston <sup>(2)</sup>	<u>1,206,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (16,602,063)</u>	<u>(773,427)</u>	<u>606,101</u>	<u>6,419,901</u>	<u>12,323,555</u>	<u>(869,734)</u>	<u>2,160,513</u>	<u>(11,646,048)</u>	<u>(3,643,633)</u>	<u>(3,103,935)</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> Extraordinary Item:  
Fiscal Year 2005 Disaster Recovery Cost from Hurricane Gaston

Source: Department Finance-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, 2014**

	<u>Federal Catalog Number</u>	<u>Federal Expenditures/ Expenses</u>
<b>DEPARTMENT OF DEFENSE</b>		
Direct Payments:		
Air Force ROTC		\$ 59,875
Army ROTC		450,583
Total Department of Defense		<u>510,458</u>
<b>DEPARTMENT OF AGRICULTURE</b>		
Direct Payments:		
Summer Food Service Program for Children	10.559	226,384
Farm to School Grant Program	10.575	4,500
Passed Through Va. Department of Agriculture and Consumer Services:		
National School Lunch Program	10.555	435,256
Passed Through Va. Department of Health		
Child and Adult Care Food Program	10.558	3,036
Passed Through Virginia Department of Education:		
School Breakfast Program	10.553	2,924,557
National School Lunch Program	10.555	6,907,906
Fresh Fruit & Vegetables Program	10.582	453,960
Total Department of Agriculture		<u>10,955,599</u>
<b>DEPARTMENT OF LABOR</b>		
Passed Through Captial Region Workforce Partnership		
WIA-Youth Activities	17.259	287,072
Total Department of Labor		<u>287,072</u>
<b>NATIONAL SCIENCE FOUNDATION</b>		
Passed Through University of Washington		
Education and Human Resources	47.076	807
Total National Science Foundation		<u>807</u>

**Table 7**

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

**Schedule of Expenditures of Federal Awards  
Fiscal year ended June 30, 2014**

**DEPARTMENT OF EDUCATION**

Direct Payments:		
Impact Aid	84.041	207,867
Fund for the Improvement of Education	84.215	122,905
Passed Through Virginia Department of Education:		
Adult Education - State Grant Program	84.002	1,273,089
Title I Grants to Local Educational Agencies	84.010	18,693,277
Title I State Agency Program for Neglected and Delinquent Children	84.013	139,358
Special Education - Grants to States	84.027	7,228,397
Career & Technical Education - Basic Grants to States	84.048	631,341
Special Education - Preschool Grants	84.173	122,356
Twenty-First Century Community Learning Centers	84.287	80,303
Advanced Placement Program	84.330	25,996
English Language Acquisition Grants	84.365	118,149
Improving Teacher Quality State Grants	84.367	1,822,990
Passed Through Virginia Commonwealth University		
School Leadership	84.363	12,897
School Improvement Grants Recovery Act	84.388	711,639
Teacher Quality Partnerships Recovery Act	84.405	265,150
Passed Through National Board for Professional Teaching Standards		
Teacher Incentive Fund	84.374	1,570,183
Passed Through the College of William and Mary:		
Education for Homeless Children and Youth	84.196	109,705
Total Department of Education		<u>33,135,602</u>

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Direct Payment:		
Head Start	93.600	<u>6,542,454</u>
Total Department of Health and Human Services		<u>6,542,454</u>

Total Federal Awards		<u>\$ 51,431,992</u>
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**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
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	13,040
2011-2012	13,730 <sup>(1)</sup>
2012-2013	12,945
2013-2014	12,731

<sup>(1)</sup> Starting in FY 2012, Table 15 includes Pre-kindergarten expenditures. The FY 2011 expenditures do not contain Pre-kindergarten.

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**

<b>Fiscal Year Ended June 30</b>	<b>Year End Average Daily Attendance *</b>	<b>Year End Average Daily Membership*</b>	<b>Average Daily Attendance as a Percent of Average Daily Membership</b>
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	19,937	21,450	92.9%
2012	19,970	21,381	93.4%
2013	20,274	21,707	93.4%
2014 **	20,525	21,911	93.7%

\* 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

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

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

<b>Last Ten Fiscal Years</b>							
<b>Fiscal / School Year</b>	<b>SNP Membership</b>	<b>Number Free</b>	<b>Percent Free</b>	<b>Number Reduced</b>	<b>Percent Reduced</b>	<b>Number Free / Reduced</b>	<b>Percent Free / Reduced</b>
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%
2011 - 2012	23,078	15,399	66.7%	917	4.0%	16,316	70.7%
2012 - 2013	23,635	17,245	73.0%	931	3.9%	18,176	76.9%
2013-2014	23,367	16,506	70.6%	845	3.6%	17,351	74.3%

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

**Table 11****Full-Time Equivalent Employees by Function (unaudited)****Last Ten Fiscal Years**

<b>Function</b>	<b>Fiscal Year</b>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction <sup>(1)</sup>	2,763.5	2,769.0	2,757.0	2,924.5	2,931.0	2,696.5	2,937.0	2,934.0	2,806.0	2,806.0
Support Services:										
Administration, Attendance & Health	239.6	220.6	208.1	208.6	198.5	206.5	229.5	202.0	198.0	198.0
Nutrition Services	268.3	184.6	176.1	169.3	163.4	160.0	160.5	163.0	158.0	158.0
Pupil Transportation	276.3	291.3	271.3	257.1	261.3	242.9	227.0	239.0	256.0	256.0
Operations & Maintenance	455.3	474.3	490.3	488.3	403.0	399.0	398.0	387.0	379.0	379.0
Facilities	5.3	3.0	3.3	2.8	1.5	1.0	2.5	4.0	4.0	4.0
Technology	41.3	48.3	48.3	44.5	68.0	51.0	50.0	52.0	50.0	50.0
Other instructional and support service personnel <sup>(2)</sup>	313.5	333.5	337.8	323.4	282.52	324.5	192.5	356.0	327.0	327.0
<b>Total</b>	<b>4,363.1</b>	<b>4,324.6</b>	<b>4,292.2</b>	<b>4,418.5</b>	<b>4,309.2</b>	<b>4,081.4</b>	<b>4,197.0</b>	<b>4,337.0</b>	<b>4,178.0</b>	<b>4,178.0</b>

\*2013 - as reported to the Virginia Department of Education on the 2013 Annual School Report; subject to adjustment

<sup>(1)</sup> Instruction includes: Principals, Assistant Principals, Teachers, Teacher Aides, Librarians and Guidance Counselors; does not include substitute teachers

<sup>(2)</sup> Other Instructional and Support Service personnel includes: Instructional Administrative, Technical, Clerical, Instructional Support and Other Professionals

Source: Virginia Department of Education Annual School Report

**Table 12**

**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
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
2006 - 2007	1,265.0	46,013	955.0	47,893	2,220.0	46,822
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	1,359.8	45,908	756.7	52,725	2,116.5	48,345
2011 - 2012	1,346.3	47,613	755.2	55,606	2,101.5	51,609
2012 - 2013	1,199.0	46,142	668.0	53,438	1,867.0	49,790
2013 - 2014	1,295.5	48,750	740.5	52,593	2,036.0	50,148

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

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



**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**

Fiscal Year	Elementary			Secondary		
	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
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	1,282.8	14,166	11.0	710.2	6,907	9.7
2011-2012	1,269.8	14,307	11.3	709.2	6,716	9.5
2012-2013	1,199.0	14,705	12.3	668.0	6,675	10.0
2013-2014 <sup>(1)</sup>	1,224.0	14,945	12.2	713.0	6,630	9.3

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

<sup>(1)</sup> Estimated- subject to calculation adjustments. As reported for membership to the Virginia Department of Education

Source 2003-2010: Virginia Department of Education, Annual School Report, Table # 2

Source 2012: Virginia Department of Education, Annual School Report, Table #17a (Formerly 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
<b><u>Elementary Schools</u></b>						
Bellevue	1914	100	1983	55,623	22	440
Blackwell *	1998	16		83,251	32	800
Blackwell Primary (Round Building)	1967	47		37,512	20	500
Broad Rock - New	2013	1	2013	94,136		650
Carver	1915	99	1992	100,000	42	840
Cary, John B.	1953	61	1990	46,711	20	400
Chimborazo	1968	46		75,370	32	640
Fairfield Court	1957	57	1990	44,398	27	540
Fisher, J. B.	1966	48	1969	44,222	16	320
Fox	1911	103	1922	58,260	17	340
Francis, J. L.	1968	46	1996	56,954	27	540
Ginter Park	1915	99	1981	60,371	24	480
Ginter Park Annex (Mary Scott)	1952	62	1981	47,507	19	380
Greene, E. S. H.	1955	59	1969	41,490	23	460
Holton, Linwood *	1999	15		80,548	32	640
Mason, George	1922	92	1980	67,048	29	580
Maymont	1957	57		35,959	18	360
Miles Jones *	1999	15		80,548	32	640
Munford, Mary	1950	64	1954	64,468	24	480
Oak Grove - New	2013	1		91,000		650
Overby - Sheppard	1976	38	1996	49,300	25	500
Redd, Elizabeth	1951	63	1982	74,471	21	420
Reid, G. H.	1958	56	1969	64,964	38	760
Southampton	1959	55	1982	56,521	29	580
Stuart, J. E. B.	1921	93	1990	44,408	25	500
Summer Hill	1919	95	1986	37,282	19	380
Swansboro	1912	102	1982	48,183	17	340
Westover Hills	1955	59	1980	50,008	21	420
Woodville	1954	60	1985	76,928	31	620
<b>Total</b>					<b>682</b>	<b>15,200</b>
<b>NOTE: Only Regular Classrooms are Counted in Elementary School Capacity</b>						

**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.

<b>Middle Schools</b>						
Binford	1914	100	1926	98,013	27	540
Boushall	1986	28		128,530	42	840
Elkhardt	1941	73	1988	91,575	26	520
Henderson	1972	42		188,131	44	880
Hill, Albert	1925	89		81,152	30	600
Lucille Brown	1997	17		129,775	26	520
King	2014	0		201,042	67	1,340
Thompson	1965	49		108,364	35	700
<b>Total</b>					<b>297</b>	<b>6,580</b>

<b>High Schools</b>						
Franklin Military (Onslow Minnis)	1928	86	1995	95,017	30	600
Huguenot	1961	53	2013	175,245	50	1,000
Jefferson, Thomas	1929	85	1970	179,993	57	1,140
Armstrong (formerly Kennedy, J. F.)	1968	46	1990	237,532	53	1,060
Marshall, John	1959	55		230,994	46	920
Open High (Grace Arents Bldg )	1911	103	1985	18,699	8	160
Richmond Community	1977	37	1993	62,210	20	400
Wythe, George	1959	55	1989	243,114	50	1,000
<b>Total</b>					<b>314</b>	<b>6,280</b>

<b>Exceptional education schools</b>						
Amelia	1959	55	1991	33,908	18	360
<b>Total</b>					<b>18</b>	<b>360</b>

<b>Vocational and Alternative Schools</b>						
Richmond Alternative School (RAS)	1924	90	1983	80,643	33	660
RTC-North Building	1971	43		49,939	16	320
RTC-South Building	1966	48		187,425	26	520
<b>Total</b>					<b>108</b>	<b>2,160</b>

<b>Grand Total of Standard Classrooms and Capacity</b>	<b>1,419</b>		<b>30,580</b>	
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**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 Patrick Henry <sup>(1)</sup>	1921	1985	24	480
Whitcomb Court	1957	1962	25	500
These school were 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
These school were closed at the end of school year 2012-2013 Clark Springs (not surplusd)	1966	1996	20	400
Summer Hill/Ruffin Road Annex	1919	1986	19	380

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

**2013-2014 Schools With Accreditation Scores Reported to the State of Virginia**

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

Note: The above list shows all Richmond Public Schools for which accreditation scores are reported annually to the Virginia Department of Education.  
Source: Virginia Department of Education School Accreditation Ratings 2013-2014  
Up to date information on the accreditation status of each school may be obtained by calling the Richmond Public Schools Office of Public Information at (804) 780-7100, or by visiting the Richmond Public Schools' web site at [www.richmond.k12.va.us](http://www.richmond.k12.va.us).

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

**Ratios of Debt Outstanding <sup>(1)</sup>**

**Last Three Fiscal Years**

	<u>Governmental Activities <sup>(2)</sup></u>					
			Per Capita Personal Income <sup>(3)</sup>	Percent of Personal Income	Population <sup>(3)</sup>	Debt Per Capita
Fiscal Year	<u>Capital leases</u>					
2012	\$	6,176,883	\$ 44,696	N/A	210,309	\$ 29.4
2013		5,999,681	N/A	N/A	214,114	28.0
2014		5,766,080	N/A	N/A	217,853	26.5

(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 Finance-Comprehensive Annual Financial Report

**Table 17**

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 198,513,944	\$ 257,995,107	\$ 276,834,506	\$ 304,606,896	\$ 311,326,711	\$ 280,800,936	\$ 198,531,273	\$ 269,060,408	\$ 240,536,212	\$ 298,234,961
Restricted	50,038,794	11,902,266	14,911,689	14,992,862	15,356,206	5,772,722	12,590,642	16,458,462	31,900,000	21,269,101
Unrestricted	<u>40,670,738</u>	<u>25,435,347</u>	<u>26,438,982</u>	<u>45,954,323</u>	<u>21,676,936</u>	<u>67,421,848</u>	<u>71,414,987</u>	<u>103,428,935</u>	<u>46,700,000</u>	<u>35,576,578</u>
Total Governmental Activities' Net Position	<u>\$ 289,223,476</u>	<u>\$ 295,332,720</u>	<u>\$ 318,185,177</u>	<u>\$ 365,554,081</u>	<u>\$ 348,359,853</u>	<u>\$ 353,995,506</u>	<u>\$ 282,536,902</u>	<u>\$ 388,947,805</u>	<u>\$ 319,136,212</u>	<u>\$ 355,080,640</u>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 277,073,800	\$ 305,313,014	\$ 302,815,193	\$ 316,259,057	\$ 351,767,886	\$ 369,683,330	\$ 381,909,942	\$ 419,526,304	\$ 488,600,000	\$ 524,011,667
Restricted	40,067,236	--	--	--	--	--	--	--	--	--
Unrestricted	<u>43,272,098</u>	<u>69,958,764</u>	<u>79,842,538</u>	<u>78,044,664</u>	<u>55,610,764</u>	<u>58,319,963</u>	<u>64,745,678</u>	<u>51,318,531</u>	<u>125,800,000</u>	<u>134,309,642</u>
Total Business-type Activities' Net Position	<u>\$ 360,413,134</u>	<u>\$ 375,271,778</u>	<u>\$ 382,657,731</u>	<u>\$ 394,303,721</u>	<u>\$ 407,378,650</u>	<u>\$ 428,003,293</u>	<u>\$ 446,655,620</u>	<u>\$ 470,844,835</u>	<u>\$ 614,400,000</u>	<u>\$ 658,321,309</u>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 475,587,744	\$ 563,308,121	\$ 579,649,699	\$ 620,865,953	\$ 663,094,597	\$ 650,484,266	\$ 580,441,215	\$ 688,586,712	\$ 729,136,212	\$ 822,246,628
Restricted	90,106,030	11,902,266	14,911,689	14,992,862	15,356,206	5,772,722	12,590,642	16,458,462	31,900,000	21,269,101
Unrestricted	<u>83,942,836</u>	<u>95,394,111</u>	<u>106,281,520</u>	<u>123,998,987</u>	<u>77,287,700</u>	<u>125,741,811</u>	<u>136,160,665</u>	<u>154,747,466</u>	<u>172,500,000</u>	<u>169,886,220</u>
Total Primary Government Activities' Net Position	<u>\$ 649,636,610</u>	<u>\$ 670,604,498</u>	<u>\$ 700,842,908</u>	<u>\$ 759,857,802</u>	<u>\$ 755,738,503</u>	<u>\$ 781,998,799</u>	<u>\$ 729,192,522</u>	<u>\$ 859,792,640</u>	<u>\$ 933,536,212</u>	<u>\$1,013,401,949</u>

Table 18

CHANGES IN NET POSITION										
Last Ten Fiscal Years										
(accrual basis of accounting)										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 82,897,797	\$ 108,538,958	\$ 108,443,704	\$ 82,078,049	\$ 132,001,804	\$ 137,836,800	\$ 135,582,802	\$ 126,274,797	\$ 145,700,000	\$ 109,455,944
Public Safety and Judiciary	150,077,017	159,938,162	175,163,038	170,498,404	185,536,625	175,820,069	178,142,702	182,724,471	187,800,000	184,192,095
Highways, Streets, Sanitation and Refuse	80,327,346	75,459,598	72,673,872	90,808,054	59,964,571	61,502,223	104,103,996	86,067,163	88,900,000	86,301,761
Human Services	93,480,016	90,316,536	95,346,598	110,423,497	105,618,194	93,697,780	95,333,003	84,629,401	79,000,000	78,249,654
Culture and Recreation	14,914,204	21,978,162	24,350,136	41,009,121	25,635,473	26,009,978	28,502,174	24,348,709	25,000,000	26,090,075
Education	131,661,501	152,646,701	165,971,219	158,858,678	164,359,364	163,586,697	173,214,073	155,173,806	158,800,000	158,065,296
Transportation	6,766,376	8,216,356	9,405,588	10,460,000	11,950,000	11,600,000	11,600,000	12,143,357	11,600,000	12,621,480
Interest and Fiscal Changes	42,868,983	40,153,584	42,083,543	25,030,424	23,925,766	20,204,271	21,418,947	18,648,049	19,800,000	26,100,820
Extraordinary Item <sup>1</sup>	4,020,240	--	--	--	--	--	--	--	--	--
Total Governmental Activities Expenses	607,013,480	657,248,057	693,437,698	689,166,227	708,991,797	690,257,818	747,897,697	690,009,753	716,600,000	681,077,125
Business-type Activities:										
Gas	207,682,064	248,535,630	216,255,114	216,059,214	221,285,311	163,063,730	154,527,763	120,738,025	133,137,550	153,143,869
Water	39,004,189	41,362,442	44,232,832	46,158,648	49,074,068	49,934,491	52,819,429	53,201,110	49,803,247	52,161,156
Wastewater	45,976,722	44,944,833	51,596,901	48,364,007	53,000,556	50,679,153	54,073,862	54,615,656	58,438,940	61,153,657
Stormwater	--	--	--	--	--	7,613,092	7,541,005	7,487,569	4,744,194	6,229,426
Coliseum	4,973,332	5,249,095	5,968,440	5,846,334	5,718,103	5,171,178	4,682,080	4,066,315	3,218,416	2,513,548
Landmark Theatre	1,730,408	1,835,924	1,788,114	1,829,565	567,990	--	--	--	--	--
Cemeteries	1,344,285	1,416,174	1,399,208	1,641,821	1,472,725	1,399,493	1,419,756	1,410,964	1,343,807	1,459,299
Total Business-type Activities Expenses	300,711,000	343,344,098	321,240,609	319,899,589	331,118,753	277,861,137	275,063,896	241,519,639	250,686,155	276,660,955
Total Primary Government Expenses	\$ 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	\$ 931,529,392	\$ 967,286,155	\$ 957,738,080
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 41,636,438	\$ 46,887,330	\$ 48,008,623	\$ 43,593,817	\$ 51,086,930	\$ 52,084,531	\$ 58,638,216	\$ 126,215,625	\$ 65,019,167	\$ 56,368,769
Culture and Recreation	561,893	759,632	109,692	719,586	686,911	727,597	406,036	377,643	428,613	216,679
Other Activities	20,602,746	29,109,017	27,368,011	30,450,928	29,948,260	30,759,315	26,567,540	26,053,492	27,544,471	25,115,281
Operating Grants and Contributions	149,167,449	147,151,168	159,269,020	169,105,387	155,689,284	151,878,522	154,172,480	149,546,405	141,500,000	144,367,918
Capital Grants and Contributions	8,227,292	3,714,468	18,929,229	12,566,194	5,228,211	5,545,450	7,312,467	8,364,411	26,780,248	35,250,158
Total Governmental Activities Program Revenues	\$ 220,195,818	\$ 227,621,615	\$ 253,684,575	\$ 256,435,912	\$ 242,639,596	\$ 240,995,415	\$ 247,096,739	\$ 310,557,576	\$ 261,272,499	\$ 261,318,805
Business-type Activities:										
Charges for Services:										
Gas	\$ 221,309,436	\$ 255,994,336	\$ 225,162,779	\$ 225,892,538	\$ 231,136,014	\$ 172,587,241	\$ 164,890,242	\$ 130,742,982	\$ 148,282,997	\$ 176,794,050
Water	44,853,864	47,689,474	49,995,955	51,616,053	54,406,899	57,386,552	59,596,957	61,814,881	67,827,452	67,512,427
Wastewater	48,599,478	51,484,083	55,541,836	56,795,731	58,803,531	60,220,635	61,356,769	65,709,241	68,533,168	73,393,727
Stormwater	--	--	--	--	--	9,537,834	9,778,441	9,505,006	9,845,346	11,330,268
Coliseum	2,068,567	2,284,149	2,149,644	2,202,374	1,829,195	1,463,233	1,255,551	1,423,979	1,686,346	1,384,868
Landmark Theatre	390,879	594,775	255,549	463,078	520	--	--	--	--	--
Cemeteries	1,412,205	1,458,283	1,395,957	1,423,292	1,368,588	1,320,251	1,222,954	1,198,476	1,329,673	1,477,507
Operating Grants and Contributions	5,607,052	4,928,275	4,779,151	7,967,099	10,819,719	14,624,603	15,013,658	15,143,172	19,608,232	20,001,217
Total Business-type Activities Program Revenues	324,241,481	364,433,375	339,280,871	346,360,166	358,364,466	317,140,348	313,114,571	285,537,737	317,113,214	351,894,064
Total Primary Government Program Revenues	\$ 544,437,299	\$ 592,054,990	\$ 592,965,446	\$ 602,796,078	\$ 601,004,062	\$ 558,135,763	\$ 560,211,310	\$ 596,095,313	\$ 578,385,713	\$ 613,212,869
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (386,817,662)	\$ (429,626,442)	\$ (439,753,123)	\$ (432,730,315)	\$ (466,352,201)	\$ (449,262,403)	\$ (500,800,958)	\$ (379,452,177)	\$ (455,327,501)	\$ (419,758,320)
Business-type Activities	23,530,481	21,089,277	18,040,261	26,460,577	27,245,713	39,279,211	38,050,675	44,018,098	66,427,059	75,233,109
Total Primary Government Net Expense	\$ (363,287,181)	\$ (408,537,165)	\$ (421,712,862)	\$ (406,269,738)	\$ (439,106,488)	\$ (409,983,192)	\$ (462,750,283)	\$ (335,434,079)	\$ (388,900,442)	\$ (344,525,211)

Table 18

CITY OF RICHMOND, VIRGINIA CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting)										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Real Estate	\$ 181,172,923	\$ 202,214,700	\$ 211,480,260	\$ 225,336,583	\$ 231,467,579	\$ 219,121,286	\$ 217,159,681	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704
Sales-1% Local	26,302,100	27,116,326	31,019,396	31,274,790	30,935,300	26,093,786	26,315,613	30,595,853	30,549,022	30,944,459
Sales Tax For Education	--	--	27,558,938	26,959,337	25,312,005	24,943,835	25,914,852	26,406,848	23,673,198	23,612,726
Personal Property	45,091,878	25,156,191	42,095,364	55,220,158	45,878,338	50,186,338	38,461,849	44,579,120	48,005,747	46,100,586
Machinery and Tools	14,618,256	15,140,256	13,149,199	13,486,040	13,762,378	17,119,371	16,914,447	15,421,045	14,792,937	13,746,350
General Utility Sales	31,124,964	30,413,522	31,586,945	37,118,110	35,253,745	34,483,451	17,098,077	16,378,212	17,066,009	16,680,313
State Communication Taxes	--	--	--	--	--	--	17,439,622	17,085,208	17,130,526	16,839,049
Bank Stock	2,904,338	2,891,777	3,085,172	3,317,298	4,494,835	8,247,534	13,933,727	12,480,183	9,221,721	9,328,141
Prepared Food	16,028,093	20,889,281	23,154,114	24,076,647	24,489,056	23,756,424	26,429,441	25,051,579	29,986,231	30,065,438
Lodging Tax	--	--	5,272,618	5,984,286	5,366,015	4,789,681	4,789,957	5,200,817	6,392,330	6,326,387
Admissions	1,195,603	1,218,238	1,073,673	2,447,670	1,604,376	2,181,971	2,335,970	2,399,527	2,448,962	2,923,183
Real Estate Taxes - Delinquent	--	--	--	--	--	9,711,901	10,746,487	7,006,446	8,953,219	7,895,327
Personal property Taxes - Delinquent	--	--	--	--	--	5,023,503	4,117,223	3,959,980	8,524,442	5,614,439
Delinquent Tax Payments-All Classes	9,589,601	11,083,065	11,812,062	19,581,751	--	--	--	--	--	--
Private Utility Poles and Conduits	150,549	94,894	95,067	95,186	96,164	156,478	158,268	154,881	158,568	169,729
Penalties and Interest	4,242,744	4,676,998	5,319,892	3,657,510	4,570,206	5,423,493	4,948,641	3,660,357	4,471,897	3,642,822
Titling Tax-Mobile Home	16,942	7,197	5,800	9,014	10,635	10,858	4,704	8,051	5,817	6,132
State Recordation	609,343	749,102	843,137	954,315	710,115	759,637	681,049	656,449	731,956	872,407
Property Rental 1%	120,684	144,979	136,469	126,334	126,534	101,748	109,871	131,021	139,796	133,774
Vehicle Rental Tax	864,415	752,941	1,004,229	889,582	626,040	424,599	579,654	1,149,088	371,425	855,582
Rolling Stock Tax	466,562	6,029,547	416,003	--	--	--	--	--	--	--
Telephone Commissions	--	--	--	477,935	449,292	450,000	390,739	338,499	337,349	522,578
Intergovernmental Revenue Not Restricted to Specific Programs	13,860,051	6,159,363	--	171,162	166,361	156,211	--	--	--	--
Investment Earnings	1,501,725	1,764,937	2,425,883	2,102,922	89,955	105,672	165,111	125,526	80,854	36,020
Miscellaneous	53,846,842	35,950,451	30,585,867	2,224,002	2,319,473	225,661	1,143,368	1,963,714	2,823,922	1,607,458
Transfers	21,130,671	20,165,228	20,884,181	24,282,511	21,560,041	22,340,631	21,459,319	23,147,547	23,612,453	27,377,577
Special Item <sup>2</sup>	773,106	--	3,701	--	--	--	--	--	485,000	--
Extraordinary Item <sup>1</sup>	--	(323,858)	(402,390)	306,076	(130,470)	15,352	--	(1,320,829)	--	--
Total Governmental Activities	425,611,390	412,295,135	462,605,580	480,099,219	449,157,973	455,829,421	451,297,670	450,788,961	465,575,039	455,690,181
Business-type Activities:										
Investment Earnings	\$ 1,285,313	\$ 4,166,286	\$ 5,626,435	\$ 4,594,016	\$ 5,601,170	\$ 1,060,118	\$ 897,530	\$ 1,738,623	\$ 685,839	\$ 811,070
Miscellaneous	3,793,064	3,350,736	4,603,438	4,873,908	1,788,086	1,694,580	1,163,441	1,580,041	1,271,707	(4,802,222)
Transfers	(21,130,671)	(20,165,228)	(20,884,181)	(24,282,511)	(21,560,041)	(22,340,631)	(21,459,319)	(23,147,547)	(23,612,453)	(27,377,577)
Total Business-type Activities	(16,052,294)	(12,648,206)	(10,654,308)	(14,814,587)	(14,170,785)	(19,585,933)	(19,398,348)	(19,828,883)	(21,654,907)	(31,368,729)
Total Primary Government	\$ 409,559,096	\$ 399,646,929	\$ 451,951,272	\$ 465,284,632	\$ 434,987,188	\$ 436,243,488	\$ 431,899,322	\$ 430,960,078	\$ 443,920,132	\$ 424,321,452
<b>Change in Net Position</b>										
Governmental Activities	\$ 38,793,728	\$ (17,331,307)	\$ 22,852,457	\$ 47,368,904	\$ (17,194,228)	\$ 6,567,018	\$ (49,503,288)	\$ 71,336,784	\$ 10,247,538	\$ 35,931,861
Business-type Activities	7,478,187	8,441,071	7,385,953	11,645,990	13,074,928	19,693,278	18,652,327	24,189,215	44,772,152	43,864,380
Total Primary Government	\$ 46,271,915	\$ (8,890,236)	\$ 30,238,410	\$ 59,014,894	\$ (4,119,300)	\$ 26,260,296	\$ (30,850,961)	\$ 95,525,999	\$ 55,019,690	\$ 79,796,241
<sup>1</sup> Extraordinary Item:										
Disaster Costs										
<sup>2</sup> Special Item:										
Fiscal Year 2005 - Gain on Sale of Land										
Fiscal Year 2005 & 2007 - Disaster Recovery										
Fiscal Year 2013 - Gain on Sale of Land										
Note: The changes in net position for both Governmental and Business -type activities are explained in the 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 years.										



**Table 19**

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

	Fiscal Year					Fiscal Year				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>City Taxes</b>										
Real Estate	\$ 181,172,923	\$ 202,214,700	\$ 211,480,260	\$ 225,336,583	\$ 231,467,579	\$ 219,121,286	\$ 217,159,681	\$ 214,209,839	\$ 215,611,658	\$ 210,389,704
Sales-1% Local	26,302,100	27,116,326	31,019,396	31,274,790	30,935,300	26,093,786	26,315,613	30,595,853	30,549,022	30,944,459
Sales Tax for Education	--	--	27,558,938	26,959,337	25,312,005	24,943,835	25,914,852	26,406,848	23,673,198	23,612,726
Personal Property	45,091,878	25,156,191	42,095,364	55,220,158	45,878,338	50,186,338	38,461,849	44,579,120	48,005,747	46,100,586
Machinery and Tools	14,618,256	15,140,256	13,149,199	13,486,040	13,762,378	17,119,371	16,914,447	15,421,045	14,792,937	13,746,350
General Utility Sales	31,124,964	30,413,522	31,586,945	37,118,110	35,253,745	34,483,451	17,098,077	16,378,212	17,066,009	16,680,313
State Communication Taxes	--	--	--	--	--	--	17,439,622	17,085,208	17,130,526	16,839,049
Bank Stock	2,904,338	2,891,777	3,085,172	3,317,298	4,494,835	8,247,534	13,933,727	12,480,183	9,221,721	9,328,141
Prepared Food	16,028,093	20,889,281	23,154,114	24,076,647	24,489,056	23,756,424	26,429,441	25,051,579	29,986,231	30,065,438
Transient Lodging	--	--	5,272,618	5,984,286	5,366,015	4,789,681	4,789,957	5,200,817	6,392,330	6,326,387
Admissions	1,195,603	1,218,238	1,073,673	2,447,670	1,604,376	2,181,971	2,335,970	2,399,527	2,448,962	2,923,183
Real Estate Taxes - Delinquent	--	--	--	--	--	9,711,901	10,746,487	7,006,446	8,953,219	7,895,327
Personal Property Taxes - Delinquent	--	--	--	--	--	5,023,503	4,117,223	3,959,980	8,524,442	5,614,439
Delinquent Tax Payments-All Classes	9,589,601	11,083,065	11,812,062	19,581,751	--	--	--	--	--	--
Private Utility Poles and Conduits	150,549	94,894	95,067	95,186	96,164	156,478	158,268	154,881	158,568	169,729
Penalties and Interest	4,242,744	4,676,998	5,319,892	3,657,510	4,570,206	5,423,493	4,948,641	3,660,357	4,471,897	3,642,822
Titling Tax-Mobile Home	16,942	7,197	5,800	9,014	10,635	10,858	4,704	8,051	5,817	6,132
State Recordation	609,343	749,102	843,137	954,315	710,115	759,637	681,049	656,449	731,956	872,407
Property Rental 1%	120,684	144,979	136,469	126,334	126,534	101,748	109,871	131,021	139,796	133,774
Vehicle Rental Tax	864,415	752,941	1,004,229	889,582	626,040	424,599	579,654	1,149,088	371,425	855,582
Rolling Stock Tax	466,562	6,029,547	416,003	--	--	--	--	--	--	--
Telephone Commissions	--	--	--	477,935	449,292	450,000	390,739	338,499	337,349	522,578
<b>Total Primary Government</b>	<b>\$ 334,498,995</b>	<b>\$ 348,579,014</b>	<b>\$ 409,108,338</b>	<b>\$ 451,012,546</b>	<b>\$ 425,152,613</b>	<b>\$ 432,985,894</b>	<b>\$ 428,529,872</b>	<b>\$ 426,873,003</b>	<b>\$ 438,572,810</b>	<b>\$ 426,669,126</b>

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 Revenues compared to prior years.

**Table 20**

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,029,600	\$ 1,029,600	\$ 1,029,600	\$ --
Restricted	--	--	--	--	--	--	1,391,917	--	--	--
Committed	--	--	--	--	--	--	14,672,765	53,073,041	39,427,954	10,793,000
Assigned	--	--	--	--	--	--	15,460,647	35,002,000	11,573,916	35,163,526
Unassigned	--	--	--	--	--	--	64,062,309	72,908,854	75,000,000	80,393,997
Reserved	22,216,671	16,144,418	15,894,601	16,908,547	2,094,186	16,598,886	--	--	--	--
Unreserved	45,278,440	45,442,420	47,507,086	47,638,753	48,644,484	59,423,096	--	--	--	--
Total General Fund	<u>\$ 67,495,111</u>	<u>\$ 61,586,838</u>	<u>\$ 63,401,687</u>	<u>\$ 64,547,300</u>	<u>\$ 50,738,670</u>	<u>\$ 76,021,982</u>	<u>\$ 96,617,238</u>	<u>\$ 162,013,495</u>	<u>\$ 127,031,470</u>	<u>\$ 126,350,523</u>
All Other Governmental Funds										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 212,141	\$ 193,729	\$ 74,327	\$ 74,372
Restricted	--	--	--	--	--	--	16,262,282	16,264,733	15,294,132	19,024,423
Committed	--	--	--	--	--	--	9,426,306	9,756,967	5,587,993	745,000
Assigned	--	--	--	--	--	--	295,105	(138,320)	886,410	3,468,218
Unassigned	--	--	--	--	--	--	(37,000,000)	(3,508,434)	(168,475,248)	(49,720,104)
Reserved	50,413,044	22,836,669	48,645,510	25,399,353	17,029,761	6,822,405	--	--	--	--
Unreserved, reported in:										
Special Revenue Funds	11,473,432	12,894,614	7,502,105	7,478,784	8,385,421	10,861,875	--	--	--	--
Capital Project Fund	--	--	--	--	(67,443,896)	--	--	--	--	--
Debt Service Fund	11,461	(8,058)	--	--	--	--	--	--	--	--
Total All Other Governmental Funds	<u>\$ 61,897,937</u>	<u>\$ 35,723,225</u>	<u>\$ 56,147,615</u>	<u>\$ 32,878,137</u>	<u>\$ (42,028,714)</u>	<u>\$ 17,684,280</u>	<u>\$ (10,804,166)</u>	<u>\$ 22,568,675</u>	<u>\$ (146,632,386)</u>	<u>\$ (26,408,091)</u>

Note: The changes in fund balances are explained in 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 Notes to Financial Statements.

Note: Exhibit C provides a detail breakout for each of the governmental funds.

Table 21

CITY OF RICHMOND, VIRGINIA CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS Last Ten Fiscal Years (modified accrual basis of accounting)										
	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Taxes	\$ 334,498,995	\$ 350,466,022	\$ 409,441,193	\$ 435,695,263	\$ 427,338,579	\$ 425,707,122	\$ 433,782,081	\$ 431,705,312	\$ 433,518,092	\$ 430,868,542
Licenses, Permits and Privilege Fees	35,302,960	37,275,652	37,543,533	35,514,381	36,190,387	35,374,043	34,326,099	39,403,213	42,404,133	38,093,334
Intergovernmental	173,750,992	158,577,638	164,137,422	163,694,270	156,307,233	151,219,441	152,816,149	152,837,949	133,166,823	150,232,431
Service Charges	16,343,955	20,421,258	21,119,157	21,761,128	21,451,494	24,407,838	25,559,661	26,390,218	28,093,614	23,205,623
Fines and Forfeitures	10,328,752	11,429,454	11,023,780	10,706,248	9,246,562	9,760,055	9,583,749	9,744,457	10,200,629	10,221,786
Payment in Lieu of Taxes	19,630,782	18,898,355	18,635,494	19,357,177	19,234,942	19,780,983	--	--	--	--
Utility Payments	--	--	--	--	--	--	22,577,356	24,141,572	25,266,237	27,175,174
Investment Income	1,501,725	1,764,937	2,425,882	2,103,022	540,676	105,672	165,111	125,526	80,854	36,019
Miscellaneous	64,264,540	70,850,022	64,820,190	27,454,098	19,653,520	22,718,453	20,903,222	79,323,182	18,100,667	10,564,344
Total Revenues	655,622,701	669,683,338	729,146,651	716,285,587	689,963,393	689,073,607	699,713,428	763,671,429	690,831,049	690,397,253
<b>Expenditures:</b>										
General Government	72,082,519	80,895,144	76,901,063	77,967,920	90,936,507	92,896,369	86,018,066	90,060,892	99,140,475	77,804,633
Public Safety and Judiciary	151,733,584	157,743,772	175,232,251	167,022,262	177,057,319	169,704,353	168,930,921	177,042,195	179,438,014	178,712,513
Highways, Streets, Sanitation and Refuse	54,373,540	57,844,351	62,404,860	61,007,410	44,632,867	46,687,139	58,398,783	61,164,440	60,345,016	67,017,239
Human Services	90,924,428	88,715,030	96,880,070	105,963,727	101,156,059	89,445,759	89,251,029	80,913,299	74,156,376	76,378,833
Culture and Recreation	19,628,668	19,540,997	21,399,788	22,420,288	22,869,119	21,791,546	23,274,978	22,988,592	22,746,588	24,326,572
Education	129,041,941	142,303,624	159,927,313	158,858,678	159,155,815	151,332,379	150,585,819	150,651,924	153,205,535	154,267,395
Non-Departmental	26,211,317	33,373,394	41,164,869	51,273,499	50,990,595	46,454,002	43,629,933	46,835,962	72,870,264	44,145,152
Capital Outlay	43,109,262	35,531,084	26,247,426	37,969,088	81,224,196	55,093,465	125,099,224	96,796,091	179,946,671	153,252,930
Debt Service:										
Principal Retirement	43,743,522	48,061,126	48,020,086	33,368,115	28,077,064	31,748,820	29,839,337	30,683,823	36,604,656	37,129,044
Interest Payments	40,812,004	39,385,830	38,490,977	25,054,610	24,805,037	19,193,765	19,710,167	22,026,533	19,517,107	24,157,032
Issuance Costs	625,909	671,476	846,451	--	955,068	806,838	647,705	--	--	738,870
Total Expenditures	672,286,694	704,065,828	747,515,154	740,925,597	781,859,646	725,154,435	795,385,962	779,163,751	897,970,702	837,930,213
<b>Other Financing Sources (Uses):</b>										
Transfers In	57,680,867	61,784,636	60,691,246	82,480,356	70,306,914	67,559,251	66,240,273	66,995,617	67,750,346	73,026,423
Transfers Out	(54,938,228)	(59,386,273)	(57,501,875)	(79,507,387)	(67,126,142)	(64,147,702)	(63,243,383)	(63,886,685)	(65,335,266)	(69,148,985)
Proceeds from Refunding Bonds	--	90,847,799	--	--	--	--	--	--	--	193,218,870
Payment to Escrow Agent	--	(90,622,799)	--	--	--	--	--	--	--	(150,000,000)
Proceeds from BAN	--	--	--	--	--	--	--	--	--	124,144,030
Proceeds from Issuance of Bonds	3,536,671	--	42,194,332	--	--	100,917,875	80,341,209	113,379,713	36,487	--
Premium on Issuance of Bonds	--	--	--	(762,900)	--	6,565,000	4,441,245	--	--	--
Total Other Financing Sources, Net	6,279,310	2,623,363	45,383,703	2,210,069	3,180,772	110,894,424	87,779,344	116,488,645	2,451,567	171,240,338
<b>Special Items:</b>										
Gain on Sale of Land	--	--	--	--	--	--	--	--	485,000	--
Disaster Recovery	773,106	--	--	--	--	--	--	--	--	--
Total Special Items	773,106	--	--	--	--	--	--	--	485,000	--
<b>Extraordinary Item:</b>										
Disaster Costs	(4,020,240)	(323,858)	(402,390)	306,076	--	15,352	--	1,320,829	--	--
Total Extraordinary Item	(4,020,240)	(323,858)	(402,390)	306,076	--	15,352	--	1,320,829	--	--
Net Change in Fund Balances	\$ (13,631,817)	\$ (32,082,985)	\$ 26,612,810	\$ (22,123,865)	\$ (88,715,481)	\$ 74,828,948	\$ (7,893,190)	\$ 99,675,494	\$ (204,203,086)	\$ 23,707,378
Debt Service as a Percentage of Noncapital Expenditures <sup>1</sup>	13.0%	12.7%	12.1%	8.5%	7.5%	7.6%	6.8%	7.6%	6.9%	-17.9%

Note: The changes in fund balances are explained in Management's Discussion and Analysis.

Note: In FY11, the City modified the classification and grouping of General Fund Revenue compared to prior years.

(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.

Table 22

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Real Estate	\$ 181,172,923	\$ 195,007,601	\$ 211,744,174	\$ 220,312,237	\$ 227,921,229	\$ 218,027,758	\$ 221,948,834	\$ 216,991,101	\$ 213,234,953	\$ 216,006,348
Sales-1% Local	26,302,100	27,116,326	31,019,396	31,274,790	30,935,300	26,093,786	26,315,613	30,595,853	30,549,022	30,944,459
Sales Tax for Education	--	--	27,558,938	26,959,337	25,312,005	24,943,835	25,914,852	26,406,848	23,673,198	23,612,726
Personal Property	45,091,878	43,819,129	42,147,896	44,734,218	51,107,922	44,081,997	44,343,976	43,780,792	47,234,956	44,753,528
Machinery and Tools	14,618,256	14,729,382	13,165,608	13,679,043	14,265,110	17,038,468	16,857,051	15,519,223	15,001,324	13,607,934
Utility Sales Tax Gas	--	--	--	--	--	--	4,617,822	4,256,292	4,761,197	4,833,897
Utility Sales Tax Electric	--	--	--	--	--	--	12,480,255	12,121,920	12,303,832	11,463,513
General Utility Sales	31,124,964	30,413,522	31,586,945	37,118,110	35,253,745	34,483,451	--	--	--	382,903
State Communication Taxes	--	--	--	--	--	--	17,439,622	17,085,208	17,130,526	16,839,049
Bank Stock	2,904,338	2,891,777	3,085,172	3,317,298	4,494,835	8,247,534	13,933,727	12,480,183	9,221,721	9,328,141
Prepared Food	16,028,093	17,404,622	23,154,114	24,076,647	24,489,056	23,756,424	21,726,664	26,991,476	28,320,613	30,444,280
Lodging Tax	--	--	5,272,618	5,984,286	5,366,015	4,789,681	4,623,900	5,685,427	6,018,453	5,974,584
Admission	1,195,603	1,218,238	1,073,673	2,447,670	1,604,376	2,181,971	1,843,129	2,726,217	2,372,848	2,964,390
Real Estate Taxes - Delinquent	--	--	--	--	--	9,711,901	10,746,487	7,006,446	8,953,219	7,895,327
Personal Property Taxes - Delinquent	--	--	--	--	--	5,023,503	4,117,223	3,959,980	8,524,442	5,614,439
Delinquent Tax Payments-All Classes	9,589,601	11,083,065	11,812,062	19,581,751	--	--	--	--	--	--
Private Utility Poles and Conduits	150,549	94,894	95,067	95,186	96,164	156,478	158,268	154,881	158,568	169,729
Penalties and Interest	4,242,744	4,676,998	5,319,892	3,657,510	4,570,206	5,423,493	4,948,641	3,660,357	4,471,897	3,642,822
Titling Tax-Mobile Home	16,942	7,197	5,800	9,014	10,635	10,858	4,704	8,051	5,817	6,132
State Recordation	609,343	749,102	843,137	954,315	710,115	759,637	681,049	656,449	731,956	872,407
Property Rental 1%	120,684	144,979	136,469	126,334	126,534	101,748	109,871	131,021	139,796	133,774
Vehicle Rental Tax	864,415	752,941	1,004,229	889,582	626,040	424,599	579,654	1,149,088	371,425	855,582
Telephone Commissions	466,562	356,249	416,003	477,935	449,292	450,000	390,739	338,499	337,349	522,578
Total General Governmental Tax Revenues	\$ 334,498,995	\$ 350,466,022	\$ 409,441,193	\$ 435,695,263	\$ 427,338,579	\$ 425,707,122	\$ 433,782,081	\$ 431,705,312	\$ 433,517,112	\$ 430,868,542

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 years.

**CITY OF RICHMOND, VIRGINIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Calendar Year	Real Property		Personal Property	Machinery & Tools	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Tax Rate Per \$100 of Assessed Value			Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property					Real Property	Personal Property	Machinery & Tools		
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%
2012	\$ 11,908,691,000	\$ 13,751,070,000	\$ 1,475,484,028	\$ 682,677,850	\$ 5,943,230,000	\$ 21,874,692,878	\$1.20	\$3.70	\$2.30	\$ 21,874,692,878	100.00%
2013	\$ 11,527,422,000	\$ 13,981,508,000	\$ 1,458,546,482	\$ 636,293,988	\$ 6,024,864,000	\$ 21,578,906,470	\$1.20	\$3.70	\$2.30	\$ 21,578,906,470	100.00%
2014	\$ 13,873,758,000	\$ 11,897,960,000	\$ 1,385,403,241	\$ 594,339,539	\$ 6,183,459,000	\$ 21,568,001,780	\$1.20	\$3.70	\$2.30	\$ 21,568,001,780	100.00%

Source: Assessor's Office

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Levy<sup>3</sup></u>	<u>Current Tax Collections<sup>1</sup></u>		<u>Delinquent Tax Collections<sup>2</sup></u>	<u>Total Tax Collections</u>	
			<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
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%
2012	1.20	\$227,351,927	\$213,930,311	94.1%	\$8,196,450	\$222,126,761	97.7%
2013	1.20	\$224,663,796	\$207,677,432	92.4%	\$9,296,883	\$216,974,315	96.6%
2014	1.20	\$217,520,214	\$202,460,782	93.1%	\$12,381,260	\$214,842,042	98.8%

Source: City of Richmond - Department of Finance

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Levy<sup>3</sup></u>	<u>Current Tax Collections<sup>1</sup></u>		<u>Delinquent Tax Collections<sup>2</sup></u>	<u>Total Tax Collections to Date</u>	
			<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
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	\$53,820,752	\$45,050,368	83.7%	\$4,740,164	\$49,790,532	92.5%
2012	3.70	\$54,205,843	\$46,364,216	85.5%	\$4,779,895	\$51,144,111	94.4%
2013	3.70	\$56,335,465	\$45,804,689	81.3%	\$10,115,195	\$55,919,884	99.3%
2014	3.70	\$60,309,698	\$50,764,046	84.2%	\$13,386,275	\$64,150,321	106.4%

**Current Tax Collections<sup>1</sup>:** 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<sup>2</sup>:** This column represents delinquent taxes collected within the respective levy year reporting period.

**Tax Levy<sup>3</sup> -** This column includes only the original levy; adjustments to this levy are not reflected. Includes personal property and vehicle licenses.

Source: City of Richmond - Department of Finance

Table 24

**CITY OF RICHMOND, VIRGINIA**  
**REAL ESTATE ASSESSED VALUES OF LARGEST TAXPAYERS**  
As of January 1, 2014

2014				2005			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
PHILIP MORRIS INC	\$ 645,063,000	1	3.29%	PHILIP MORRIS INC	\$ 244,695,700	1	1.62%
HINES RIVERFRONT PLAZA LP	213,000,000	2	1.09%	BOSTON PROPERTIES	165,500,000	2	1.10%
JAMES CENTER PROPERTY LLC	168,625,000	3	0.86%	SUNTRUST BANKS, INC	156,817,100	3	1.04%
DOMINION RESOURCES INC	152,892,000	4	0.78%	CHIPPENHAM HOSPITAL, INC	98,341,000	4	0.65%
SIR PROPERTIES TRUST	112,610,000	5	0.57%	STONY POINT FASHION PK ASSOC	86,500,000	5	0.57%
CHIPPENHAM HOSPITAL INC	106,605,000	6	0.54%	ORTON VAL T TRUSTEE	82,051,000	6	0.54%
FEDERAL RESERVE BANK	104,542,000	7	0.53%	FEDERAL RESERVE BANK	74,000,000	7	0.49%
PARMENTER 919 MAIN STREET LP	78,527,000	8	0.40%	ETHYL CORPORATION	64,836,600	8	0.43%
AREP RIVERSIDE I LLC	66,779,000	9	0.34%	ONE JAMES CENTER ASSOC	64,100,000	9	0.43%
AMERICAN RETIREMENT CORP	63,000,000	10	0.32%	FIRST STATES INVESTORS 3500	63,082,697	10	0.42%
BIOTECH 8 LLC	58,913,000	11	0.30%	TWO JAMES CENTER ASSOC	47,000,000	11	0.31%
STONY POINT FASHION PK ASSOC LLC	57,000,000	12	0.29%	AMERICAN RETIREMENT CORP	44,772,400	12	0.30%
A T MAIN STREET RICHMOND LLC	56,858,000	13	0.29%	AH ROBINS	41,216,500	13	0.27%
AH RICHMOND TOWER I LLC	54,832,000	14	0.28%	RICHMOND POWER PLANT LLC	40,000,000	14	0.27%
ROBINS A H CO INC	48,065,000	15	0.25%	AAPOP, LP	39,500,000	15	0.26%
SOUTHWOOD APARTMENTS LLC	45,569,000	16	0.23%	ALLEGHENY WAREHOUSE CO, INC	37,087,800	16	0.25%
MILLER & RHOADS BUILDING LLC	42,010,000	17	0.21%	HISTORIC HOTELS LLC	34,320,000	17	0.23%
JOHN MARSHALL BUILDING	39,530,000	18	0.20%	EIGHTH & MAIN LP	32,005,000	18	0.21%
APPLE SEVEN SPE RICHMOND INC	35,722,000	19	0.18%	HIGHWOODS FORSYTH LP	30,800,000	19	0.20%
GAMBLES HILL LAB LLC	34,972,000	20	0.18%	S J W LIMITED PARTNERSHIP	30,701,800	20	0.20%
VCU HOLDINGS LLC	33,625,000	21	0.17%	OMNI CENTER CORPORATION	28,880,000	21	0.19%
SJW II LLC	33,000,000	22	0.17%	RICHMOND CENTER ASSOCIATES	27,576,700	22	0.18%
TABAC LC	30,544,000	23	0.16%	PRVA II LP	23,150,000	23	0.15%
COUNTRY CLUB OF VIRGINIA	30,400,000	24	0.16%	WALKER MAGGIE L. GOVERNOR'S	23,045,000	24	0.15%
LOWES HOME CENTERS	26,870,000	25	0.14%	LOWES HOME CENTERS	21,262,300	25	0.14%
Total of Tax payers	2,339,553,000		11.93%	Total of Tax payers	1,601,241,597		10.60%
All Other Properties	17,248,706,000		88.07%	All Other Properties	13,477,991,754		89.40%
<b>Totals</b>	<b>\$ 19,588,259,000</b>		<b>100.00%</b>	<b>Totals</b>	<b>\$ 15,079,233,351</b>		<b>100.00%</b>

Source: City's Real Estate Assessor

**CITY OF RICHMOND, VIRGINIA**  
**Current Year and Nine Years Ago**

2014				2005			
<b>Employer</b>	<b>Approximate Number of Employees</b>	<b>Rank</b>	<b>Percentage of Principal Employment</b>	<b>Employer</b>	<b>Approximate Number of Employees</b>	<b>Rank</b>	<b>Percentage of Principal Employment</b>
Capital One Financial Corp.	11,309	1	10.65%	Commonwealth of Virginia	39,200	1	14.16%
VCU Health System	8,491	2	8.00%	Federal Government	15,100	2	5.46%
HCA Virginia Health System	7,051	3	6.64%	Chesterfield County	9,995	3	3.61%
Bon Secours Richmond Health System	6,646	4	6.26%	Henrico County	9,484	4	3.43%
Walmart	5,351	5	5.04%	Richmond City	9,018	5	3.26%
Dominion Resources Inc.	5,220	6	4.92%	Capital One Financial Corp.	8,761	6	3.17%
SunTrust Banks Inc.	4,432	7	4.17%	HCA, Inc.	6,462	7	2.33%
Food Lion LLC	3,986	8	3.75%	Virginia Commonwealth University Health Syst	6,454	8	2.33%
Altria Group Inc.	3,900	9	3.67%	Philip Morris, USA	6,216	9	2.25%
Amazon.com	3,127	10	2.94%	Wal-mart Stores, Inc.	5,804	10	2.10%
WellPoint Inc.	2,822	11	2.66%	Wachovia Corporation	4,521	11	1.63%
Wells Fargo & Co.	2,766	12	2.60%	Dominion Resources, Inc.	4,044	12	1.46%
United Parcel Service Inc.	2,662	13	2.51%	Bon Secours Richmond Health System	3,804	13	1.37%
DuPont	2,535	14	2.39%	Hanover County	3,646	14	1.32%
Bank of America	2,500	15	2.35%	Ukrop's Super Markets, Inc.	3,584	15	1.29%
The Kroger Co.	2,212	16	2.08%	Sun Trust Banks, Inc.	3,498	16	1.26%
Federal Reserve Bank of Richmond	1,884	17	1.77%	DuPont	3,190	17	1.15%
Verizon Communications Inc.	1,750	18	1.65%	Bank of America Corporation	3,110	18	1.12%
Total of Principal Employers	78,644		74.05%	Total of Principal Employers	145,891		52.71%
Other Principal Employers <sup>1</sup>	27,558		25.95%		130,894		47.29%
<b>Totals</b>	<b>106,202</b>		<b>100.00%</b>	<b>Totals</b>	<b>276,785</b>		<b>100.00%</b>

**Other Principal Employers<sup>1</sup>:** 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

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

<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Less:</b>		<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
		<b>Direct Operating</b>	<b>Expenses</b>		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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 <sup>1, 2</sup>	\$ 297,479,213	\$ 220,452,796	\$	\$ 77,026,417	\$ 21,104,375	\$ 34,343,862	\$ 55,448,237	1.39
2011 <sup>2</sup>	\$ 292,376,014	\$ 214,249,704	\$	\$ 78,126,310	\$ 23,548,199	\$ 31,501,282	\$ 55,049,481	1.42
2012 <sup>2</sup>	\$ 264,583,790	\$ 185,232,686	\$	\$ 79,351,104	\$ 27,860,480	\$ 30,343,026	\$ 58,203,506	1.36
2013 <sup>2</sup>	\$ 291,885,805	\$ 208,615,753	\$	\$ 83,270,052	\$ 29,836,350	\$ 30,284,845	\$ 60,121,195	1.39
2014	\$ 322,906,697	\$ 212,520,886	\$	\$ 110,385,811	\$ 34,088,248	\$ 36,736,199	\$ 70,824,447	1.56

**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.

(2) 2010 thru 2013 have been revised to include the Stormwater Utility.

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

Table 26

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

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 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	\$ 1,971,653,100	\$ 1,948,406,600	\$ 1,958,825,900
Total net applicable to limit	<u>685,384,668</u>	<u>635,988,545</u>	<u>633,857,964</u>	<u>592,625,025</u>	<u>605,137,771</u>	<u>630,231,266</u>	<u>703,768,481</u>	<u>701,068,792</u>	<u>751,152,603</u>	<u>850,475,030</u>
Legal Debt Margin	<u>\$ 822,538,667</u>	<u>\$ 1,029,282,007</u>	<u>\$ 1,270,394,281</u>	<u>\$ 1,468,366,839</u>	<u>\$ 1,504,765,133</u>	<u>\$ 1,479,172,601</u>	<u>\$ 1,284,976,731</u>	<u>\$ 1,270,584,308</u>	<u>\$ 1,197,253,997</u>	<u>\$ 1,108,350,870</u>
Total net debt applicable to the limit as a percentage of debt limit	45.45%	38.19%	33.29%	28.75%	28.68%	29.88%	35.39%	35.56%	38.55%	43.42%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed Value (Taxable)	\$ 19,588,259,000
Debt limit (10% of total assessed value)	1,958,825,900
General Obligation Bonds	<u>850,475,034</u>
Legal Debt Margin	<u>\$ 1,108,350,866</u>

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 preceding assessment for real estate taxes.

The Total Net Debt Applicable to Limit shown as of 6/30/2014 does not include \$723,448,460 of self-supporting Public Utility Revenue Bonds or \$6,827,905 of Lease Revenue Bonds that, by State law, are not required to be included in calculation for legal margin for the creation of additional debt.



Table 27

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

Fiscal Year	Governmental Activities						Business-type Activities		Total Primary Government		
	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
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	14.07%	\$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	14.41%	\$6,231
2012	\$524,298,582	\$1,450,834	\$14,034,000	\$1,690,000	\$8,360,231	\$12,325,000	\$159,595,376	\$556,645,429	\$1,278,399,452	N/A	\$6,079
2013	\$495,710,389	\$1,215,155	\$101,155,970	\$11,255,000	\$7,614,180	--	\$141,816,089	\$736,458,840	\$1,495,225,623	N/A	\$6,983
2014	\$607,682,712	\$977,282	\$107,460,000	\$10,695,000	\$6,827,905	--	\$123,660,040	\$723,448,459	\$1,580,751,395	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 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.

Note: The Certificate of Participation was paid off during 2013.

**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	Percentage of Estimated Actual Taxable		Debt Per Capita
							Total	Value of Property	
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	3.10%	\$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%	\$3,532
2012	\$683,893,958	\$1,450,834	\$14,034,000	\$1,690,000	\$8,360,231	\$12,325,000	\$721,754,023	3.66%	\$3,432
2013	\$637,526,478	\$1,215,155	\$101,155,970	\$11,255,000	\$7,614,180	--	\$758,766,783	3.89%	3,544
2014	\$731,342,752	\$977,282	\$107,460,000	\$10,695,000	\$6,827,905	--	\$857,302,939	4.38%	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 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.

Note: The Certificate of Participation was paid off during 2013.

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

<b>Fiscal</b>		<b>Personal Income</b>	<b>Per Capita</b>			<b>City</b>	<b>State</b>
<b>Year</b>	<b>Population(1)</b>	<b>(Amounts expressed in thousands)</b>	<b>Personal Income(2)</b>	<b>Median Age</b>	<b>School Enrollment(3)</b>	<b>Unemployment Rate(4)</b>	<b>Unemployment Rate(4)</b>
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	\$8,582,284	\$42,037	32.0	22,994	10.5%	7.1%
2011	205,533	\$8,887,105	\$43,239	NA	23,454	9.3%	6.3%
2012	210,309	\$9,400,001	\$44,696	NA	23,336	9.0%	6.0%
2013	214,114	NA	NA	NA	23,649	8.2%	5.9%
2014	217,853	NA	NA	NA	23,775	6.7%	5.3%

\*NA-Not Available

(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**

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
General Government	583	502	650	731	681	696	696	620	764	739
Public Safety and Judiciary										
Police	905	982	979	1,028	1,000	980	942	923	915	918
Firefighters and Officers	423	426	425	463	413	406	434	425	411	439
Others	690	658	588	603	590	577	573	557	528	542
Highways, Streets, Sanitation and Refuse										
Engineering & Maintenance	532	551	538	566	527	452	454	497	389	391
Human Services										
Human Services Advocacy	37	47	26	24	34	35	43	34	13	15
Social Services	466	411	455	481	472	456	443	441	426	353
Public Health	112	-	-	-	-	-	-	-	-	-
Culture and Recreation	266	235	295	260	273	276	261	158	161	146
Transportation	7	5	-	-	-	-	-	-	-	-
Business-type Activities:										
Stormwater Utility	-	-	-	-	-	-	-	-	55	52
Gas Utility	304	213	320	322	425	404	359	367	284	291
Water Utility	81	214	101	102	128	110	110	117	106	101
Wastewater Utility	90	61	108	113	164	139	131	168	176	166
Electric Utility	18	32	15	19	24	24	24	39	26	24
Stores and Transportation Division	13	11	12	13	10	6	6	6	6	8
Coliseum	25	28	25	25	25	17	17	14	14	14
Landmark Theatre	7	-	5	5	-	-	-	-	-	-
Cemeteries NCO	18	21	20	20	20	20	21	19	19	17
Total	<u>4,577</u>	<u>4,397</u>	<u>4,562</u>	<u>4,775</u>	<u>4,786</u>	<u>4,598</u>	<u>4,514</u>	<u>4,385</u>	<u>4,293</u>	<u>4,216</u>

Source: Various City departments

**Table 30**

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

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Police:										
Physical Arrests	17,536	17,034	19,210	20,064	20,425	14,487	13,595	13,179	11,184	10,668
Parking Violations	103,594	19,455	73,335	101,675	104,380	134,151	128,038	125,171	125,905	115,961
Traffic Violations	30,516	22,474	25,047	28,195	30,965	31,518	30,454	25,026	18,168	17,233
Fire:										
Number of calls answered	30,956	31,746	28,234	19,864	29,098	29,587	32,450	32,287	33,774	34,236
Inspections	1,853	2,104	2,660	1,322	1,090	5,336	4,093	5,675	6,392	2,921
Highways and Streets:										
Street resurfacing (miles)	70	102	85	70	62	122	115	118	108	130
Potholes repaired	21,011	10,691	7,500	898	6,128	11,409	9,158	15,135	13,126	20,957
Sanitation and Refuse:										
Refuse collected (tons/day)	N/A	338	293	335	374	291	300	290	295	295
Recyclables collected (tons/day)	38	37	35	25	213	21	42	25	37	37
Culture and Recreation:										
Parks permits issued	539	610	584	543	598	579	546	546	546	546
Business-type Activities:										
Gas:										
Maximum daily sendout (MCF)	163,129	129,755	151,996	147,713	160,509	139,351	153,078	137,485	150,761	169,141
Annual Sendout (MCF)	18,500,224	16,620,288	16,551,672	17,722,952	17,056,844	16,006,116	17,662,077	14,673,455	17,522,110	19,014,696
Water:										
Average daily consumptions (MGD)	75	67	63	66	62	58	59	53	57	55
Maximum daily consumptions (MCD)	95	98	98	90	90	89	99	89	88	83
Water in Storage (gallons) <sup>1</sup>	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)	64	51	59	49	49	55	46	52	51	53
Maximum daily sewage treatment (MGD)	85	83	84	84	84	96	84	80	82	79
Coliseum:										
Average daily attendance per activity	883	921	1,220	1,193	4,169	4,895	4,957	4,161	3,889	1,038
Landmark Theatre:										
Total tickets sold for all activities <sup>2</sup>	129,598	140,097	150,596	139,506	122,645	156,448	100,032	217,104	121,144	143,855
Total attendance for all activities <sup>2</sup>	221,602	220,615	180,155	196,893	195,790	177,105	139,749	234,035	129,800	160,014
Cemeteries:										
Number of interments	1,050	973	777	841	901	790	777	790	860	826
Number of lot sales	22	17	23	18	14	16	20	6	13	7
Number of single grave sales	646	382	664	601	568	504	473	468	607	555
Number of foundations	637	627	525	532	560	494	522	493	519	512

Source: Various City departments

Note: Average daily attendance per activity in previous 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.

(2) The Landmark Theatre was closed, due to construction, for 5 months during FY2013, which caused a decrease from FY2012 in the total number of tickets sold and attendances for

**Table 31**

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

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Stations	7	7	10	4	8	7	7	7	7	7
Patrol Units	128	232	222	323	204	173	164	213	223	223
Fire:										
Stations	20	20	20	20	20	20	20	20	20	20
Fire trucks	46	46	55	64	51	54	54	61	51	41
Highways and Streets:										
Streets (miles) <sup>1</sup>	1,865	1,857	1,865	1,858	822	822	822	822	822	1,860
Streetlights	33,184	32,900	33,188	33,000	30,548	30,783	36,027	35,834	36,230	31,247
Traffic Signals <sup>2</sup>	460	502	511	465	468	476	469	474	471	521
Sanitation and Refuse:										
Collection Trucks	38	45	38	37	47	34	33	33	33	33
Culture and Recreation:										
Parks acreage	2,801	2,807	2,805	2,805	2,818	2,808	2,810	2,808	2,808	2,808
Parks	58	67	71	71	71	71	71	72	72	73
Baseball/Softball Diamonds	54	55	48	48	48	48	48	48	48	48
Athletic Fields	25	27	31	31	31	31	31	31	31	31
Golf Courses (Driving Range/Par 3 Course)	1	1	1	1	1	1	1	1	1	1
Swimming Pools	9	9	9	9	8	9	9	9	9	9
Tennis Courts	138	138	130	130	130	140	140	140	140	140
Community Centers	18	24	24	24	24	20	20	20	20	20
Theatres	2	2	1	2	2	2	2	2	2	2
Coliseums	1	1	1	1	1	1	1	1	1	1
Gas :										
Miles of Service Lines <sup>3</sup>	1,796	1,818	1,850	1,013	1,033	1,050	1,057	1,069	1,138	1,149
Number of Gate Stations	8	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	13	13	12	12	12	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	47	47	47	47	47	47	47	47	47	47
Sewer Pumping Stations	3	3	5	5	5	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) The total number of traffic signals does not include pedestrian signals, schools flashers, or beacons.

(3) 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 FY2003-FY2007 are based on the historic calculation method.

## **ACKNOWLEDGEMENTS**

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

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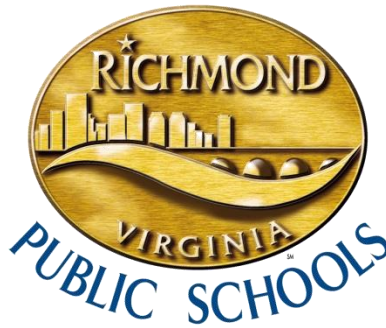
The staff of the Internal Audit Department

Debora Johns, CGAP, Chief Auditor

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**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 Dr. Michelle Boyd, Richmond Public Schools, 301 North Ninth Street, Richmond, Virginia 23219, (804) 780-7911. The Title IX Officer is Mr. Timothy Billups, Richmond Public Schools, 301 North Ninth Street, Richmond, Virginia 23219, (804) 780-7325. 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.

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