



A Component Unit of the  
City of Richmond · Virginia

# Richmond Public Schools

## 2010 Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED JUNE 30, 2010



ILLUMINATING THE PATH FROM COMPETENCE TO EXCELLENCE



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City of Richmond · Virginia

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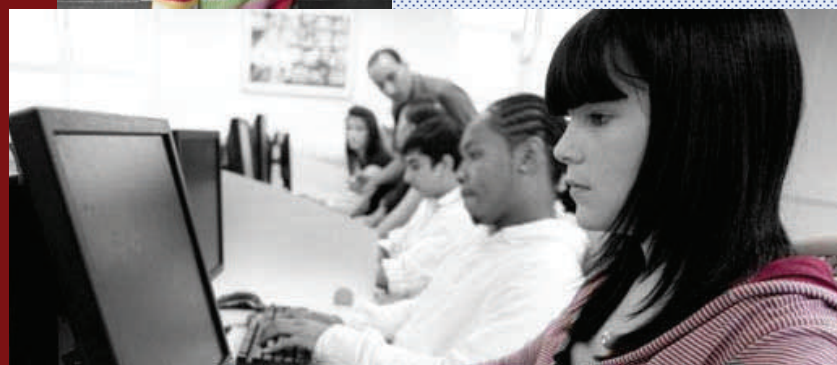
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**THE SCHOOL BOARD OF THE CITY OF RICHMOND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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# Introductory Section (unaudited)

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

**MEMBERS**

THE HONORABLE:

December 30, 2010

CHANDRA H. SMITH  
DISTRICT 6  
CHAIR

KIMBERLY B. GRAY  
DISTRICT 2  
VICE CHAIR

KIMBERLY M. BRIDGES  
DISTRICT 1

NORMA H. MURDOCH-KITT  
DISTRICT 3

ADRIA A. GRAHAM SCOTT  
DISTRICT 4

BETSY B. CARR  
DISTRICT 5

DONALD L. COLEMAN  
DISTRICT 7

DAWN C. PAGE  
DISTRICT 8

EVETTE L. WILSON  
DISTRICT 9

**OFFICERS**

YVONNE W. BRANDON, Ed.D.  
SUPERINTENDENT

ANGELA C. LEWIS  
CLERK

ANGELA R. ANDERSON  
DEPUTY CLERK

RONALD L. CAREY, Ed.D.  
AGENT

R. DIONNE WARD, Ed.D.  
DEPUTY AGENT

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

The Comprehensive Annual Financial Report (CAFR) of the School Board of the City of Richmond, Virginia (the School Board) for the fiscal year ended June 30, 2010 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 KPMG 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 the provisions of the Single Audit Act Amendments of 1996 and the U. S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' report on internal control and compliance with applicable laws, regulations, contracts and grant agreements, and a schedule of findings and questioned costs, if any, are included in a separately issued City of Richmond, Virginia (the City) and School Board combined single audit report.

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

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



# PROFILE OF THE SCHOOL DISTRICT

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



- The Governor's School for Government and International Studies (the Governor's School). The Governor's School operates as an educational consortium and provides specialized and gifted training for students of participating cities and counties from throughout central and southern Virginia. A separate board that includes one member from each of the participating localities governs it. The School Board does not have a continuing financial interest in the Governor's School.
- The MathScience Innovation Center (the Center). The Center operates as an educational consortium and provides specialized training to students of area jurisdictions. A separate board that includes two officials from each of the participating jurisdictions governs the Center. The School Board does not have a continuing financial interest in the Center.
- The School Activity Funds are reported as an Agency Fund. State Department of Education regulations restrict the uses of and accounting for School Activity Funds. Thus, the School Board is not responsible for the management of these funds and does not have a continuing financial interest in the School Activity Funds.

## Organizational structure

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.

Richmond Public Schools (RPS) is comprised of 28 elementary schools (with four annex buildings); 8 middle schools; 5 comprehensive high schools; 3 specialty high schools (Franklin Military, Open and Richmond Community); 2 schools serving students with exceptional needs (Amelia Street and Preschool Development Center); 2 programs for students with exceptional needs (REAL located at Henderson MS and Thirteen Acres located at Clark Springs ES); and 3 career & technical education and alternative education schools and programs, the Adult Career Development Center (ACDC), the Richmond Technical Center (RTC), and the Capital City Program (CCP).

Richmond Public Schools has moved toward more efficient use of its facilities with the closing of seven school buildings and one annex building over the past five years. Beginning in FY05, the School Board merged Armstrong and Kennedy High Schools; in FY07 Patrick Henry and Whitcomb Elementary Schools came off-line; in FY08 Norrell, Norrell Annex, REAL and Thirteen Acres were closed as school facilities, with REAL School and Thirteen Acres programs being integrated into Clark Springs Elementary and Henderson Middle Schools. For school year FY10, the School Board has approved the relocation of the Richmond Community High School program to the Chandler site allowing the division to take an additional facility off line.

## Fiscally Dependent School Division

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

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

## Economic condition and outlook

### Economy



Richmond is located in the eastern-central part of the state of Virginia 100 miles from the nation's capital. The quality of life in the City offers a low cost of living, pleasant climate, unique architecture, and an average 24-minute commute between the surrounding jurisdictions in the central region. The City's current administration has developed a revitalization strategy to augment spending by the convention and visitors bureau and improve tourism to the area.

Richmond has excellent higher educational institutions such as Virginia Commonwealth University, one of the nation's top research universities, as well as University of Richmond,

Virginia Union University, and several others.

In June 2010, Forbes Magazine ranked the Richmond metropolitan area 50 on its "Best Places for Businesses and Careers."

The Richmond metropolitan area is home to two Fortune 500 headquarters, and in March 2010, the City celebrated the opening of the MeadWestvaco, a Fortune 500 company, \$100 million headquarters tower investment on the



Richmond riverfront. In October 2009, Pfizer Consumer Health Research & Development, a Fortune 500 company, acquired Wyeth Pharmaceuticals. Pfizer maintained Wyeth's operational

facility within the City, which retained more than 300 jobs in the area.

### 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.

There are several economic initiatives forthcoming for the City, which include plans for MeadWestvaco to move its Center for Packaging Innovation (CPI) from Raleigh, NC to the Richmond downtown district also, which will be a \$10 million investment and employ over 100 employees in the area.

The Health Diagnostic Laboratory, Inc. (HDL, Inc.) announced its investment of \$4.2 million in its future operation in the City, which will be located in the Virginia Biotechnology Research Park. The HDL, Inc. project will create 213 new jobs in the area.

The City is also investing in small business development through its economic

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

### Employment

The combined Federal, State and local government industry employs the largest number of workers in the City and Richmond Public Schools ranks as the City's third largest employer. The unemployment rate for the metro Richmond area is reported at 10.5 percent as of June 2010, 3.4 percent higher than the state average of 7.1 percent and .9 percent higher than the national average of 9.6 percent according to the Virginia Employment Commission.

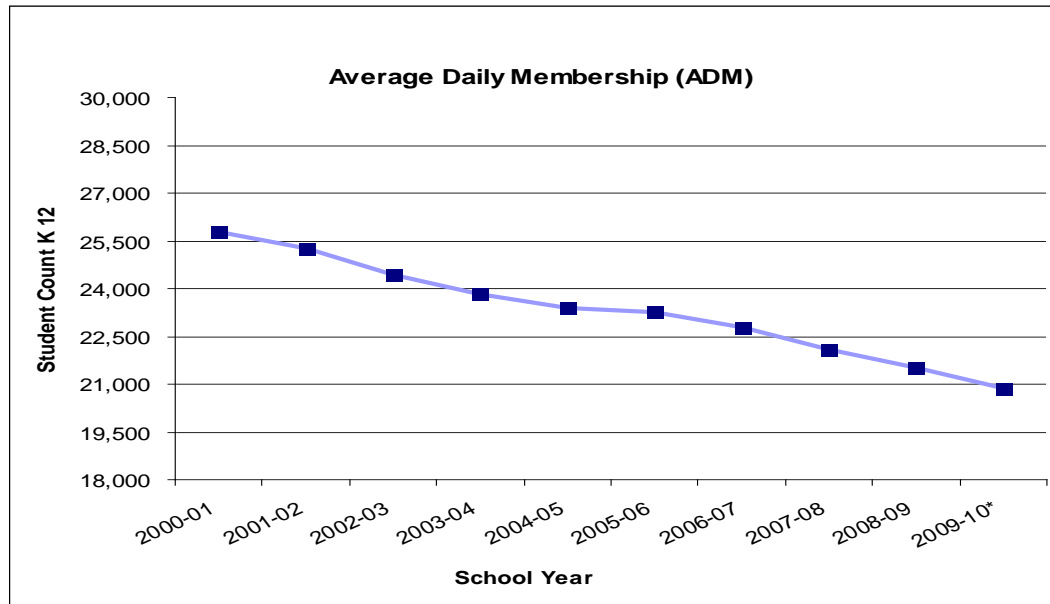
### Demographics

The City's population, as estimated by the U.S. Census Bureau, is approximately 205,000, and is 41% White, 52% African-American, 5% Hispanic and 2% other and mixed race.

### Enrollment

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

K-12 Average Daily Membership (ADM) is the total aggregate daily membership divided by the number of days school is in session. Virginia school divisions receive state funding based on their students' ADM as of March 31 of the fiscal year. The division's March 2010 ADM as reported to the Virginia Department of Education is 21,217. This is 181 more students than the budgeted March 2010 projection of 21,036.



Two additional measures of student population are fall membership and enrollment. Fall membership reflects the number of students enrolled in Richmond Public Schools on September 30. Excluded from the September

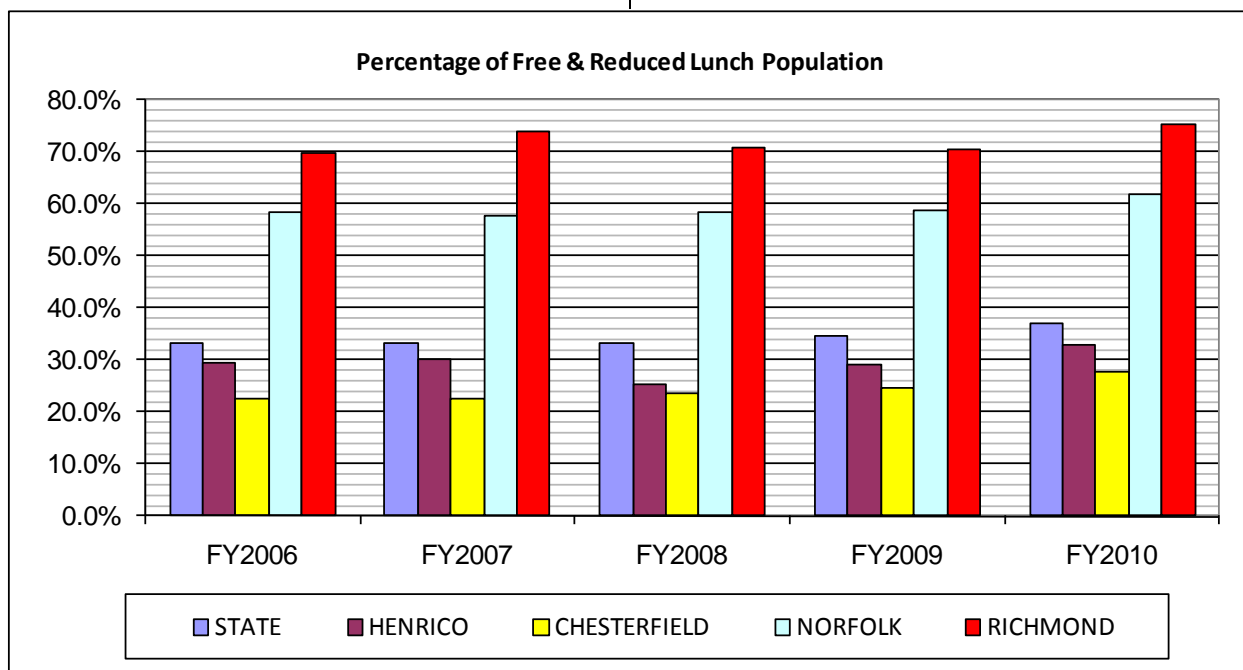
30 count are special education preschool pupils, pupils in hospitals, clinics or detention homes, and local programs such as vocational and alternative education centers. September 2009

membership totaled 22,994.

The third measure of student population is enrollment. Student enrollment reflects the actual number of all children, Pre-K through 12, served in Richmond Public Schools. Enrollment as of October 2009 totaled 23,954.

#### Free and Reduced –Price Meals

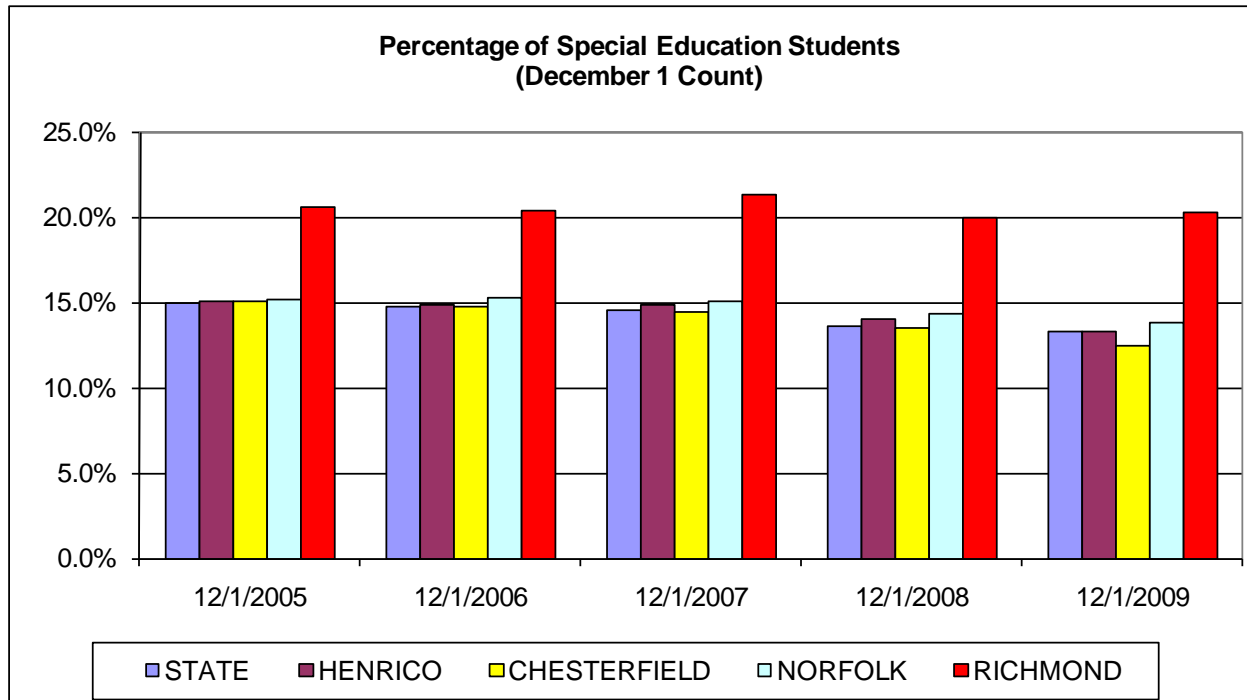
Free and reduced lunch population is a measure of poverty. RPS ranks as the third highest free and reduced lunch population in the Commonwealth with approximately seventy-five percent of students receiving subsidized meals under the Federal school lunch program. The graph shown below depicts Richmond's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



### Special Education Services

Approximately 4,667 or twenty percent of students qualify for special education services. The following graph represents the percentage

of special education students benched against statewide averages and surrounding districts  
RPS = 20%, state average = 14.1%.



In the Statistical Section, Tables 1 through 15 are the financial trends and demographic information for Richmond Public Schools. Tables 16 through 30 illustrate financial trends,

demographics, economic analyses, business and residential tax and assessment valuations and collection statistics that pertain to the City of Richmond, Virginia.

# MAJOR INITIATIVES

Richmond Public Schools is a story of phenomenal success and unparalleled student achievement.

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

## Accountability

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

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

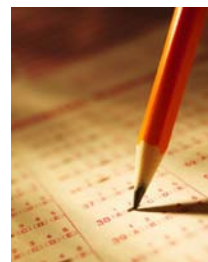
## Goals and Objectives

- Improve student achievement, as indicated by national, state and local standards

- Promote a safe and nurturing environment for all members of the Richmond City Public Schools community
- Provide strong leadership for effective and efficient operations by providing alternative educational opportunities
- Enhance capacity building with all sectors of Richmond Public Schools through focused and sustained professional development
- Strengthen collaborations with parents, the community, businesses and other stakeholders
- Increase parent and community satisfaction with new and varied educational programs

## Student Achievement

For the first time since the state began its Standards of Learning (SOLs) testing program, every Richmond City school has earned full accreditation based on student standards in English, mathematics, history and science. The results signal a remarkable pattern of achievement by the city school district, according to school officials.



Richmond Public Schools students posted gains in math and reading scores used to determine if schools are meeting the Adequate Yearly Progress (AYP) requirements required by the federal government's No Child Left Behind Act, according to the Virginia Department of Education.

The percentage of city schools that meet AYP requirements exceeds the statewide average for the fourth consecutive year. 82.53 percent of students in grades K-12 met the benchmark score in English/reading while 81.6 percent



mastered the math requirements. In both subjects, Richmond City students surpassed the required AYP scores, 81 percent in English/reading and 79 percent in math.

Last year, 82.36 percent of Richmond City students met English/reading benchmarks with 78.26 percent making the grade in math. District-wide, more than 80 percent of the district's elementary schools met all AYP requirements, with 96.4 percent of schools (27 of 28) meeting the benchmark for math.

At the secondary level, all of the city's eight high schools met the AYP English requirements. Seven of the city's high schools, or 87.5 percent, also met the benchmark for math. Five of the district's eight middle schools also posted the required scores in reading and math. Fifteen formerly sanctioned Title I schools, including Richmond's Blackwell Elementary School, made AYP for a second consecutive year, allowing them to exit school improvement status.

Overall, 64 percent of Richmond City schools achieved AYP, surpassing the statewide average of 60 percent.

### Graduation Rates

The on-time graduation rate for Richmond City high schools continues to rise as 71.96 percent of students in the 2006-2010 cohort graduated on time. The figure represents a six percent jump from the 2004-2008 cohort rate of 65.8 percent, according to the Virginia Department of Education.

Seven city high schools showed gains from last year, including a 13 percent jump at George Wythe high school, which saw its rate increase from 68.67 percent to 81.45 percent. Other Richmond City schools that posted gains include: Open high school, 95.83 percent to 100 percent; Franklin Military Academy, 90 percent to 93.75 percent; Thomas Jefferson high school, 85.78 percent to 88.06 percent; Huguenot high school, 82.49 percent to 84.59 percent, John

Marshall high school, 74.79 percent to 75.42; and Armstrong high school, 61.42 percent to 69.29 percent.

Richmond Community High School's on-time graduation rate of 95.24 percent exceeds the state average by nearly 10 percentage points.

The on-time graduation rate for economically disadvantaged students increased by nearly 10 percent, jumping from 71.73 percent for the 2005-2009 cohort to 81.71 percent for the 2006-2010 cohort.

Four of the city's high schools, Open, Richmond Community, Franklin Military and Thomas Jefferson, posted on-time graduation rates above the state average of 85.5 percent.

### District-wide and School Recognitions

**Bellevue and Fairfield Court Elementary Schools** received the 2010 Governor's Award for Educational Excellence, the state's highest performance honor under the Virginia Index of Performance (VIP) incentive program. The school was one of 153 Virginia public schools to earn the award.

- To receive the award, schools must meet all state and federal achievement benchmarks for at least two consecutive years. In addition, schools must meet the Governor's achievement goals for elementary reading, enrollment in Algebra I by eighth grade, enrollment in college-level courses, attainment of advanced diplomas and increased attainment of career and industry certifications. Eligible schools must also participate in the Virginia Preschool Initiative.
- A number of Richmond City schools earned the Board of Education's Excellence Award, the second-tier honor in the VIP program. Again, schools must meet all state and federal accountability benchmarks for at least two consecutive years. Richmond City schools honored with an award include: Broad Rock

Elementary, Ginter Park Elementary, Mary Munford Elementary, Open High, J. E. B. Stuart Elementary and Richmond Community High.

- Seven Richmond City schools earned the Board's Competence to Excellence Award, the third-tier honor in the VIP Program. Richmond City schools recognized in the category include Clark Springs Elementary, John B. Cary Elementary, J. B. Fisher Elementary, George Mason Elementary and Southampton Elementary.

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

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

**Bellevue, Fairfield Court and J.E.B Stuart Elementary Schools** received a National Title I Distinguished School Recognition Award in the exceptional student performance category.

The Virginia Department of Education recognizes schools as Title 1 Distinguished schools for maintaining full state accreditation under the commonwealth's Standards of Learning program for two consecutive years, meeting federal benchmarks in reading and mathematics and having average test scores in both subjects at the 60th percentile or higher.

**Richmond Community and Open High** schools have been ranked among America's best, according to U.S. News & World Report for the

third straight year. Both Richmond City high schools made the list in a ranking conducted by School Evaluation Services, a K-12 education data research business run by Standard & Poor's.

**Richmond Public Schools** received a Virginia Mentoring Partnership Award for hosting over 2,500 mentors working with Richmond Public Schools students.

### Instruction and Curriculum Initiatives

**Preschool Learning Centers** - The Richmond Public School board approved the development of two regional preschool learning centers beginning with the 2010-2011 school year. These regional preschool learning centers are designed to provide the district's youngest learners with two centrally based, premier educational experiences. The creation of regional preschool centers also allows the district to save more than \$200,000 by reducing rental fees and other costs, as well as serve an additional 90 kindergarten students at the affected schools, resulting in an increase of nearly \$400,000 in state funding.

**Governor's Career and Technical Education Academy for Science, Technology, Engineering and Math (STEM)** – a curriculum, which focuses on two career pathways: engineering, technology, and therapeutic services, including sports medicine. A partnership with Virginia Commonwealth University (VCU) will allow students to shadow VCU athletic trainers and participate in VCU School of Engineering activities. Approximately 45 ninth-graders will take part in the program's launch for the 2009-2010 school year

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

Center program sites were honored at the National PLC Training Institute in Atlanta, GA. A third PLC site was launched in the 2009-2010 school year that featured a Cooperative Office Education work-study component.

**Franklin Military Middle Leadership Academy** – a sixth, seventh and eighth grade component of the military curriculum aimed to improve



academic achievement by ensuring that middle school students get the support and attention they need to be successful in a rigorous college preparatory course of study. The major objectives

of the program include academic achievement, enhance effective communication and logical thinking skills, leadership development, strengthening character and integrity; and develop positive response to authority.

**Career Cruising** - an online career exploration and portfolio tool that helps students identify specific career interests and then establish goals. The program served more than 3,000 students at Martin Luther King Middle, Thompson Middle, Elkhardt Middle, Boushall Middle, Henderson Middle, Armstrong High, John Marshall High and Huguenot High schools. In school year 2009-2010, Career Cruising was expanded to Franklin Military Academy and at Brown Middle, Albert Hill Middle, Binford Middle, George Wythe High and Thomas Jefferson High schools.

**Virtual Virginia Distance Learning Initiative** – RPS allows eligible secondary students to enroll and participate in Virtual Virginia. Virtual Virginia offers online Advanced Placement, world language, elective, and core academic courses to students across the Commonwealth, the nation, and throughout the world. The courses utilize course management software to maximize the interactivity of each class. Each course contains video segments, audio clips, whiteboard interaction, multimedia activities, and online discussions, as well as text. Virtual Virginia courses offer a rich multimedia learning

environment that appeals to a variety of learning styles. Virtual Virginia courses can be scheduled flexibly throughout the day, as courses do not have to be taken in 'real' time.

**Go Green Initiative** – Richmond Public Schools launched the district's "Go Green" recycling program at 48 schools throughout the city. In 2009, the district collected 233,350 pounds of recycled paper, which equated to saving 662 trees. The goal for 2010 was 333,746 pounds.

### Technology

RPS currently provides Internet access to all classrooms, each having a minimum of four network connections. In FY2010, the school district invested over \$4.6 million in classroom and instructional support technology hardware and infrastructure upgrades.

This investment included approximately 1,100 new desktop computers and laptops. The schools have a student-to computer ratio of xx with more than xxxx workstations.

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

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

#### •Integration

Encompasses technological applications and other tools used to facilitate teaching and learning through appropriate integration of

technology into classroom instruction.

#### •Professional Development

Refers to the delivery of technology and support of technological resources from properly trained teachers and administrators, who are assisted by properly trained support personnel.

#### •Connectivity

This includes the electronic infrastructure including hardware, network connectivity, and supporting software that will support the needs of students, teachers, and administrators.

#### •Educational Applications

This includes the efficient use of instructional and administrative applications, leveraged by emerging technologies, which will lead to increased opportunities for teaching and learning and increased administrative productivity.

#### •Accountability

The means by which the plan will be monitored and progressed tracked against goals and targets. In order to effectively anticipate, plan and direct the use of technology and technological resources, an evaluation plan, or some accountability mechanism, must be in place to help collect, and access data that will quantify the value of technology use to teaching and learning

### Partnerships and Collaborations

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

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

Schools and to the community at large.

Some of these partnerships include:

- **Virginia Commonwealth University** – a partner with Richmond Public Schools launched the Richmond Teacher Residency program to prepare current teachers for leadership roles in an urban high school setting. The program is funded by a \$5.8 million federal grant.
- **Lowe's** – funded a \$100,000 grant to open the RTC Bistro in 2010 at the Richmond Technical Center. The eatery serves as a demonstration and instructional lab for RTC culinary arts students.
- **A Robins Foundation** grant - generously funds a program to train volunteer and partnership coordinators for twenty Richmond City schools.
- **Yale Alumni Club** – in coordination with Communities in Schools, partnered with George Washington Carver Elementary School to spruce up the schools' landscaping. They plan to return in the near future to develop a new and exciting partnership opportunity.
- **Neighbor-to-Neighbor (N2N)** – a volunteer initiative involving City of Richmond employees that mentor students at Overby-Sheppard Elementary School.
- **Franklin Federal Savings** – hosts the Making Money Count Program to teach students how to responsibly save, spend and share money. The curriculum is focused on second graders and builds on first grade Economics Standards of Learning.
- **The Micah Initiative** - created in 2003 to support student achievement in Richmond Public Schools, provides support to students serving as tutors, mentors and library aides, and organizes needed services such as book and clothing collections, and cultural and camping experiences. The Micah Initiative is

known as one of the most organized, committed and innovative mentoring and tutoring initiatives in the area.

- **Capital One** - provided nine Richmond City high school seniors scholarships through the Power of 9 scholarship program. This marks the 13th year of the partnership with Capital One to help district seniors realize their dreams of pursuing college.

## For the Future

### **Building a Better Richmond**



The city of Richmond and Richmond Public Schools are committed to the education of the

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

While urban school districts across the country have experienced declining enrollments over the past 10 years, Richmond included, the city of Richmond still needs newer buildings that are built to help facilitate 21st century instruction, equipped with modern, energy-efficient components for increased maintenance and utility savings, and flexible enough to accommodate fluctuating enrollment and future educational requirements.

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

improvement program line of credit and city-issued bonds.

Phase 1 of the RPS Design & Construction Program consists of four schools: Broad Rock Elementary School, Oak Grove Elementary School, Martin Luther King, Jr. Middle School and Huguenot High School.

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

### **Richmond Public Schools Strategic Plan**

Richmond Public Schools is embarking upon a five- year strategic plan that will provide a road map to further the district's journey from



competence to excellence. Through collaboration with the City and the business community, the district will have its first multi-year strategic plan that will align financial resources with specific goals.

### **The “Choice” Campaign**

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

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



## Financial information

### Internal Control

Management of the School Board is responsible for establishing and maintaining internal control sufficient to provide reasonable assurance that the assets of the School Board are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.



The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the evaluation of costs and benefits requires estimates and judgments by management.

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

### Budgetary Controls

The School Board maintains budgetary controls to ensure compliance with the annually appropriated (legally adopted) General Fund budget approved by the City Council. Budgetary controls ensure that the legal level of expenditure for the General Fund is not exceeded. Project budgets are also prepared, but not legally adopted, for the Special Revenue

and Permanent funds. Management control is exercised over the budget at the budgetary line item level within each fund. The School Board also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are carried forward at year-end.

### Insurance and Risk Management



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

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

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



managed by a third-party administrator, and a long-term disability insurance program is in place through a major insurance company.

### Cash Management

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

## **Other information**

### Independent Audit

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

### Awards



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the

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

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

## **Acknowledgements**

We would like to express our sincere gratitude to the dedicated personnel in the Departments

of Budget and Financial Reporting and Finance who participated in the preparation of this report and to our independent auditors, KPMG LLP. Appreciation is also extended to the School Board and the administration, whose continuing support is vital, the financial health of the school system.

Respectfully submitted,

A handwritten signature in cursive script, reading "Yvonne W. Brandon".

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

A handwritten signature in cursive script, reading "Lynn G. Bragga".

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

# SCHOOL BOARD MEMBERS AND ADMINISTRATORS

AS OF JUNE 30, 2010

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## BOARD MEMBERS

Kimberly M. Bridges, Chair  
District One

Dawn C. Page, Vice Chair  
District Eight

Kimberly B. Gray  
District Two

Norma H. Murdoch-Kitt  
District Three

Adria A. Graham Scott  
District Four

Maurice Henderson  
District Five

Chandra H. Smith  
District Six

Donald L. Coleman  
District Seven

Evette L. Wilson  
District Nine

## OFFICIALS

Yvonne W. Brandon, Ed.D  
Superintendent of Schools

Angela C. Lewis  
Clerk of the School Board

Victoria Oakley  
Chief Academic Officer

Ronald L Carey, Ed.D.  
Assistant Superintendent  
Administrative and Support Services / Agent

Irene Williams, Ph.D.  
Executive Director  
Elementary Education

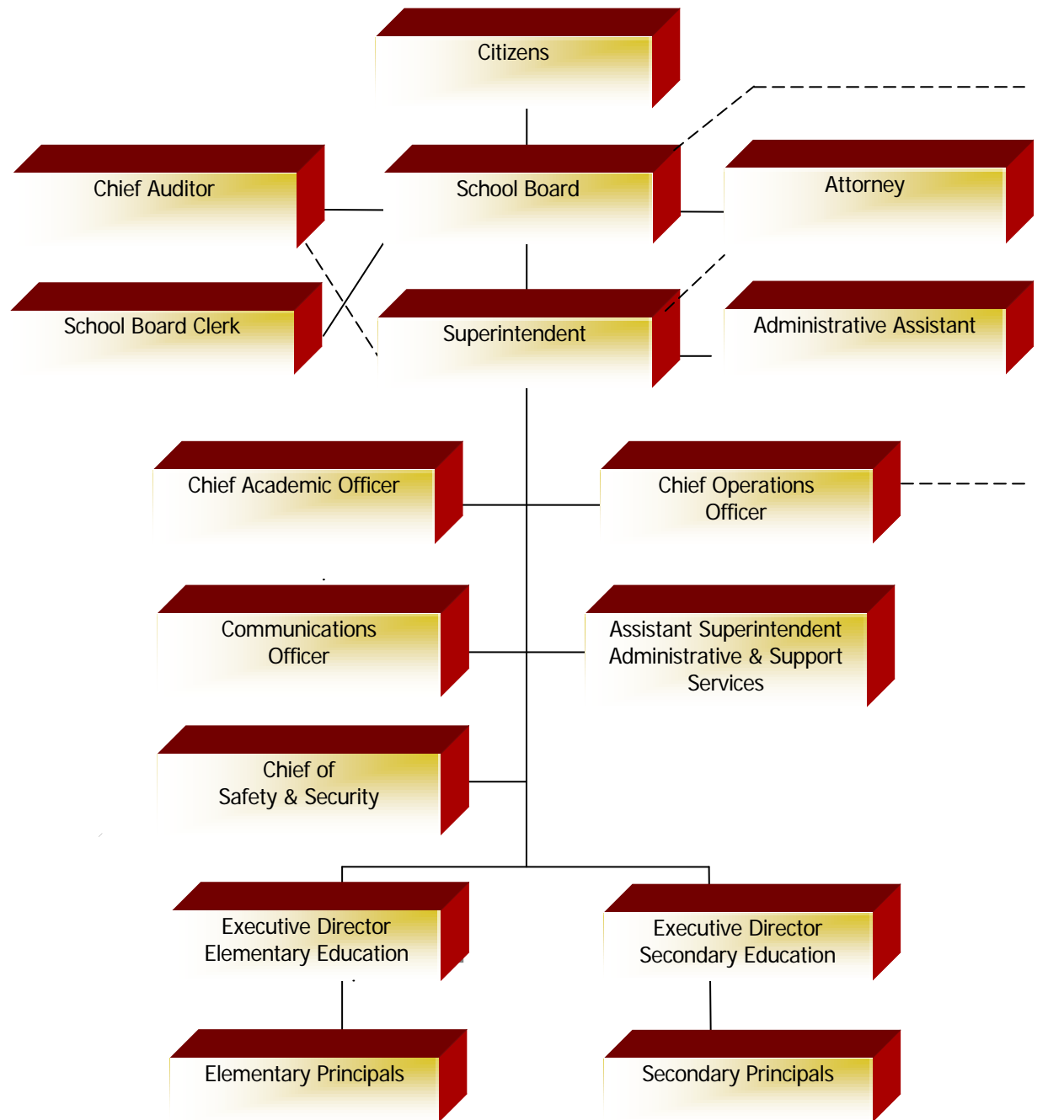
R. Dionne Ward, Ed.D.  
Executive Director  
Secondary Education / Deputy Agent

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

Keith Brown, CGFM  
Director  
Finance

Debora R. Johns, CGAP  
Chief Auditor

# ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
The School Board  
of the City of Richmond  
Virginia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

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

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2009

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

*Eric Green*

President

*John D. Mueser*

Executive Director





## Financial Section

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**KPMG LLP**  
Suite 2000  
1021 East Cary Street  
Richmond, VA 23219-4023

## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Richmond, Virginia (the School Board), a component unit the City of Richmond, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the 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, 2010, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis and budgetary comparison schedule on pages 5 through 16 and pages 55 through 59, respectively, and the funding trend information on pages 60 through 62 are not required parts of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The Other Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Other Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the Introductory and Statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

KPMG LLP

December 30, 2010



## Management's Discussion and Analysis

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

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

It is an honor to present to the Citizens of the City of Richmond, Virginia (the City) this report of the financial performance of the School Board of the City of Richmond (the School Board). This section of the Comprehensive Annual Financial Report (CAFR) presents management's discussion and analysis of the overall financial performance of the School Board's financial activities for the fiscal year (FY) ended June 30, 2010. 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 2010**

- The School Board's net assets (assets less liabilities) on a government-wide basis (i.e., for the School Board "taken as a whole") were \$9.0 million at June 30, 2010, down \$3.2 million from \$12.2 million at June 30, 2009. Of the \$9.0 million in net assets, \$8.4 million was restricted by outside parties (primarily for capital projects) and \$4.6 million invested in capital assets net of related debt, leaving unrestricted negative net assets (after considering all School Board liabilities) of (\$4.0) million.
- The School Board's total revenues of \$323.2 million in fiscal 2010 represented a decrease of \$11.9 million or 3.5 percent compared to fiscal 2009 revenues of \$335.1 million. Total revenues consisted of program revenues, which decreased by \$2.0 million, and general revenues, which decreased by \$9.9 million. Of the \$2.0 million decrease in program revenues, charges for services, capital grants, and contributions accounted for \$2.8 million, which were offset by an increase of \$800 thousand in state and federal operating grants (see the "Summary of Government-wide Revenue" on page 10 and the "Summary of Changes in Net Assets" on page 12).
- The School Board's total expenses of \$326.4 million in fiscal 2010 represented an increase of \$1.4 million or .42 percent more than fiscal 2009 expenses of \$325.0 million. Instruction accounted for 77.4 percent of total expenses or \$252.7 million; a decrease of \$574 thousand. Instruction salaries and benefits, including instructional technology, accounted for \$203.8 million, 80.7 percent of total instruction. The additional 19.3 percent in instructional expense was for other educational services to enhance student achievement. Support services accounted for 22.6 percent of total expenses or \$73.7 million, an increase of \$2.0 million. This increase was partially attributable to an increase of \$3.3 million in major repair projects and capital improvement projects, related to completion of remediation and remodeling projects to make school facilities accessible to all citizens, and an increase in administrative and transportation services of \$2.0 million, offset by reductions in expenses for the delivery of health services, nutrition services and facility operations and maintenance totaling \$3.3 million (see the "Summary of Government-wide Expenses, by Function" on page 11; and the "Summary of Changes in Net Assets" on page 12).



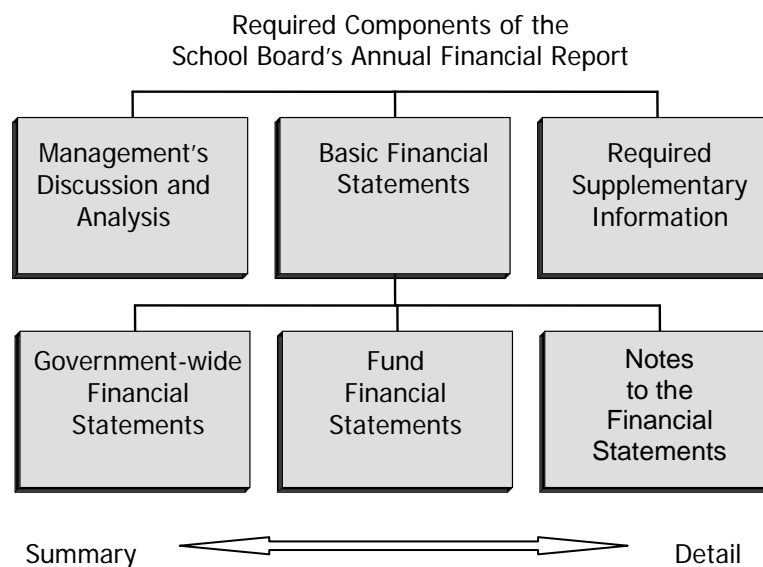
**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

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- The annual change of (\$3.2) in the School Board's total net assets resulted from (1) the net change in total fund balances for all governmental funds for the year, which for FY10 was a decrease of \$870 thousand, as shown on Exhibit E, and which resulted from its current year (short-term) budgeted operations, and (2) the change in capital assets and non-current liabilities due in more than one year. As shown on Exhibit F, the School Board's non-current liabilities due in more than one year increased by \$8.5 million in FY10 and the capital assets net increase was \$6.2 million. Overall, net assets for the School Board, taken as a whole, decreased by \$3.2 million in FY10 (see the discussion of unrestricted net assets under "Government-wide Statements" on page 7).
- The School Board's General Fund reported a fund balance of \$21.5 million, an increase of \$314 thousand, or 1.5 percent up from \$21.2 million at June 30, 2009. Of the \$21.5 million, a total of \$14.0 million is reserved primarily for payments to vendors required upon future delivery of goods and services, and legal obligations, leaving an unreserved General Fund balance of \$7.5 million at June 30, 2010. This amount is available to the School Board to fund its noncurrent liabilities due in more than a year, which totaled \$33.8 million at June 30, 2010, or to meet shorter-term objectives, and has been designated in its entirety to meet future instructional and operational initiatives, obligations and contingencies. Therefore, future School Board operations will require future General Fund appropriations to fund its long-term obligations as they mature (see the discussion of unreserved fund balances under "Fund Financial Statements"- Governmental Funds on page 8).

## OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

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

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

### GOVERNMENT-WIDE STATEMENTS

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

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

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

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

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

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

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the School Board’s most significant 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) reserved (representing short-term assets, such as inventory of material and supplies, which have already been spent, or assets which are legally segregated for specific future uses, such as encumbrances for outstanding purchase orders), or (2) unreserved (currently available for expenditure). Because governmental fund information does not encompass the long-term focus of the government-wide statements, additional information is presented in Exhibits D and F to explain the differences between the two sets of financial statements.
- **Fiduciary Funds** – The School Board is the trustee, or *fiduciary*, for its employees’ *Early Retirement Incentive Pension Plan*. In addition, the School Board uses *Agency Funds* to report resources held by it in a purely custodial capacity (in which the assets equal the liabilities) and involve only the temporary receipt, investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. The School Board’s only agency funds are the *Maggie L. Walker Governor’s School for Government & International Studies* and the *MathScience Innovation Center*, which are regional educational consortiums for which the School Board serves as fiscal agent, and the *School Activity Funds* held at various schools. Management of the School Board shares responsibility with the management of these agencies (which is primarily responsible) for ensuring that the assets reported in these funds are used for their intended purposes. All of the School Board’s fiduciary activities are reported in the separate *Statement of Fiduciary Net Assets* and the *Statement of Changes in Fiduciary Net Assets*. The School Board excludes these activities from its government-wide financial statements because the School Board cannot use these assets to finance its operations.

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

## REPORTING THE SCHOOL BOARD AS A WHOLE

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

The following table presents a condensed Summary of Net Assets:

<b>Table 1</b> <b>Summary of Net Assets</b> <b>(in millions of dollars)</b>				
	<b>Governmental Activities</b>		<b>Change</b>	<b>Total Percentage Change</b>
	<b>2010</b>	<b>2009</b>	<b>2009-2010</b>	<b>2009-2010</b>
<b>Assets:</b>				
Current and other assets	\$ 80.3	\$ 77.8	2.5	3.2 %
Capital assets, net	11.2	5.0	6.2	124.0
Total assets	91.5	82.8	8.7	10.5
<b>Liabilities:</b>				
Long-term liabilities	33.8	25.3	8.5	33.6
Other liabilities	48.6	45.3	3.3	7.3
Total liabilities	82.4	70.6	11.8	16.7
<b>Net assets:</b>				
Invested in capital assets, net of related debt	4.6	5.0	(0.4)	(8.0)
Restricted	8.4	10.2	(1.8)	(17.6)
Unrestricted	(4.0)	(3.0)	(1.0)	33.3
Total net assets	\$ 9.0	\$ 12.2	(3.2)	(26.2)

## DISCUSSION OF GOVERNMENT-WIDE NET ASSETS

As reflected in Table 1 above, the School Board's total net assets decreased by \$3.2 million to \$9.0 million between fiscal years 2009 and 2010. This decrease was primarily as a result in:

- An increase in total assets of \$8.7 million resulting from an increase in current assets of \$2.5 million, which includes a total increase of \$9.5 million in receivables and due from other governments, primarily relating to federal grants under the American Recovery and Reinvestment Act (Recovery Act) and Title I programs; netted against a decrease in equity in cash with the City and cash in banks of \$4.8 million; a decrease in amounts held in cash with third-party health claims administrators of \$2.3 million; a decrease in inventory of \$7 thousand; and a decrease of \$251 thousand in prepaid items. Capital assets increased by \$6.2 million as a result of the acquisition of energy and water savings equipment as part of an energy efficiency audit which identified potential operational savings for ten school buildings.

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

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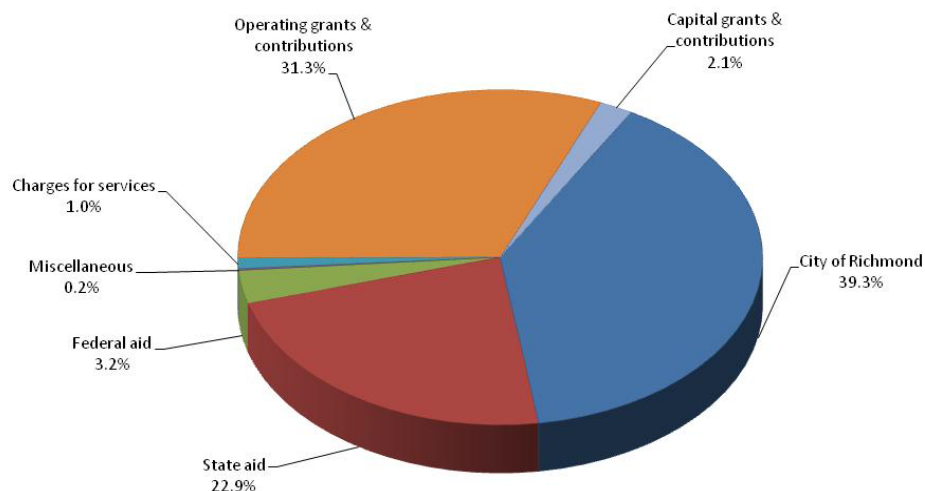
- An increase of \$8.5 million in liabilities due in more than one-year, as a result of: increases in long-term liabilities for vacation and sick pay benefits of \$684 thousand; an increase of \$292 thousand in the net pension obligation; \$3.4 million increase for other post-retirement employee benefits; and an increase of \$6.2 million from the acquisition of energy improvement assets under a capital lease. These increases were offset by decreases in estimates for self-insured worker's compensation of \$1.7 million, a decrease in estimates for the final year of self-insured health care of \$61 thousand and a decrease of \$405 thousand in the capital lease liability for school buses, which will be paid off in FY2011.
- An increase in other liabilities related to vendor payments and accrued payroll salaries, wages and payroll taxes, of \$3.1 million netted against a decrease of \$267 thousand, related to the estimated liability for incurred but not reported health care claims, which will be paid within one year.

Of total net assets, \$4.6 million is invested in capital assets (vehicles and equipment), net of related debt, \$7.6 million is restricted for capital projects by ordinance of the City and \$887 thousand is restricted by third parties for Permanent Fund purposes, leaving an unrestricted net asset deficit of \$(4.0) million.

## SUMMARY OF GOVERNMENT-WIDE REVENUES

Table two following shows a visual representation of the major sources of School Board revenue, by percentages, for fiscal year 2010. Revenue sources, which originate from *Charges for Services, Operating Grants and Contributions*, and *Capital Grants and Contributions*, total 34.4 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 65.6 percent of School Board revenue and consist of appropriations from the City, aid from the Commonwealth of Virginia and the federal government, and an amount of miscellaneous revenues. As shown, the largest part of the School Board's general revenue comes from the City, followed closely by aid from the State.

Table 2  
Sources of Revenues for Fiscal Year 2010



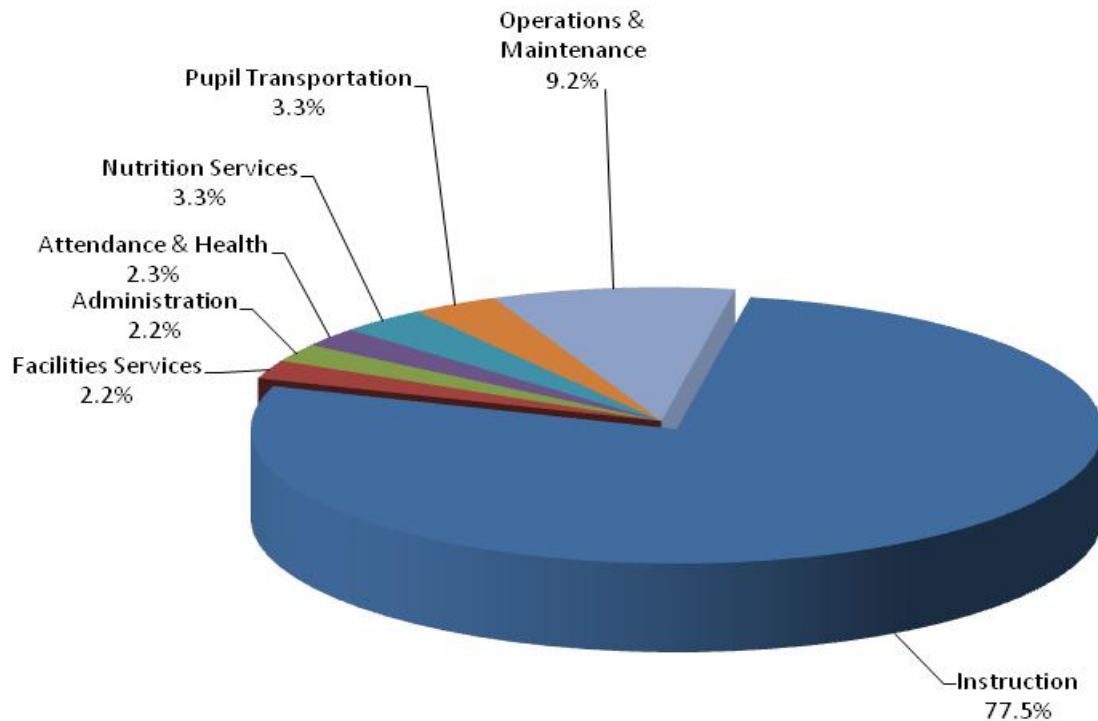
**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
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**SUMMARY OF GOVERNMENT –WIDE EXPENSES, BY FUNCTION**

Table three following shows a visual representation of the overall expenses of the School Board, by function, on a percentage basis for fiscal year 2010. As shown, the biggest part of the costs incurred in the School Board's programs, 77.5 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 9.2 percent. Accordingly, the costs to instruct students and to provide well-maintained and secure facilities amounted to 86.7 percent of all School Board costs. Directly related costs to transport, feed, and to track attendance and provide health services to our students amounted to 3.3 percent, 3.3 percent and 2.3 percent of total costs, respectively, totaling another 8.9 percent of costs. Finally, administrative costs were 2.2 percent and facilities services, which include major capital improvement projects, accounted for 2.2 percent of the total costs of School Board operations during fiscal year 2010.

**Table 3**  
**Functional Expenses for Fiscal Year 2010**



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

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

The following table presents a comparative condensed Summary of Changes in Net Assets:

<b>Table 4</b> <b>Summary of Changes in Net Assets</b> <b>(in millions of dollars)</b>				
	<b>Governmental Activities</b>		<b>FY 2010 Increase/ (Decrease)</b>	<b>Total Percentage Change 2009-2010</b>
	<b>2010</b>	<b>2009</b>		
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 3.2	\$ 3.5	\$ (0.3)	(7.2) %
Operating grants and contributions	101.3	100.5	0.8	0.8
Capital grants and contributions	6.7	9.2	(2.5)	(27.2)
Total program revenues	111.2	113.2	(2.0)	(1.7)
General revenues:				
Intergovernmental aid - unrestricted:				
City of Richmond	127.1	131.3	(4.0)	(3.2)
Commonwealth of Virginia	74.0	89.6	(16.0)	(17.4)
Federal government	10.3	0.7	10.0	1,326.7
Miscellaneous	0.6	0.2	-	188.5
Total general revenues	212.0	221.9	(9.9)	(4.5)
Total revenues	323.2	335.1	(11.9)	(3.5)
<b>Expenses:</b>				
Instruction	252.7	253.3	(0.6)	(0.2)
Support services:				
Administration	7.1	6.9	0.2	2.9
Attendance and health	7.6	7.9	(0.3)	(3.6)
Nutrition services	10.9	10.9	(0.0)	(0.4)
Pupil transportation	10.7	8.9	1.8	19.8
Operations and maintenance	30.1	33.1	(3.0)	(9.0)
Facilities services	7.3	4.0	3.3	83.4
Total support services expenses	73.7	71.7	2.0	2.8
Total expenses	326.4	325.0	1.4	0.4
Change in net assets	(3.2)	\$ 10.1	(13.2)	131.5
Net assets - July 1	12.2	2.1	10.1	
Net assets - June 30	\$ 9.0	12.2	(3.2)	

As the above table shows, the School Board's change in net assets decreased by \$13.3 million from fiscal year 2009 to fiscal year 2010. The decrease in the change in net assets was mainly attributable to:

- \$2.0 million decrease in program revenue, which includes a decrease in revenue from charges and services because of decrease in cafeteria food sales and a \$2.5 decrease in capital grants and contributions, which relate to City appropriations for capital improvements. Decreases in program revenue were offset by an increase of \$800 thousand in operating grants and contributions, primarily relating to grant funds received under the federal the Recovery Act to delivery educational services to pre-school children, homeless and displaced students, and to place technology in the classroom.



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

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- Increases totaling \$5.3 million in expenses for administration, transportation and facility improvements were offset by a \$3.9 million decrease in expenses for instruction, attendance and health services and operations and maintenance as a result of conscientious decisions to improve operational efficiencies, control spending and enhance accountability.

## **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 \$31.7 million at June 30, 2010, a decrease of \$870 thousand from last year.

- Of the combined fund balance, \$21.1 million was reserved, indicating that it was not available for new spending because it was already committed for items such as existing purchase orders and contracts of \$13.3 million, inventories of \$238 thousand, donor restricted funds of \$887 thousand, and \$6.7 million in obligations related to employment benefits and contracts and required reserves for self-insurance programs. The remaining \$10.6 million in fund balance constitutes unreserved fund balance, which is available for spending at the School Board's discretion.

The major components of the decrease fund balance are:

- At the end of fiscal year 2010, the General Fund unreserved fund balance was \$7.5 million after considering the \$14.0 million reserved for inventory, encumbrances and legal obligations. General fund revenues of \$256.1 million and other financing sources of \$6.2 million exceeded expenditures of \$254.1 million and other financing uses of \$6.2 million, less expenditures for transfers to other funds of \$1.7 million, which resulted in an increase in the general fund balance of \$314 thousand.

The primary reason for the \$314 thousand increase in the General Fund balance was a net decrease in revenue of \$13.2 million, before considering other financing sources. The decrease of \$13.2 million in revenue primarily resulted from a reduction in local and state appropriations of \$23.8 million, offset by an increase of \$10.4 million in federal revenue related to the Recovery Act.

General Fund current operating expenditures decreased by \$7.2 million, primarily due to elimination of vacancies, personnel adjustments, a 15 percent system-wide reduction in non-personnel costs and a decrease in the accrual for health care. The decrease in operating expenditures was offset by an increase in expenditures for capital outlay of \$4.8 million over last year, because of \$6.2 million in energy and water efficiency assets acquired through a capital lease agreement during FY 2010

- 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 \$1.3 million during FY 2010.
- The School Board's Capital Projects Fund reflected a decrease in fund balance of \$1.8 million due to a \$3.4 million decrease in City appropriations for capital projects offset by an increase of \$4.0 million used to complete school renovation and facility improvement activities within the current year. Fund balance reserved for encumbrances of \$4.6 million represents contractual obligations for work in progress on school renovation projects and the unreserved fund balance of \$7.6 million at June 30, 2010 will be used to complete approved capital projects in fiscal year 2011.

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
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- The School Board's Permanent Funds are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support specific School Board programs. Net investment income exceeded current operating expenditures during FY 2010, resulting in an increase in the fund balance of the Permanent Funds of \$67 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>Table 5</b> <b>General Fund Budgetary Highlights</b> <b>(in millions of dollars)</b>				
	<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>	\$ 3.5	\$ 10.8	\$ 7.3	\$ (3.5)
<b>Revenue Sources (inflows):</b>				
City of Richmond	127.1	127.1	127.1	-
Commonwealth of Virginia	121.3	117.5	114.7	(2.9)
Federal government	7.2	11.0	11.1	0.1
Miscellaneous	0.8	0.8	1.4	0.6
<b>Total amounts available for expenditure</b>	<b>259.9</b>	<b>267.2</b>	<b>261.5</b>	<b>(5.7)</b>
<b>Expenditures (outflows):</b>				
Personal services - salaries and wages	153.6	153.5	154.0	(0.6)
Employee benefits	58.3	58.3	55.3	3.0
Purchased services	15.1	17.8	16.5	1.3
Other charges	13.1	15.0	11.5	3.5
Materials and supplies	7.3	9.5	7.2	2.3
Other operating expenditures	2.2	2.3	1.2	1.1
Capital outlay	1.9	2.0	0.7	1.3
<b>Other financing uses:</b>				
Notes payable	0.5	0.9	0.5	0.4
Transfers out	8.0	8.0	7.2	0.8
<b>Total expenditures and other financing uses</b>	<b>259.9</b>	<b>267.2</b>	<b>254.2</b>	<b>13.0</b>
<b>Amounts available for expenditure over expenditures and other financing uses - budgetary basis</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7.3</b>	<b>\$ 7.3</b>

As shown on exhibit I, the actual amounts available for expenditures were \$7.3 million over final budget basis expenditures for FY 2010. Total revenue from the Commonwealth of Virginia was \$2.9 million below final budget, primarily attributable to: (1) a \$1.5 million decrease in sales tax revenue (2) a \$1.1 decrease in amounts contributed towards employee benefits, (3) a decrease of \$767 thousand in textbook revenues.

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
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Actual expenditures were under final budget basis expenditures by \$13 million. The major variance between the final budget and actual expenditures includes: \$3.0 million in employee benefits because of personnel adjustments, and a rate reduction for contributions made to the Virginia Retirement System and a reduction in the accrual amount required for health care at year end; \$3.5 in other charges, which includes a \$1.9 million savings in repairs and garage services for school buses as a result of integrating newer fleet in the previous fiscal year and \$1.8 million in utility savings; and a combined savings of \$4.7 million in material and supplies, other operating expenditures and capital outlay as a result of conscientious strategies to reduce spending in these areas.

During fiscal year 2010, the School Board amended the legally adopted budget at various times for the following purposes, as detailed on Exhibit I:

- To appropriate (add), approximately \$7.3 million to pay for commitments in the form of encumbrances established prior to July 1, 2009, 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, 2009, 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 2010, the School Board had invested \$11.2 million (see financial statement note 5) in vehicles (primarily school buses) and equipment, as reflected in Table 6 below:

<b>Table 6</b>				
<b>Capital Assets</b>				
<b>(In millions of dollars)</b>				
	<b>Governmental</b>		<b>Total</b>	
	<b>Activities</b>		<b>Percentage</b>	
	<b>2010</b>	<b>2009</b>	<b>Change</b>	
			<b>2009-2010</b>	
Vehicles, net	\$ 2.7	3.3	(0.6)	%
Other equipment, net	8.5	1.7	6.8	
Total	\$ 11.2	5.0	6.2	

This year's investment in capital assets included purchases of \$7.3 million for equipment, including \$6.2 million in energy and water efficient equipment and \$1.1 million in technology and other equipment. The City retains legal title to the land and buildings occupied by the School Board, and provide such assets, at no cost, to the School Board for its use. Consequently, these assets, including construction in progress, are only reported on the City's Statement of Net Assets. However, the School Board manages all construction contracts for school buildings, and capital appropriations from the City and the expenditure of those monies by the School Board for school construction and renovation are reported in the School Board's Capital Projects Fund.

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
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All debt related to the acquisition of the School Board's land and buildings is a liability of the City, and, accordingly, is not reflected in the School Board's basic financial statements. The School Board has no infrastructure capital assets. Information about the School Board's capital assets is presented in notes one and five to the basic financial statements. Contractual commitments totaling \$4.6 million in the Capital Projects Fund are disclosed in note 12.

## **LONG-TERM DEBT**

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

## **ECONOMIC FACTORS**

The fiscal year 2011 legally adopted General Fund budget is \$241.8 million, an \$18.1 million or 7.0 percent decrease from the fiscal year 2010 budget. The General Fund appropriation from the City is budgeted at approximately \$124.2 million, a decrease of \$2.9 million, or 2.3 percent under the actual fiscal year 2010 General Fund appropriation. Commonwealth of Virginia funds are budgeted at \$111.9 million, a decrease of \$9.4 million, or 7.8 percent.

During fiscal year 2010, the Commonwealth of Virginia (the Commonwealth) initiated certain responsive actions to the economic downturn that will affect the School Board. Through changes in certain actuarial assumptions for Virginia Retirement System (VRS) sponsored retirement plans, which were affected by legislation passed by the General Assembly, the Commonwealth was able to defer rate increases requested by the VRS Trustees, and an increase in the local employer share of these pension contributions was similarly deferred. The impact of these deferrals reduced pension related costs of the School Board in fiscal year 2010 and will decrease pension related costs in fiscal year 2011. For fiscal year 2011, the expected VRS contribution rate for the School Board is decreased by 5.3 percent, from 14.9 percent to 9.5 percent. The legislation requires that this deferral of costs begin to be replenished starting in fiscal year 2012 and will continue until fully replenished in fiscal year 2021. In fiscal year 2012, the projected VRS rate for the School Board increases by 1.23 percent to 10.76 percent, which will cost the school district approximately \$1,600,000 more than in FY2011. Ultimately, it is likely that there will be significant increases in the local employer costs to be funded in order for VRS to meet its future payment obligations.

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



## Basic Financial Statements

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## **Government-Wide Financial Statements**



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

**Statement of Net Assets - Governmental Activities**

**June 30, 2010**

**Assets**

Equity in cash with the City of Richmond, Virginia	\$ 44,430,350
Cash on hand or in banks	385,110
Investments	1,128,359
Accounts receivable	282,266
Equity in cash with third-party health claims administrators	4,615,898
Due from other governments	29,174,309
Inventory of materials and supplies	237,657
Prepaid Items	54,989
Capital assets, net	<u>11,170,412</u>
<b>Total assets</b>	<b><u>\$ 91,479,350</u></b>

**Liabilities and net assets**

**Liabilities:**

Accounts payable	\$ 11,762,890
Accrued liabilities	24,246,229
Due to other governments and external parties	5,663,242
Unearned revenue	1,858,646
Noncurrent liabilities:	
Due within one year	5,100,963
Due in more than one year	<u>33,802,634</u>
<b>Total liabilities</b>	<b><u>82,434,604</u></b>

**Net assets:**

Invested in capital assets, net of related debt	4,563,292
Restricted for:	
Capital Projects	7,595,857
Permanent fund purposes - nonexpendable	203,471
Permanent fund purposes - expendable	683,056
Unrestricted	<u>(4,000,931)</u>
<b>Total net assets</b>	<b><u>9,044,746</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 91,479,350</u></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 )**

**Statement of Activities - Governmental Activities**

**For The Fiscal Year Ended June 30, 2010**

Functions/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 252,709,931	1,201,590	90,115,107	-	(161,393,234)
Support services:					
Administration	7,111,413	-	-	-	(7,111,413)
Attendance and health	7,574,018	-	-	-	(7,574,018)
Nutrition services	10,893,806	1,761,276	9,521,727	-	389,197
Pupil transportation	10,713,703	-	-	-	(10,713,703)
Operations and maintenance	30,130,034	285,389	1,653,814	-	(28,190,831)
Facilities services	7,301,134	-	-	6,695,973	(605,161)
Total support services	73,724,108	2,046,665	11,175,541	6,695,973	(53,805,929)
Total governmental activities	\$ 326,434,039	3,248,255	101,290,648	6,695,973	(215,199,163)
General revenues:					
Intergovernmental aid not restricted to specific purposes:					
City of Richmond, Virginia					127,102,268
Commonwealth of Virginia					74,016,676
Federal government					10,329,484
Miscellaneous					599,363
Total general revenues					212,047,791
Change in net assets					(3,151,372)
Net assets - July 1, 2009					12,196,118
Net assets - June 30, 2010				\$	9,044,746

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, 2010**

	General	Special Revenue	Nutrition Services	Capital Projects	Permanent	Total Governmental Funds
<b>Assets</b>						
Equity in cash with the City of Richmond, Virginia	\$ 44,430,350	-	-	-	-	44,430,350
Cash on hand or in banks	159,032	-	226,078	-	-	385,110
Investments	129,992	-	-	-	998,367	1,128,359
Accounts receivable	116,218	-	166,048	-	-	282,266
Equity in cash with third-party health claims administrators	4,615,898	-	-	-	-	4,615,898
Due from other governments	2,337,340	18,048,509	671,100	8,117,360	-	29,174,309
Due from other funds	12,472,561	-	2,513,632	-	-	14,986,193
Prepaid Items	54,989	-	-	-	-	54,989
Inventory of materials and supplies	169,267	-	68,390	-	-	237,657
<b>Total assets</b>	<b>\$ 64,485,647</b>	<b>18,048,509</b>	<b>3,645,248</b>	<b>8,117,360</b>	<b>998,367</b>	<b>95,295,131</b>
<b>Liabilities and fund balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 9,204,026	937,739	1,348,944	272,690	(509)	11,762,890
Accrued liabilities	25,838,233	3,007,654	501,305	-	-	29,347,192
Due to fiduciary external parties	5,662,742	-	-	-	-	5,662,742
Due to other funds	2,264,820	12,360,212	-	248,813	112,348	14,986,193
Deferred revenue	47,352	1,742,904	68,390	-	-	1,858,646
Advances from the City of Richmond, Virginia	500	-	-	-	-	500
<b>Total liabilities</b>	<b>43,017,673</b>	<b>18,048,509</b>	<b>1,918,639</b>	<b>521,503</b>	<b>111,839</b>	<b>63,618,163</b>
<b>Fund balance (deficit):</b>						
Reserved for:						
Inventories	169,267	-	68,390	-	-	237,657
Encumbrances	7,175,919	1,284,438	249,089	4,572,580	-	13,282,026
Legal Obligations	6,652,692	-	-	-	-	6,652,692
Permanent fund purposes	-	-	-	-	886,528	886,528
Unreserved, reported as:						
Designated:						
General Fund-Educational programs	3,270,096	-	-	-	-	3,270,096
General Fund - FY 2011 General Operating Budget	4,200,000	-	-	-	-	4,200,000
Nutrition Service Fund	-	-	1,409,130	-	-	1,409,130
Capital Projects Fund	-	-	-	3,023,277	-	3,023,277
Undesignated-Special Revenue Funds	-	(1,284,438)	-	-	-	(1,284,438)
<b>Total fund balances</b>	<b>21,467,974</b>	<b>-</b>	<b>1,726,609</b>	<b>7,595,857</b>	<b>886,528</b>	<b>31,676,968</b>
<b>Total liabilities and fund balances</b>	<b>\$ 64,485,647</b>	<b>18,048,509</b>	<b>3,645,248</b>	<b>8,117,360</b>	<b>998,367</b>	<b>95,295,131</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 Assets**

**June 30, 2010**

Total fund balances - governmental funds (Exhibit C)	\$ 31,676,968
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Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Capital assets used in Governmental Funds (note 5) are not financial resources and therefore are not reported as assets in the Governmental Funds' Balance Sheet. The cost of the assets, which consist of vehicles and equipment, is \$29,730,259 and the accumulated depreciation is \$18,559,847	11,170,412
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The portion of noncurrent liabilities due in more than one year applicable to the School Board's Governmental Funds (note 6) are not due and payable in the current period and accordingly are not reported as liabilities in the Governmental Funds Balance Sheet. At year-end, those liabilities consisted of:

Workers' compensation liability	(3,630,493)	
Compensated absences	(10,893,646)	
Net pension obligations	(2,280,190)	
Net OPEB obligations	(10,796,679)	
Capital leases	(6,201,626)	
		(33,802,634)

Total net assets - governmental activities (Exhibit A)	\$ 9,044,746
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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, 2010**

	General	Special Revenue	Nutrition Services	Capital Projects	Permanent	Total Governmental Funds
<b>Revenues:</b>						
Intergovernmental:						
City of Richmond, Virginia	\$ 127,102,268	-	-	5,387,520	-	132,489,788
Commonwealth of Virginia	116,051,338	7,715,894	243,218	-	-	124,010,450
Federal government	11,067,338	40,777,628	9,273,623	-	-	61,118,589
Donations and gifts	4,753	1,632,758	-	-	-	1,637,511
Charges for goods and services:						
Tuition and fees	839,189	751,509	-	-	-	1,590,698
Food sales	-	-	1,708,146	-	-	1,708,146
Investment income, net:						
Net increase in fair value of investments	-	-	-	-	45,137	45,137
Interest and dividend income	2,603	-	4,887	-	39,964	47,454
Miscellaneous	1,071,683	147,788	53,130	-	-	1,272,601
<b>Total revenues</b>	<b>256,139,172</b>	<b>51,025,577</b>	<b>11,283,004</b>	<b>5,387,520</b>	<b>85,100</b>	<b>323,920,374</b>
<b>Expenditures:</b>						
Current operating:						
Instruction	202,025,903	50,009,883	-	-	2,969	252,038,755
Support services:						
Administration	6,981,132	1,007	-	-	15,017	6,997,157
Attendance and health	6,439,732	1,019,644	-	-	-	7,459,376
Nutrition services	-	69,971	10,772,249	-	-	10,842,220
Pupil transportation	10,044,866	418,035	-	-	-	10,462,901
Operations and maintenance	28,446,228	1,245,327	-	-	-	29,691,555
Facilities services	143,586	5,537	-	-	-	149,123
<b>Total support services</b>	<b>52,055,544</b>	<b>2,759,522</b>	<b>10,772,249</b>	<b>-</b>	<b>15,017</b>	<b>65,602,332</b>
<b>Total current operating</b>	<b>254,081,447</b>	<b>52,769,405</b>	<b>10,772,249</b>	<b>-</b>	<b>17,986</b>	<b>317,641,087</b>
Capital outlay	6,201,626	-	-	7,149,021	-	13,350,647
<b>Total expenditures</b>	<b>260,283,073</b>	<b>52,769,405</b>	<b>10,772,249</b>	<b>7,149,021</b>	<b>17,986</b>	<b>330,991,734</b>
Excess (deficiency) of revenues over (under) expenditures	(4,143,901)	(1,743,827)	510,755	(1,761,501)	67,114	(7,071,360)
<b>Other financing sources (uses):</b>						
Transfers in (note 4)	-	1,743,827	-	-	-	1,743,827
Transfers out (note 4)	(1,743,827)	-	-	-	-	(1,743,827)
Capital leases	6,201,626	-	-	-	-	6,201,626
<b>Net change in fund balances</b>	<b>313,898</b>	<b>-</b>	<b>510,755</b>	<b>(1,761,501)</b>	<b>67,114</b>	<b>(869,734)</b>
Fund balances - July 1, 2009	21,154,076	-	1,215,854	9,357,358	819,414	32,546,702
Fund balances - June 30, 2010	<u>\$ 21,467,974</u>	<u>-</u>	<u>1,726,609</u>	<u>7,595,857</u>	<u>886,528</u>	<u>31,676,968</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)**

**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, 2010**

Net change in fund balances - total governmental funds (Exhibit E) \$ (869,734)

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Capital asset acquisitions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays, net of deletions of \$7,265,485 exceeded depreciation expense of \$1,092,093 in the period. 6,173,392

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>	<u>Amounts Incurred (Over) Under Financial Resources Used</u>
Workers' compensation	\$ 1,675,184
Compensated absences:	
Vacation pay	(540,873)
Sick pay	(142,725)
IBNR health claims liability	60,498
Net pension obligation (note 9(c)(iii))	(292,270)
Net OPEB obligation (note 10 ( c ) )	(3,418,711)
Capital leases:	
School buses	405,493
Energy improvements	<u>(6,201,626)</u>
Net amount incurred under financial resources used	<u>(8,455,030)</u>

Net reconciling items (2,281,638)

Change in net assets of governmental activities (Exhibit B) \$ (3,151,372)

See accompanying notes to basic financial statements.



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

**Statement of Fiduciary Net Assets**

**Fiduciary Funds**

**June 30, 2010**

	Employee Early Retirement Incentive Plan	Agency Funds
Assets:		
Cash on hand or in banks	\$ -	\$ 1,534,546
Investments - money market fund	1,855,001	-
Total investments	1,855,001	-
Accrued interest receivable	190	-
Accounts receivable		52,000
Due from other governments	-	148,098
Due from General Fund	-	5,662,742
Total assets	\$ 1,855,191	\$ 7,397,386
Liabilities:		
Accounts payable	-	308,293
Accrued liabilities	-	3,356,401
Amounts held for other organizations	-	3,732,692
Total liabilities	-	\$ 7,397,386
Net assets:		
Reserved for employee pension benefits	1,855,191	
Total net assets	\$ 1,855,191	

See accompanying notes to basic financial statements.

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

**Statement of Changes in Fiduciary Net Assets**

**Fiduciary Funds**

**For The Fiscal Year Ended June 30, 2010**

	Employee Early Retirement Incentive Plan
Additions:	
Contributions	\$ 4,000,000
Investment Income:	
Dividends	6,357
Total investment income	6,357
Total additions	4,006,357
Deductions:	
Benefits	4,636,578
Total deductions	4,636,578
Change in net assets	(630,221)
Net assets - July 1, 2009	2,485,412
Net assets - June 30, 2010	\$ 1,855,191

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, 2010**

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**(1) Summary of Significant Accounting Policies**

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

**(a) Financial Reporting Model**

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

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

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

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

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

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
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Activities reports all of the revenues and costs of providing services each year, including depreciation expense on the School Board's vehicles and equipment.

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

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

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

**(b) Financial Reporting Entity**

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

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

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
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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 \$1,544,000 to the Governor's School for the 2009-2010 school year. Complete financial statements for the Governor's School may be obtained from the Governor's School's administrative office at 1000 North Lombardy Street, Richmond, Virginia, 23220.

The MathScience Innovation Center (the Center) operates as an educational consortium and provides specialized training to students of the Counties of Chesterfield, Henrico, Hanover, Goochland, King William and Powhatan; the cities of Petersburg and Colonial Heights and the City. The Center is governed by a separate board that includes the school superintendent and one member of the School Board from the City and each of the counties noted above. The School Board is not financially accountable for the Center and has no continuing financial interest in the Center. The School Board made tuition payments approximating \$680,000 to the Center for the 2009-2010 school year. Complete financial statements for the Center may be obtained from the Center's administrative office at 2401 Hartman Street, Richmond, Virginia, 23223.

(c) **Basis of Presentation**

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

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

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

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

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

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in the Governmental Funds Balance Sheet also include amounts transferred from the General Fund and designated for capital projects.

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

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

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

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

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

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

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

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

**Governmental Fund Financial Statements** – Governmental funds are reported on the *flow of current financial resources measurement focus* and the *modified accrual* basis of accounting, wherein the focus is on the determination of, and changes in, financial position and only current assets and current liabilities are included on the Balance Sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual – that is, in the fiscal year in which they become both measurable and available to finance expenditures of the fiscal period. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. Approximately forty-one percent of the School Board's revenue is from City appropriation, approximately thirty-eight percent is from the Commonwealth of Virginia, approximately nineteen percent is from federal operating grants and the remaining two percent is from donations, tuition and fees. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Revenues from each specific type of nonexchange transaction are recorded as described above and when available. The School Board considers all revenues reported in the Governmental funds to be available if the revenues are collected within sixty days after year-end, except for revenues from reimbursement-based grants, which are generally considered available if received within one year after the fiscal year-end. Revenue from the City for capital projects is recognized at the period to which the City appropriation applies has begun. Expenditures are recognized in the accounting period when the related fund liabilities are incurred, if measurable, with the exception of governmental fund liabilities for sick and vacation pay, postretirement health care and dental benefits, and self-insurance claims, which are recognized as described in notes 1(m), (n) and (o), respectively. The current portion of the capital lease liability is considered paid from expendable available financial resources and therefore recorded as a liability of the current period.

(e) **Encumbrances**

An encumbrance system, under which purchase orders and contractual commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used as a part of the formal budgetary control system. Under GAAP, encumbrances outstanding at fiscal year end are reported as a reservation of fund balances in the Governmental Funds' Balance Sheet but do not constitute expenditures or liabilities of the current fiscal year for financial reporting purposes.

(f) **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,



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Nutrition Services and Fiduciary Funds includes cash on hand, checking and saving accounts, certificates of deposit and liquid investments, which generally have maturities of less than three months at the time of acquisition. Equity in cash with third party health claims administrators includes monies paid to insurance carriers in excess of claims incurred, which will be used to pay future health care and workers compensation claims.

**(g) 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.

**(h) 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.

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

The School Board capitalizes vehicles and equipment (capital assets) having a minimum useful life greater than one year and a cost of \$5,000 or more. Those assets, which have been acquired for general governmental purposes, are accounted for and reported in the Government-wide financial statements. Capital assets are stated at historical cost. Contributed capital assets are stated at their fair market value on the date received. Assets acquired through capital lease agreements are recorded at the present value of the minimum lease payments, as stated in the lease's amortization schedule. The School Board has no infrastructure capital assets. In addition, the City retains legal title to the land and buildings occupied by the schools and provides such assets, at no cost, to the School Board for its use; consequently, these capital assets (numbering 51 school building facilities with a net book value approximating \$66 million) are not included in the School Board's Government-wide financial statements. In addition, all long-term debt related to the acquisition of the school sites and buildings are a liability of the City and, accordingly, are not reflected in the financial statements of the School Board. Accumulated depreciation is reported as a reduction of capital assets in the Government-wide financial statements. Depreciation is computed using the straight-line method based upon estimated useful lives ranging from five years for office equipment and ten years for buses to thirty years for certain electrical equipment.

**(j) 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

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include transfers to meet grant-matching requirements and for other management purposes (see note 4).

**(k) Accrued Liabilities**

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

**(l) Deferred Revenue**

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

**(m) Vacation and Sick Pay**

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

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

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

**(o) Self-insurance Claims**

The School Board is self-insured for its workers' compensation, unemployment compensation, and health care benefit claims. 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 health care and workers' compensation claims (IBNR). The liabilities for IBNR health care 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 health care and workers' compensation claims liabilities are limited to the amounts

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expected to be paid from expendable available financial resources. Claims are reported in governmental funds only if they come due each period.

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

**(a) Cash in Banks**

At June 30, 2010, the carrying amount and the financial institutions' balances of the School Board's deposits with financial institutions applicable to governmental activities approximated \$385,000. In addition, the carrying amount of deposits with financial institutions held by the School Board's Fiduciary Funds totaled \$1,534,546 and the related financial institutions' balances totaled \$1,616,444. The difference of \$81,898 between the carrying amounts and the financial institutions' balances were attributable to outstanding checks, deposits in transit in student activity funds. The entire financial institutions' balances were protected by federal depository insurance or collateral held under the provisions of the Virginia Security for Public Deposits Act (the Act); Section 2.1-359 et seq. This Act requires financial institutions holding public deposits in excess of amounts covered by federal insurance to pledge collateral in the amount of 50 percent of excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by financial institutions.

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

The majority of the School Board's cash is pooled with the City's cash and investment pool and is reported as equity in cash with the City of Richmond, which totaled \$44,430,350 at June 30, 2010. Accordingly, information to categorize the School Board's equity in cash with the City, by level of risk assumed, is not available for disclosure. The City issues a publicly available Comprehensive Annual Financial Report, which includes a disclosure of all City investments by risk category and discloses that all City bank deposits are protected by federal depository insurance or collateral held under the Virginia Security for Public Deposits Act.

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

Equity in cash with third party health claims administrators of \$4,615,898 at June 30, 2010 includes the following: (i) \$4,297,364 of monies paid to insurance carriers in excess of claims incurred, earning monthly interest calculated at the 90 day treasury bill rate; which will be used to pay future health care claims, and (ii) \$318,534 of monies paid to a separate insurance carrier in excess of claims incurred, which will be used to pay future workers' compensation claims.

**(d) Investments**

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

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

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As of June 30, 2010, 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	\$ 347,297	\$ 347,297
Mutual Funds	628,956	651,069
Common Stocks	129,993	129,993
<b>Total</b>	<b>\$ 1,106,246</b>	<b>\$ 1,128,359</b>

Investments related to Permanent Funds include \$347,297 in money market funds and \$651,069 in mutual funds. Investments related to the General Fund include \$129,993 in common stocks.

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

Investment Type	Cost	Fair Value
Money Market Investments	\$ 1,855,001	\$ 1,855,001

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.

**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.

**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 portfolio investments in 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.

The School Board does not have a formal policy for interest rate risk or credit risk.

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**(3) Due From/To Other Governments**

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

The following is a summary of amounts due from other governments at June 30, 2010:

	Federal	State	City	Other	Total
Governmental Funds:					
General Fund	\$ 2,337,340	-	-	-	2,337,340
Special Revenue Fund	15,179,870	2,266,832	-	601,807	18,048,509
Nutrition Services Fund	671,100	-	-	-	671,100
Capital Projects Fund	-	-	8,117,360	-	8,117,360
Total	<u>\$ 18,188,310</u>	<u>2,266,832</u>	<u>8,117,360</u>	<u>601,807</u>	<u>29,174,309</u>
Statement of Fiduciary Net Assets:					
Agency Funds	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>148,098</u>	<u>148,098</u>

At June 30, 2010, the School Board's General Fund also had \$5,662,742 due to Fiduciary Fund and \$500 of advances from the City, all of which are included in due to other governments and external parties, totaling \$5,663,242 in the Statement of Net Assets.

**(4) Interfund Balances and Transfers**

In the Fund financial statements, interfund receivable and payable balances as of June 30, 2010 were:

Fund	Interfund Receivables	Interfund Payables
General	\$ 12,472,561	2,264,820
Special Revenue	-	12,360,212
Nutrition Services	2,513,632	-
Capital Projects	-	248,813
Permanent	-	112,348
Total	<u>\$ 14,986,193</u>	<u>14,986,193</u>

The balance of \$12,360,212 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

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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, 2010 were as follows:

Transfers In	Transfers Out (General Fund)
Special Revenue Fund	\$ 1,743,827
Total	<u>\$ 1,743,827</u>

**(5) Capital Assets**

Changes in capital assets during the fiscal year ended June 30, 2010 are summarized below:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets being depreciated:				
Vehicles	\$ 15,817,034	-	335,373	15,481,661
Other equipment	7,193,771	1,086,181	232,980	8,046,972
Energy and water equipment	-	6,201,626	-	6,201,626
Total being depreciated	<u>23,010,805</u>	<u>7,287,807</u>	<u>568,353</u>	<u>29,730,259</u>
Less: Accumulated depreciation				
Vehicles	12,495,540	663,133	335,373	12,823,300
Other equipment	5,518,245	428,961	210,658	5,736,548
Total accumulated depreciation	<u>18,013,785</u>	<u>1,092,093</u>	<u>546,031</u>	<u>18,559,847</u>
Capital assets, net	<u>\$ 4,997,020</u>	<u>6,195,714</u>	<u>22,322</u>	<u>11,170,412</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 112,745
Administration	22,560
Pupil Transportation	603,506
Operations and Maintenance	145,949
Nutrition Services	24,585
Technology	180,920
Facilities acquisition and improvements	1,827
Total	<u>\$ 1,092,093</u>

**(6) Capital Leases**

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

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The assets acquired through the capital lease are as follows:

Assets:	
School buses	\$ 1,370,786
Less: Accumulated depreciation	(185,309)
Total	<u>\$ 1,185,477</u>

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

Financing for the purchase of this equipment was structured through a lease-purchase transaction. The School Board entered into a Master Lease Purchase Agreement as lessee. The total amount financed was \$6,201,626, all of which remained outstanding at June 30, 2010. This capital lease is recorded at the present value of the future minimum lease payments as of the inception date, July 29, 2009. Substantially all of the assets were installed near fiscal year end 2010.

The assets acquired through the capital lease are as follows:

Assets:	
Energy and water equipment	\$ 6,201,626
Less: Accumulated depreciation	-
Total	<u>\$ 6,201,626</u>

The total future minimum lease obligations and the total net present value of the minimum lease payments as of June 30, 2010 are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>
2011	405,494	436,262
2012	24,743	469,343
2013	177,202	337,767
2014	224,097	312,701
2015	249,819	309,825
2016-2020	2,042,807	1,059,794
2021-2025	3,482,958	631,836
Present value of minimum lease obligations	<u>\$ 6,607,120</u>	<u>\$ 3,557,527</u>

**(7) Noncurrent Liabilities**

Changes in the total noncurrent liabilities during the fiscal year ended June 30, 2010 are summarized are the following page:

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	Amounts Payable at June 30, 2009	Increases	Decreases	Amounts Payable at June 30, 2010	Due Within One Year	Due in More Than One Year
Workers' compensation liability	\$ 5,708,594	1,062,420	1,675,184	5,095,831	1,465,338	3,630,493
Vacation pay liability	2,849,179	818,083	276,992	3,390,270	66,474	3,323,795
Sick pay liability	7,703,017	992,258	719,683	7,975,592	405,741	7,569,851
Incurred and incurred but not reported health claims liability	3,024,904	27,720,846	27,987,834	2,757,916	2,757,916	-
Net pension obligations	1,987,920	292,270	-	2,280,190	-	2,280,190
Net OPEB obligations	7,377,968	6,027,357	2,608,646	10,796,679	-	10,796,679
Capital leases- buses	870,786	-	465,292	405,494	405,494	-
Capital leases - energy improvements	-	6,201,626	-	6,201,626	-	6,201,626
Total	\$ 29,522,368	43,114,860	33,733,631	38,903,597	5,100,963	33,802,634

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

**(8) Lease Commitments**

The School Board leases buildings, classroom facilities and office equipment under various operating lease agreements, which are subject to annual appropriation of funds. Total costs for such leases approximated \$1,686,000 for the fiscal year ended June 30, 2010:

At June 30, 2010, the annual operating lease commitments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2011	2,008,649
2012	2,008,649
2013	1,890,657
2014	475,718
2015 and thereafter	475,718
Total minimum lease payments	<u>\$ 6,859,391</u>

**(9) Fund Balances**

The fund balances in the Governmental Funds' Balance Sheet have been classified to reflect the limitations and reservations placed on the respective funds by the School Board.

**(a) Reserved fund balances**

Those portions of the respective fund balances not available for appropriation or expenditure, or which are legally segregated for specific future uses are as follows:

- (i) Fund balance reserved for inventory of materials and supplies of \$237,657 indicates the portion of fund balance related to inventories, which are not otherwise available for appropriation and expenditure.



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- (ii) Fund balance reserved for encumbrances of \$13,282,026 represent future expenditures reserved consistent with valid purchase commitments with vendors.
- (iii) The fund balance reserved for legal obligations of \$6,652,692 represents amounts reserved for legal and contractual obligations primarily comprised of resources generated through federal reimbursements, which are committed to employment contracts (approximately \$509,000), amounts reserved for self-insured workers' compensation and unemployment funds (approximately \$790,000 and \$254,000 respectively) and amounts held in reserve for self-insured health and dental benefits of active employees (approximately \$5,100,000)
- (iv) The fund balance reserved for Permanent Funds of approximately \$887,000 represents amounts which are legally restricted to the extent that only earnings, and not principal, may be used for purposes supporting School Board programs.

(b) **Unreserved fund balances**

The remaining fund balances in the Governmental Funds' Balance Sheet are unreserved as follows:

- (i) Fund balance unreserved-designated in the General Fund for educational programs approximating \$3,271,000 represents financial resources generated by student fees, rental fees, local partnerships and Medicaid administrative claim activity, which are planned for use in the driver's education program, the Richmond Technical Center's print shop, the Richmond Technical Center's bookstore, the Arthur Ashe Center and for the delivery of special education and nursing services.
- (ii) Fund balance unreserved – designated in the General Fund for the FY 2011 General Operating budget of \$4,200,000, which was approved by City Council ordinance.
- (iii) Fund balance unreserved – designated for the Nutrition Service fund of \$1,409,130 in resources generated by food sales in the nutrition service fund to be used for investment in the nutrition service program.
- (iv) The unreserved-undesignated fund balance in the Capital Project Fund of \$3,023,277 are resources appropriated by the City to be used to complete approved school renovation and facility improvement projects.
- (v) The unreserved-undesignated fund balance deficit in the Special Revenue Fund of (\$1,284,438) is offset by equivalent amounts of fund balance reserved for encumbrances, as shown on Exhibit C. Both the encumbrances and the deficit result from outstanding purchase orders issued to fulfill obligations under various federal and state reimbursement-based grants, and will be liquidated by proceeds from the grants, as well as from local proceeds.

(10) **Defined Benefit Pension Plans**

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

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(a) **Virginia Retirement System**

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

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

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

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

(ii) **Funding Policy**

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

For professional employees participating in the VRS cost-sharing multiple-employer plan, the School Board's contributions for the years ended June 30, 2010, 2009 and 2008 were \$16,877,754, \$13,521,715 and \$15,199,342 respectively, and were equal to the required contributions. The School Board's contribution rate applicable to professional employees for the fiscal year ended June 30, 2010 was 8.81 percent of the annual covered payroll for the first nine months of the fiscal year and zero for the last three months. The School Board's contribution rate applicable to nonprofessional employees for the fiscal year ended June 30, 2010 was 6.97 percent of the annual covered payroll.

(iii) **Annual Pension Cost**

For the fiscal year ended June 30, 2010, the School Board's annual pension cost applicable to School Board nonprofessional employees of \$815,997 was equal to the School Board's required and actual contributions. The current required contribution was determined as part

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of the June 30, 2007 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, 2007 included (a) 7.5 percent investment rate of return, (b) projected salary increases between 3.75 percent and 5.60 per year, and (c) 2.5 percent per year cost-of-living adjustments. The School Board's funded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis over a five-year period.

**(iv) Trend Information**

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

<b>Three-Year Trend Information</b>				
Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of		
		APC Contributed	Net Pension Obligation	
2008	\$ 701,984	100.0	\$ -	-
2009	828,095	100.0	-	-
2010	815,997	100.0	-	-

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

As of June 30, 2009, the most recent actuarial valuation date, the actuarial value of the Plan assets was \$35,311,273. The Plan was 88.4 percent funded. The actuarial accrued liability for benefits was \$39,934,275, resulting in an unfunded actuarial liability (UAAL) of \$4,623,002. The covered payroll was \$12,049,789 and the ratio of the UAAL to the covered payroll was 38.4 percent. The schedule of funding progress, presented as required supplementary information following the notes the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The method of valuing the School Board's assets is intended to recognize a smoothed market value of assets. Under this method, the difference between actual return on market value is recognized over a five-year period. Previously, the resulting actuarial value of assets could not be less than 80 percent or more than 120 percent of the market value of assets. The June 30, 2009 valuation reflects a change to the asset valuation method. VRS has elected to suspend this corridor for the current valuation.

The actuarial value of the Plan's assets at June 30, 2009 without the corridor is \$35,311,273.

**(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

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not covered by the VRS) and provides retirement benefits as well as disability benefits. The RRS plan is administered by the Richmond Retirement System Board of Trustees. The City Council is responsible for establishing benefit provisions and funding requirements. Benefits vest after five years of service, and the City pays the entire cost of the plan. The School Board reimburses the City for contributions made on its behalf. Employees do not make contributions to the plan.

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

**(ii) Funding Policy**

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

During the fiscal year ended June 30, 2010, the School Board contributed 20.4 percent of annual covered payroll. The School Board's contributions to the RRS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$348,866, \$348,440 and \$327,410 respectively, and were equal to the required contributions for each year.

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

**(i) Plan Description**

The Plan is a legally separate single-employer defined benefit pension plan established in fiscal year 1995 under Section 51.1-800 of the *Code of Virginia* (1950), as amended, to provide early retirement benefits for eligible School Board employees. The School Board is the sole participating employer in the Plan, functions as the Plan administrator, and has authority to establish and amend its contribution requirements and benefit provisions. The Plan does not issue a stand-alone financial report.

The School Board has an actuarial valuation of the Plan prepared biennially using the individual entry age normal actuarial cost method. The actuarial value of the Plan's assets was determined using a market value method. The Plan's unfunded actuarial accrued liability is amortized using the level dollar method over an open amortization period of four years. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 3.5 percent per year compounded annually, (b) projected salary increases of 3.75 percent per year.

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

Active employees eligible for benefits	480
Retirees currently receiving benefits	<u>428</u>
Total	<u><u>908</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.
- Option C – The participant must provide services for 1/2 an academic year (105 days) and will receive 35 percent of final annual compensation each year for 3 years.

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

Effective July 1, 2005, the above benefit structure of the Early Retirement Incentive Plan was frozen. RPS employees eligible to retire under the Early Retirement Incentive Program as of June 30, 2005 who had submitted an application by March 31, 2005 were also entitled to receive the benefits under the Plan as described above. Some employees who have substantial service with RPS may be entitled to a transition benefit as described below:

Transition Benefit:

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

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- (a) 30 - years of service: fifty percent (50%) of final pay in the last twelve (12) months paid evenly (twelve and one-half percent (12.5%) annually) over the first four (4) years of retirement.
- (b) 20 to 29 years of service: thirty percent (30%) of final pay in the last twelve (12) months paid evenly (seven and one-half percent (7.5%) annually) over the first four (4) years of retirement.
- (c) Less than 20 years of service: no transition benefit. Final pay shall be limited to the maximum pay of the highest teacher scale with master's degree plus thirty (30) credit hours beyond master's degree (ten (10) month contract employee).

**403(b) Matching Plan:**

Effective August 1, 2005, employees may participate in a 403(b) matching plan. The 403(b) matching plan covers all employees who serve in a contractual annual salary position with RPS. Employees are entitled to defer from one percent (1%) to fifty percent (50%) of eligible pay (base salary plus contractual supplements) but not in excess of Internal Revenue Code annual deferral limits. The RPS contribution provides a match of employee voluntary deferrals equal to twenty percent (20%) of the salary deferral up to three percent (3%) of pay. RPS contributions are posted on participant accounts monthly. The School Board made contributions of approximately \$409,000 during the fiscal year ended June 30, 2010.

**(ii) Funding Policy**

The entire cost of Plan benefits is borne by the School Board. The School Board's policy is to make Plan contributions based on actuarially determined amounts sufficient to provide the required Plan benefits. Over time, the School Board's contributions to the Plan should approximate the cumulative annual required contributions (ARC's) determined by biennial actuarial valuations. However, the actual contributions made may differ from the annual required contributions. Since the inception of the Plan, the cumulative required annual contributions have exceeded the actual contributions made to the Plan, which has resulted in the recognition of a noncurrent net pension obligation (NPO) totaling \$2,280,190 in the Government-wide Statement of Net Assets. Substantially all investment and administrative costs of the Plan are borne by the General Fund.

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(iii) **Annual Pension Cost**

The School Board's annual pension cost for the fiscal year ended June 30, 2010, and its net pension obligation to the Plan at June 30, 2010, was as follows:

Actuarially determined contribution	\$	4,716,000
Interest on net pension obligation		149,094
Adjustment to annual required contribution		<u>(572,824)</u>
Annual pension cost		4,292,270
Contributions made		<u>(4,000,000)</u>
Increase in net pension obligation		292,270
Net pension obligation – beginning of year		<u>1,987,920</u>
Net pension obligation – end of year	\$	<u><u>2,280,190</u></u>

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

Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligations
2008	3,412,247	111.4	2,623,008
2009	5,840,597	110.9	1,987,920
2010	4,292,270	93.2	2,280,190

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

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

As of the most recent actuarial valuation, the plan was 16.6 percent funded. The actuarial accrued liability for benefits of \$11,182,465 and the actuarial value of assets was \$1,855,191 resulting in an unfunded actuarial liability (UAAL) of \$9,327,274. The covered payroll was \$25,524,938, and the ratio of the UAAL to the covered payroll was 36.5 percent.

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

**(11) Postretirement Health and Dental Benefits**

(a) **Plan Description**

The School Board provides certain postretirement health and dental care medical benefits to retired employees, their spouses and widows up to the age of 65 through the School Board's group health

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insurance plan, which covers both active and retired employees. The plan is a defined benefit plan, and substantially all of the employees may become eligible for those benefits if they retire while working for the School Board.

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, 2010:

Active participants	3,274
Inactive participants (retired or disabled)	683
Spouses and widows of retired and disabled participants	116
Total	<u>4,073</u>

The other postemployment benefit plan is not separately audited.

**(b) Funding Policy**

Currently, the School Board pays for and reports retiree medical benefits on a “pay as you go” basis, which is the practice of paying for these benefits as they become due each year. The School Board’s share of contributions is between 38 and 58 percent of the total insurance premiums, based on annual rates approved as a part of the adopted budget. For the fiscal year ended June 30, 2010, the School Board’s share of those payments was \$2,608,646.

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

The School Board’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC). The Projected Unit Credit Method was used to calculate the ARC and related information using a 3.5 percent discount rate and an annual projected increase in medical rates of 10 percent. The ARC consists of the normal cost plus amortization of the unfunded actuarial accrued liability (UAAL), which used a level dollar amount over a 30-year amortization period.



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The following table shows the School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the School Board's net OPEB obligation for healthcare and dental benefits for the year ended June 30, 2010:

Amortization of UAAL over 30 years	\$ 6,182,437
Normal cost at beginning of year	221,339
Interest	(376,419)
Annual Required Contribution	6,027,357
Contributions made	(2,608,646)
Increase in net OPEB obligation	3,418,711
Net OPEB obligation – beginning of year	7,377,968
Net OPEB obligation – end of year	\$ 10,796,679

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

Fiscal Year Ended June 30	Annual OPEB Cost (ARC)	Actual Contributions	Percentage Contributed	Net OPEB Obligation
2008	7,584,357	3,256,605	42.9	4,327,752
2009	6,013,492	2,963,276	49.3	7,377,968
2010	6,027,357	2,608,646	43.3	10,796,679

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

As of June 30, 2010, the actuarial accrued liability for benefits totaled \$56,705,967 all of which was unfunded. The covered payroll totaled 161,840,397 and the ratio of the unfunded actuarial accrued liability was 35 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.

**(12) Commitments and Contingencies**

**(a) Litigation**

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

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**(b) Federal Award Programs**

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

**(c) Contractual Commitments**

At June 30, 2010, the School Board had contractual commitments designated and approximating \$3,023,000 in the Capital Projects Fund for various capital projects, all of which are included in the Capital Projects Fund's unreserved designated 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, 2010. In addition, certain School Board employees participate in the Richmond Retirement System (see note 10(b)).

The City provides various services to the School Board including vehicle maintenance, central telephone, central postage and certain data processing services, and charges the School Board based on fee schedules or time and expenses. The City also provides administrative office space in City Hall to the School Board for which the School Board is not charged. The City provides water and gas utilities for all Richmond Public Schools. In addition, the School Board purchases fuel for its bus fleet from the City and remits health insurance premiums for retirees covered under the Richmond Retirement System. The cost of these services provided by the City during fiscal year 2010 approximated \$5,278,000.

**(14) Risk Management**

The School Board is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School Board reports all of its risk management activities in its General Fund and pays all claims for retained risks from General Fund resources. The School Board maintains a comprehensive property and casualty policy, a commercial general liability policy, a comprehensive liability vehicle policy, and coverage for School Board errors and omissions, workers' compensation and employer's liability, and certain other risks with commercial insurance companies. The General Fund retains the risk up to \$350,000 for each workers' compensation claim and \$100,000 for each property damage claim, and retains the full risk for unemployment compensation and health care benefits.

All unemployment and health care 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

**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, 2010**

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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, 2010, the amount of claim liabilities was \$7,853,747 consisting of incurred but not reported health claims of \$2,757,916 and workers' compensation liabilities of approximately \$5,095,831.

This liability is the School Board's best estimate based on available information. Changes in the reported liability since June 30, 2009 are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Liability at Fiscal Year-End
2008 - 2009	\$ 7,849,821	26,826,744	25,943,067	\$ 8,733,498
2009 - 2010	\$ 8,733,498	28,783,266	29,663,018	\$ 7,853,747

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## Required Supplementary Information (unaudited)

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

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**  
**June 30, 2010**

**Exhibit I**

**Budgetary Comparison Schedule (Unaudited)**

**General Fund**

**For The Fiscal Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balances:				
Prior year unreserved fund balance, budgeted at July 1, 2009	\$ 3,500,000	3,500,000	-	(3,500,000)
Prior year fund balance reserved for encumbrances and other subsequently added to original budget	-	7,253,850	7,253,850	-
Total budgetary fund balances available				
for expenditure	3,500,000	10,753,850	7,253,850	(3,500,000)
Revenue sources:				
Intergovernmental:				
City of Richmond - appropriation	127,102,268	127,102,268	127,102,268	-
Commonwealth of Virginia:				
Department of Education:				
Employee benefits	8,435,616	8,435,616	7,352,782	(1,082,834)
Standards of Quality				
Basic aid	52,417,493	48,622,338	48,872,291	249,953
Textbooks	1,416,132	1,416,132	649,060	(767,072)
Education of the gifted	549,629	549,629	559,054	9,425
Vocational education	1,111,207	1,111,207	1,130,262	19,055
Special education	10,956,742	10,956,742	11,144,630	187,888
Remedial education	3,202,189	3,202,189	3,257,100	54,911
Categorical				
Special education - homebound payments	431,226	431,226	344,119	(87,107)
Visually handicapped	15,100	15,100	14,336	(764)
Lottery				
At risk	5,403,747	5,403,747	5,390,175	(13,572)
Enrollment loss	654,423	654,423	387,109	(267,314)
Foster children education	178,930	178,930	144,313	(34,617)
K-3 class size reduction	5,449,891	5,449,891	5,439,028	(10,863)
SOL algebra readiness	353,585	353,585	358,782	5,197
Virginia preschool initiative	3,086,464	3,086,464	3,027,821	(58,643)
Constructional & operating costs	1,085,757	1,085,757	1,308,034	222,277
Cultural transition - English as a second language	458,206	458,206	488,613	30,407
State sales tax	26,138,004	26,138,004	24,662,206	(1,475,798)
Other State Agencies	-	-	146,460	146,460
Total Commonwealth of Virginia	121,344,341	117,549,186	114,676,175	(2,873,011)
Federal government:				
State Fiscal Stabilization Fund	6,534,329	6,534,329	6,534,329	-
SFSF Basic Aid	-	3,795,155	3,795,155	-
Public Law 103-382	200,000	200,000	237,446	37,446
Army Reserve	380,000	380,000	442,025	62,025
Air Force	70,000	70,000	58,384	(11,616)
Other	4,500	4,500	-	(4,500)
Total federal government	7,188,829	10,983,984	11,067,339	83,355
Total intergovernmental revenues	255,635,438	255,635,438	252,845,782	(2,789,656)
Tuition	300,000	300,000	301,126	1,126
Miscellaneous revenues	492,500	492,500	1,057,491	564,991
Total revenues	256,427,938	256,427,938	254,204,399	(2,223,539)
Total amounts available for expenditure	\$ 259,927,938	267,181,788	261,458,249	(5,723,539)

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

(Continued)

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**  
**June 30, 2010**

**Exhibit I**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Personal services - salaries and wages	\$ 153,563,600	153,425,112	154,044,861	(619,749)
Employee benefits	58,315,443	58,269,619	55,309,255	2,960,364
Purchased services:				
Service contracts	2,488,336	4,033,546	2,074,325	1,959,221
Professional services	1,736,250	1,979,831	1,891,162	88,669
Tuition	5,347,680	5,517,343	7,221,799	(1,704,456)
Temporary services	341,727	364,324	241,491	122,833
Nonprofessional services	3,272,427	3,445,457	2,947,468	497,989
Repairs and maintenance	1,955,905	2,481,217	2,132,536	348,681
Total purchased services	15,142,325	17,821,718	16,508,781	1,312,937
Other charges:				
Advertising	119,800	117,500	96,245	21,255
Student transportation	628,795	658,651	968,640	(309,989)
Garage services	2,913,340	4,002,634	2,136,370	1,866,264
Transportation expense recovery - field trips	(3,200,000)	(3,480,000)	(4,040,392)	560,392
Warehouse service	1,000,000	1,326,414	1,264,709	61,705
Insurance	2,139,982	2,159,100	3,163,277	(1,004,177)
Utilities	7,185,000	7,116,564	5,348,485	1,768,079
Communications	1,785,005	2,352,858	2,003,270	349,588
Rentals	560,430	722,643	510,770	211,873
Total other charges	13,132,352	14,976,364	11,451,374	3,524,990
Materials and supplies:				
Supplies	6,066,149	6,877,616	5,002,661	1,874,955
Printing and binding	238,948	242,125	159,621	82,504
Books and periodicals	379,043	395,834	357,426	38,408
Textbooks	598,000	1,907,107	1,634,252	272,855
Other	47,700	47,700	38,778	8,922
Total materials and supplies	7,329,840	9,470,382	7,192,738	2,277,644
Other operating expenditures:				
Staff development	445,768	475,271	384,943	90,328
Dues and fees	254,485	250,008	212,457	37,551
Travel	343,545	345,647	207,949	137,698
Commencement	76,100	82,295	50,024	32,271
Awards	50,570	66,350	51,817	14,533
Contribution to School Activity Funds	295,580	305,866	286,743	19,123
Other	689,650	796,554	31,134	765,420
Total other operating expenditures	2,155,698	2,321,991	1,225,067	1,096,924
Capital outlay:				
Land & Building Improvements	5,000	6,500	625	5,875
Equipment additions	1,728,833	1,047,097	470,918	576,179
Equipment replacement	125,644	942,690	269,347	673,343
Total capital outlay	1,859,477	1,996,287	740,890	1,255,397
Total expenditures	\$ 251,498,735	258,281,473	246,472,966	11,808,507

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

(Continued)

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**  
**June 30, 2010**

**Exhibit I**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing uses:				
Payments for Debt Service	\$ 450,000	921,112	504,178	416,934
Transfers out to Other Funds	7,979,203	7,979,203	7,208,023	771,180
Total other financing uses	8,429,203	8,900,315	7,712,201	1,188,114
Total expenditures and other financing uses	259,927,938	267,181,788	254,185,167	12,996,621
Amounts available for expenditure over expenditures, other financing uses and encumbrances - budgetary basis	\$ -	-	7,273,082	7,273,082

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

(Continued)



**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**  
**June 30, 2010**

**Exhibit I**

Amounts available for expenditure over expenditures, other financing uses and encumbrances - budgetary basis (Exhibit I)	\$ <u>7,273,082</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):	
Changes in fund balance reserved for encumbrances:	
The amount of the prior year fund balance reserved for encumbrances, which was added to the current year's original budget (a "budgetary fund balance"), is a budgetary resource, above, but is not a current year revenue for financial reporting purposes:	
Prior year fund balance reserved for encumbrances, added to original budget	(7,253,850)
Encumbrances at June 30, 2010 for supplies and equipment ordered but not received as of June 30, 2010 are reported in the fiscal year the order is placed and are included in actual expenditures (budgetary basis), but are not current year expenditures for financial reporting purposes:	
Current year fund balance reserved for encumbrances, included in budgetary basis expenditures	<u>7,175,919</u>
Net change in fund balance reserved for encumbrances	<u>(77,931)</u>
Net reconciling items - legally adopted budget	<u>(77,931)</u>
Net change in fund balance - legally adopted budget	7,195,151
Excess of revenues and other financing sources over expenditures and other financing uses for General Fund activities not included in the legally adopted budget, as amended	<u>-</u>
Net change in fund balance - General Fund (Exhibit E)	<u>313,898</u>
General Fund fund balance - July 1, 2009 (Exhibit E)	<u>21,154,076</u>
General Fund fund balance - June 30, 2010 (Exhibit E)	<u>\$ 21,467,974</u>

See accompanying note to Budgetary Comparison Schedule beginning on page 59

**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule – General Fund**  
**For the Period Ended June 30, 2010**

**(A) Budgetary Accounting and Reporting**

In accordance with U.S. Generally Accepted Accounting Principles (GAAP), the preceding Budgetary Comparison Schedule (the Schedule), which presents the School Board's original and final fiscal year 2010 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 \$7,253,850. Additionally, the final budget amounts include all other adjustments to the fiscal year 2010 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 2010 that remain outstanding at June 30, 2010. The Schedule also presents a reconciliation of the following (1) the amounts available for expenditure over expenditures, other financing uses and encumbrances – budgetary basis, and (2) the net change in fund balance of the General Fund, as presented on Exhibit E in accordance with GAAP.

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

The School Board did not receive any supplemental appropriations during fiscal year 2010. Revenues and expenditures in the Schedule do not reflect \$7,756,038 in debt service expenditures paid by the City during fiscal year 2010 on City debt incurred for construction and renovation of School Board occupied buildings.

See page 15 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 2010 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.

THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)  
June 30, 2010

Exhibit J

**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, 2010**

**(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) to the accompanying basic financial statements. GAAP requires presentation of this information in employer financial statements for the participation of employees in all agent multiple-employer plans, other than those using the aggregate actuarial cost method, (this plan uses the entry age normal actuarial cost method). This information is intended to help users assess the funded status of the plan and the progress made in accumulating sufficient assets to pay benefits when due.

SCHEDULE OF FUNDING PROGRESS						
	(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
6/30/2007	30,643,248	33,786,783	(3,143,535)	90.7%	12,457,171	-25.2%
6/30/2008	34,087,008	36,687,961	(2,600,953)	92.9%	11,657,708	-22.3%
6/30/2009	35,311,273	39,934,275	(4,623,002)	88.4%	12,049,789	-38.4%

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 9 to the basic financial statements.

THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)  
June 30, 2010

Exhibit K

**Required Supplementary Information (Unaudited)**  
**Early Retirement Incentive Plan for Employees of Richmond Public Schools**  
**Schedules of Funding Progress and Employer Contributions**  
**For the Period Ended June 30, 2010**

**(C) Pension Trend Data**

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

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

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

The following is a schedule of School Board contributions to the Plan for fiscal years ended June 30, 2005 through 2010:

<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS</b>			
<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contributions</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>
2005	3,899,673	2,900,000	74.4
2006	3,902,247	2,600,000	66.6
2007	4,503,932	6,600,000	146.5
2008	3,682,527	3,800,000	103.2
2009	6,012,676	6,475,685	107.7
2010	4,716,000	4,000,000	84.8

**THE SCHOOL BOARD OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**  
**June 30, 2010**

**Exhibit L**

**Required Supplementary Information (Unaudited)**

**Other Postretirement Employee Benefits**

**Schedules of Funding Progress and Employer Contributions**

**For the Period Ended June 30, 2010**

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

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

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

The following is a schedule of School Board contributions to the Plan for fiscal year ended June 30, 2010:

<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS</b>			
<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contributions</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>
2008	7,587,357	3,256,605	42.9%
2009	6,013,492	2,963,276	49.3%
2010	6,027,357	2,608,646	43.3%



## Other Supplementary Information

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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 Assets and Liabilities**

**Agency Funds**

**For the Fiscal Year Ended June 30, 2010**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<b>Assets:</b>				
Cash on hand or in banks	\$ 1,459,978	3,524,379	3,449,810	1,534,546
Accounts receivable	-	52,000	-	52,000
Due from other governments	100,953	148,098	100,953	148,098
Due from General Fund	2,901,384	5,662,742	2,901,384	5,662,742
<b>Total assets</b>	<b>\$ 4,462,315</b>	<b>9,387,219</b>	<b>6,452,147</b>	<b>7,397,386</b>
<b>Liabilities:</b>				
Accounts payable	310,122	308,292	310,122	308,292
Accrued liabilities	806,954	3,356,401	806,954	3,356,401
Amounts held for other organizations	3,345,239	3,732,693	3,345,239	3,732,693
<b>Total liabilities</b>	<b>\$ 4,462,315</b>	<b>7,397,386</b>	<b>4,462,315</b>	<b>7,397,386</b>

See independent auditors' report.

# Statistical Section (unaudited)

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

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

## **Financial Trends of the School Board of the City of Richmond, Virginia**

**Tables 1 – 7**

These tables contain trend information on the School Board’s financial performance and how the financial health of the School Board has changed over time

## **Demographic Information of the School Board of the City of Richmond, Virginia**

**Tables 8-15**

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 16-21**

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 22-23**

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 24-25**

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 26-30**

These tables offer demographic and economic indicators of the environment within which the City’s financial activities take place



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

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

**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Personnel Services	Employee Benefits	Purchased Services	Materials and Supplies
2001	127,408,980	47,711,375	9,303,295	8,070,506
2002	157,505,752	11,868,365	4,551,088	11,948,485
Fiscal Year Ended June 30 <sup>(1)</sup>	Instruction	Administration	Attendance and Health	Pupil Transportation
2003	153,337,613	10,958,866	4,504,800	9,760,587
2004	162,449,684	8,363,937	5,094,999	11,283,078
2005	182,378,384	8,977,565	5,505,809	10,922,444
2006	188,518,886	7,339,222	5,731,626	11,383,602
2007	201,484,145	7,998,608	6,437,839	10,226,603
2008	197,516,866	7,668,658	6,562,821	10,624,548
2009	204,784,983	6,835,463	6,759,101	10,672,021
2010	202,025,903	6,981,132	6,439,732	10,044,866

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

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

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

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

**Last Ten Fiscal Years**

<u>Occupancy and Transportation</u>	<u>Other Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
12,120,509	2,106,820	2,506,643	-	209,228,128
26,983,885	215,975	27,199,860	-	240,273,410
<u>Operations and Maintenance</u>	<u>Facilities Services</u>	<u>Total Operating Expenditures</u>		
28,593,274	203,052	207,358,192		
30,895,676	232,550	218,319,924		
32,560,617	222,572	240,567,391		
31,032,367	257,641	244,263,344		
31,695,834	524,239	258,367,268		
28,898,151	1,008,128	252,279,172		
31,360,502	850,285	261,262,356		
28,446,228	143,586	254,081,447		

**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
2001	111,468,828	93,341,371	473,825	1,655,884	206,939,908
2002	119,136,910	91,255,598	478,540	1,777,641	212,648,689
2003	121,087,528	93,269,381	679,688	2,159,841	217,196,438
2004	122,390,724	93,989,507	466,231	1,307,947	218,154,409
2005	125,586,825	111,175,999	709,843	1,846,454	239,319,121
2006	132,431,214	114,551,860	564,627	1,802,268	249,349,969
2007	132,026,487	126,438,392	587,780	1,493,490	260,546,148
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

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

**Table 3**

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

**NET ASSETS OF GOVERNMENTAL ACTIVITIES <sup>(1)</sup> (unaudited)**

**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	<b>Fiscal Year</b>							
	2003	2004	2005	2006	2007	2008	2009	2010
Current and other assets	\$ 63,055,434	62,347,433	49,708,327	50,051,777	54,805,167	68,402,094	77,830,965	80,308,938
Capital assets, net	5,687,394	5,741,139	5,389,541	5,071,394	4,548,199	3,904,881	4,997,020	11,170,412
Total assets	68,742,828	68,088,572	55,097,868	55,123,171	59,353,366	72,306,975	82,827,985	91,479,350
Long-term liabilities	14,927,161	17,053,368	16,784,773	18,579,050	16,829,031	22,014,825	25,347,604	33,802,634
Other liabilities	31,508,172	31,774,797	35,737,754	36,854,631	41,001,920	48,178,947	45,284,263	48,631,970
Total liabilities	46,435,333	48,828,165	52,522,527	55,433,681	57,830,951	70,193,772	70,631,867	82,434,604
Net Assets								
Invested in capital assets, net of related debt	5,687,394	5,741,139	5,389,541	5,071,394	4,548,199	3,904,881	4,997,020	4,563,292
Restricted	9,687,780	11,231,484	6,905,789	3,584,317	4,106,081	4,453,049	10,176,772	8,482,384
Unrestricted	6,932,321	2,287,784	(9,719,989)	(8,966,221)	(7,131,865)	(6,244,727)	(2,977,674)	(4,000,931)
Total net assets	\$ 22,307,495	19,260,407	2,575,341	(310,510)	1,522,415	2,113,203	12,196,118	9,044,746

<sup>(1)</sup> There is no comparative data prior to fiscal year 2002 when Richmond Public Schools implemented GASB 34

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

**Table 4**

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

**Changes in Net Assets <sup>(1)</sup> (unaudited)**

**Last Eight Fiscal Years**

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

<sup>(1)</sup> There is no comparative data prior to fiscal year 2002 when Richmond Public Schools implemented GASB 34

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

Fiscal Year 2005 Disaster Recovery Cost from Hurricane Gaston

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

**Table 5**

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

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

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 4,728,200	2,220,808	1,877,935	3,115,948	6,999,297	9,562,782	8,269,312	13,984,120	16,239,878	13,997,878
Unreserved	12,488,029	11,794,615	19,597,317	14,272,891	65,757	35,016	1,101,073	1,117,988	4,914,198	7,470,096
Total General Fund	17,216,229	14,015,423	21,475,252	17,388,839	7,065,054	9,597,798	9,370,385	15,102,108	21,154,076	21,467,974
All Other Governmental Funds										
Reserved	\$ 8,926,891	4,135,769	4,383,504	7,815,079	5,296,631	2,753,447	3,731,082	2,523,355	7,484,652	7,061,025
Unreserved, reported in:										
Grants Fund	(938,685)	(1,287,641)	(1,168,108)	(2,159,346)	(1,260,421)	(527,765)	(601,826)	(546,888)	(768,381)	(1,284,438)
Nutrition Services <sup>(1)</sup>	-	-	384,230	303,669	(183,272)	-	265,817	569,610	891,163	1,409,130
Capital Project Funds	456,618	4,084,112	6,472,384	7,224,395	3,052,581	1,373,666	1,037,788	2,574,962	3,785,192	3,023,277
Total All Other Governmental Funds	8,444,824	6,932,240	10,072,010	13,183,797	6,905,519	3,599,348	4,432,861	5,121,039	11,392,626	10,208,994
Total Fund Balances	<u>\$ 25,661,053</u>	<u>20,947,663</u>	<u>31,547,262</u>	<u>30,572,636</u>	<u>13,970,573</u>	<u>13,197,146</u>	<u>13,803,247</u>	<u>20,223,147</u>	<u>32,546,702</u>	<u>31,676,968</u>

<sup>(1)</sup> Nutrition Services was reported as an Enterprise Fund Fiscal Years 1998-2002

Source: Department of Budget and Financial Reporting-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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Intergovernmental	\$ 241,527,465	249,792,474	267,050,241	269,304,606	290,541,993	298,563,724	313,746,989	312,291,219	328,952,653	317,618,827
Donations and special gifts	3,557,076	1,761,284	1,371,995	1,312,360	880,096	990,762	1,234,438	1,044,433	2,643,217	1,637,511
Charges for goods and services	1,644,400	1,661,434	3,710,411	3,328,188	3,982,555	3,560,154	3,629,669	3,558,242	3,459,961	3,298,844
Investment income	30,202	-	30,803	63,880	68,769	105,227	142,521	8,831	(11,982)	92,591
Other	654,641	739,735	1,571,900	516,317	1,046,991	761,078	587,836	563,566	804,482	1,272,601
Total Revenues	<u>247,413,784</u>	<u>253,954,927</u>	<u>273,735,350</u>	<u>274,525,351</u>	<u>296,520,404</u>	<u>303,980,944</u>	<u>319,341,453</u>	<u>317,466,291</u>	<u>335,848,331</u>	<u>323,920,374</u>
<b>Expenditures</b>										
Instruction	\$ 236,537,760	191,701,298	192,758,505	202,200,645	224,211,876	231,003,751	245,909,810	241,452,173	250,197,514	252,038,755
Support Services	-	58,174,331	65,965,911	67,796,649	72,311,504	68,332,876	69,399,451	67,059,696	70,205,966	65,602,332
Capital Outlay	<u>15,468,933</u>	<u>9,150,811</u>	<u>5,256,126</u>	<u>5,502,683</u>	<u>11,586,928</u>	<u>5,417,745</u>	<u>3,426,091</u>	<u>2,534,521</u>	<u>4,492,082</u>	<u>13,350,647</u>
Total Expenditures	<u>252,006,693</u>	<u>259,026,440</u>	<u>263,980,542</u>	<u>275,499,977</u>	<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>
Excess (deficiency) of revenues over expenditures	(4,592,909)	(5,071,513)	9,754,808	(974,626)	(11,589,904)	(773,428)	606,101	6,419,901	10,952,769	(7,071,360)
<b>Other Financing sources (uses)</b>										
Proceeds from note payable to the City of Richmond	-	-	-	-	-	-	-	-	-	-
Proceeds from note payable to others	-	-	-	-	-	-	-	-	-	-
Transfers in	2,540,287	2,454,924	2,433,019	3,920,898	2,969,075	2,553,881	2,406,292	1,939,834	2,038,328	1,743,827
Transfers out to Primary Government <sup>(1)</sup>	-	-	-	-	(6,218,440)	-	-	-	-	-
Transfers out	(2,675,287)	(2,775,945)	(2,433,019)	(3,920,898)	(2,969,075)	(2,553,881)	(2,406,292)	(1,939,834)	(2,038,328)	(1,743,827)
Capital Lease	-	-	-	-	-	-	-	-	1,370,786	6,201,626
Total other financing sources (uses)	<u>(135,000)</u>	<u>(321,021)</u>	<u>-</u>	<u>-</u>	<u>(6,218,440)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,370,786</u>	<u>6,201,626</u>
<b>Extraordinary Item</b>										
Disaster recovery-Hurricane Gaston <sup>(2)</sup>	-	-	-	-	1,206,281	-	-	-	-	-
Net change in fund balances	<u>\$ (4,727,909)</u>	<u>(5,392,534)</u>	<u>9,754,808</u>	<u>(974,626)</u>	<u>(16,602,063)</u>	<u>(773,428)</u>	<u>606,101</u>	<u>6,419,901</u>	<u>12,323,555</u>	<u>(869,734)</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 of Budget and Financial Reporting-Comprehensive Annual Financial Report



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

**Schedule of Expenditures of Federal Awards  
Fiscal year ended June 30, 2010**

	Federal Catalog Number	Federal Expenditures/ Expenses
<b>DEPARTMENT OF DEFENSE</b>		
Direct Payments:		
Air Force ROTC		58,384
Army ROTC		442,025
Total Department of Defense		<u>500,409</u>
<b>DEPARTMENT OF AGRICULTURE</b>		
Direct Payments:		
Summer Food Service Program for Children	10.559	272,779
Passed Through Va. Department of Agriculture and Consumer Services:		
National School Lunch Program	10.555	394,428
Passed Through Virginia Department of Education:		
School Breakfast Program	10.553	2,438,948
National School Lunch Program	10.555	6,167,468
Fresh Fruit & Vegetables Program	10.582	69,971
Total Department of Agriculture		<u>9,343,594</u>
<b>DEPARTMENT OF EDUCATION</b>		
Direct Payments:		
Impact Aid	84.041	237,446
Fund for the Improvement of Education	84.215	45,147
Passed Through Virginia Department of Education:		
Adult Education - State Grant Program	84.002	362,520
Title I Grants to Local Educational Agencies	84.010	13,798,711
Title I Program for Neglected and Delinquent Children	84.013	25,437
Special Education - Grants to States	84.027	5,983,509
Career & Technical Education - Basic Grants to States	84.048	912,966
Special Education - Preschool Grants	84.173	120,373
Safe and Drug-Free Schools and Communities - State Grants	84.186	179,044
Fund for the Improvement of Education	84.215	300,892
Twenty-First Century Community Learning Centers	84.287	354,178
State Grants for Innovative Programs	84.298	1,569
Education Technology State Grants	84.318	248,984
Reading First State Grants	84.357	804,078
English Language Acquisition Grants	84.365	46,471
Improving Teacher Quality State Grants	84.367	2,062,603
School Improvement Grants	84.377	124,006
Education Technology State Grants, Recovery Act	84.386	211,053
Title I Grants to Local Educational Agencies, Recovery Act	84.389	5,815,650
Special Education - Grants to States, Recovery Act	84.391	1,517,853
Special Education - Preschool Grants, Recovery Act	84.392	8,368
State Fiscal Stabilization Fund (SFSF)-Education State Grants, Recovery Act	84.394	10,329,484
Passed Through Virginia Commonwealth University:		
Early Reading First	84.359	49,388
Passed Through the College of William and Mary:		
Education for Homeless Children and Youth	84.196	114,977
Education for Homeless Children and Youth, Recovery Act	84.387	106,728
Total Department of Education		<u>43,761,435</u>

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

**Schedule of Expenditures of Federal Awards  
Fiscal year ended June 30, 2010**

	<u>Federal Catalog Number</u>	<u>Federal Expenditures/ Expenses</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Direct Payment:		
Head Start	93.600	7,340,836
ARRA-Head Start	93.708	96,990
ARRA-Early Head Start	93.709	12,670
Passed Through Virginia Department of Social Services:		
Refugee and Entrant Assistance - Discretionary Grants	93.576	<u>9,407</u>
Total Department of Health and Human Services		<u>7,459,903</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>		
Passed Through Virginia Department of Emergency Services		
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	<u>53,249</u>
Total Department of Homeland Security		<u>53,249</u>
 Total Federal Awards		 <u>61,118,590</u>

**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
2000-2001	9,236
2001-2002	9,711
2002-2003	9,955
2003-2004	10,710
2004-2005	12,201
2005-2006	12,219
2006-2007	13,119
2007-2008	13,088
2008-2009	13,601
2009-2010	13,620 *

\* Projected Per Pupil Cost

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

**Attendance/Membership Statistics (Unaudited)****Last Ten Fiscal Years**

Fiscal Year Ended June 30	Year End Average Daily Attendance *	Year End Average Daily Membership*	Average Daily Attendance as a Percent of Average Daily Membership
2001	23,474	25,768	91.1%
2002	23,100	25,249	91.5%
2003	22,401	24,456	91.6%
2004	21,883	23,823	91.9%
2005	21,548	23,381	92.2%
2006	21,381	23,247	92.0%
2007	20,955	22,769	92.0%
2008	20,326	22,085	92.0%
2009	20,051	21,695	92.4%
2010**	21,183	22,994	92.1%

\* 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)**

**Last Ten Fiscal Years**

<u>Fiscal / School Year</u>	<u>Number Free</u>	<u>Percent Free</u>	<u>Number Reduced</u>	<u>Percent Reduced</u>	<u>Number Free / Reduced</u>	<u>Percent Free / Reduced</u>
2000 - 2001	16,281	57.8%	1,828	6.5%	18,109	64.3%
2001 - 2002	15,396	56.3%	2,109	7.7%	17,505	64.0%
2002 - 2003	15,426	57.7%	2,077	7.8%	17,503	65.4%
2003 - 2004	16,516	63.3%	2,363	9.1%	18,879	72.4%
2004 - 2005	15,811	61.6%	1,835	7.2%	17,646	68.8%
2005 - 2006	16,000	63.8%	1,527	6.1%	17,527	69.9%
2006 - 2007	16,408	66.8%	1,768	7.2%	18,176	74.0%
2007 - 2008	15,301	64.1%	1,628	6.8%	16,929	70.9%
2008 - 2009	15,146	64.8%	1,337	5.7%	16,483	70.6%
2009 - 2010	16,061	68.8%	1,449	6.2%	17,510	75.0%

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

**Table 11**

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

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

**Last Ten Fiscal Years**

<b>Function</b>	<b>Fiscal Year</b>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010*</u>
Instruction <sup>(1)</sup>	2,588.0	2,654.5	2,716.5	2,785.0	2,763.5	2,769.0	2,757.0	2,924.5	2,931.0	2,933.5
Support Services:										
Administration, Attendance & Health	238.0	226.5	238.3	221.5	239.6	220.6	208.1	208.6	198.5	206.5
Nutrition Services <sup>(2)</sup>	N/A	293.3	264.3	267.3	268.3	184.6	176.1	169.3	163.4	160.0
Pupil Transportation	275.0	275.3	278.3	275.3	276.3	291.3	271.3	257.1	261.3	242.9
Operations & Maintenance	438.0	448.0	445.3	451.3	455.3	474.3	490.3	488.3	403.0	399.0
Facilities	4.0	4.0	4.0	4.3	5.3	3.0	3.3	2.8	1.5	1.0
Technology <sup>(2)</sup>	37.0	40.3	30.3	40.3	41.3	48.3	48.3	44.5	68.0	71.0
Other instructional and support service personnel <sup>(3)</sup>	272.5	285.0	312.0	306.0	313.5	333.5	337.8	323.4	282.52	195.90
<b>Total</b>	<b>3,852.5</b>	<b>4,226.8</b>	<b>4,288.8</b>	<b>4,350.8</b>	<b>4,363.0</b>	<b>4,324.6</b>	<b>4,292.1</b>	<b>4,418.4</b>	<b>4,309.2</b>	<b>4,209.8</b>

\*2010 - as reported to the Virginia Department of Education on the 2010 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> Nutrition Services was not a Virginia Department of Education reporting function for FTE's prior to FY 2000 and Technology was not a Virginia Department of Education reporting for FTE's prior to FY 2001

<sup>(3)</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

**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**

<b>Fiscal Year</b>	<b>Elementary Teaching Positions (K-7)*</b>	<b>Elementary Teachers Average Annual Salary</b>	<b>Secondary Teaching Positions (8-12)*</b>	<b>Secondary Teachers Average Annual Salary</b>	<b>All Teaching Positions*</b>	<b>Average Annual Salary</b>
1999 - 2000	1,034.0	39,722	969.3	43,700	2,003.3	41,647
2000 - 2001	1,050.0	40,767	975.0	42,649	2,025.0	41,673
2001 - 2002	1,003.0	43,384	979.5	45,043	1,982.5	44,204
2002 - 2003	1,031.0	43,092	1,032.5	44,465	2,063.5	43,779
2003 - 2004	1,078.0	42,245	1,047.0	44,310	2,104.0	43,461
2004 -2005	1,072.8	45,439	1,024.8	46,013	2,097.5	45,720
2005 - 2006	1,325.4	45,808	791.6	45,988	2,117.0	45,875
2007-2008	1,105.2	47,712	1,063.3	49,661	2,168.5	46,822
2008-2009	1,374.4	48,492	779.4	51,010	2,153.8	49,751
2009-2010 <sup>(1)</sup>	1,397.4	47,575	839.1	51,456	2,236.5	49,516

\* Teaching Positions include: classroom teachers, guidance counselors, librarians and technology instructors

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

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

**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
1999-2000	1,034.0	16,840	16.3	969.3	8,525	8.8
2000-2001	1,050.0	17,590	16.8	975.0	7,586	7.8
2001-2002	1,003.0	16,924	16.9	979.5	7,593	7.8
2002-2003	1,019.0	16,623	16.3	1,028.5	6,491	6.3
2003-2004	1,062.0	16,011	15.1	1,042.0	Data unavailable	
2004-2005	1,057.8	15,474	14.6	1,018.8	6,503	6.4
2005-2006	1,311.4	15,224	11.6	781.6	6,677	8.5
2006-2007	1,251.0	14,696	11.7	945.0	7,756	8.2
2007-2008	1,094.5	14,309	13.1	1,054.0	7,567	7.2
2008-2009	1,364.0	14,133	10.4	769.0	7,453	9.7
2009-2010 <sup>(1)</sup>	1,385.9	16,027	11.6	827.6	7,427	9.0

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

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

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



**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	95	1983	55,623	22	440
Blackwell *	1999	10		83,251	32	800
Blackwell Primary (Round Building)	1967	42		37,512	20	500
Broad Rock	1936	73	1989	43,279	18	360
Carver	1888	121	1992	100,000	42	840
Cary, John B.	1953	56	1990	46,711	20	400
Chimborazo	1968	41		75,370	32	640
Clark Springs	1966	43	1996	50,376	20	400
Fairfield Court	1957	52	1990	44,398	27	540
Fisher, J. B.	1966	43	1969	44,222	16	320
Fox	1911	98	1922	58,260	17	340
Francis, J. L.	1968	41	1996	56,954	27	540
Ginter Park	1915	94	1981	60,371	24	480
Ginter Park Annex (Mary Scott)	1952	57	1981	47,507	19	380
Greene, E. S. H.	1955	54	1969	41,490	23	460
Holton, Linwood *	1999	10		80,548	32	640
Mason, George	1922	87	1980	67,048	29	580
Maymont	1957	52		35,959	18	360
Miles Jones *	1999	10		80,548	32	640
Munford, Mary	1950	59	1954	64,468	24	480
Oak Grove	1950	59	1986	42,041	18	360
Oak Grove Annex (Bellmeade)	1936	73	1986	28,100	11	220
Overby - Sheppard	1976	33	1996	49,300	25	500
Redd, Elizabeth	1951	58	1982	74,471	21	420
Reid, G. H.	1958	51	1969	64,964	38	760
Summer Hill Annex (Ruffin Road)	1965	44		11,390	7	140
Southampton	1959	50	1982	56,521	29	580
Stuart, J. E. B.	1921	88	1990	44,408	25	500
Summer Hill	1919	90	1986	37,282	19	380
Swansboro	1912	97	1982	48,183	17	340
Westover Hills	1955	54	1980	50,008	21	420
Woodville	1954	55	1985	76,928	31	620
<b>Total</b>					<b>756</b>	<b>15,380</b>

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

**Table 14**

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

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

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

<b><u>Middle Schools</u></b>						
Binford	1914	95	1926	98,013	27	540
Boushall	1986	23		128,530	42	840
Elkhardt	1941	68	1988	91,575	26	520
Henderson	1972	37		188,131	44	880
Hill, Albert	1925	84		81,152	30	600
Lucille Brown	1997	12		129,775	26	520
King (Includes Head Start & Round Bldgs)	1962	47		201,042	67	1,340
Thompson	1965	44		108,364	35	700
<b>Total</b>					<b>297</b>	<b>6,580</b>

<b><u>High Schools</u></b>						
Franklin Military (Onslow Minnis)	1928	81	1995	95,017	30	600
Huguenot	1961	48	1992	175,245	50	1,000
Jefferson, Thomas	1929	80	1970	179,993	57	1,140
Armstrong (formerly Kennedy, J. F.)	1968	41	1990	237,532	53	1,060
Marshall, John	1959	50		230,994	46	920
Open High (Grace Arents Bldg )	1911	98	1985	18,699	8	160
Richmond Community (Westhampton Bldg)	1916	93	1990	62,210	20	400
Wythe, George	1959	50	1989	243,114	50	1,000
<b>Total</b>					<b>314</b>	<b>6,280</b>

<b><u>Exceptional education schools</u></b>						
Amelia	1959	50	1991	33,908	18	360
<b>Total</b>					<b>18</b>	<b>360</b>

<b><u>Vocational and Alternative Schools</u></b>						
Adult Career Development Center	1924	85	1983	80,643	33	660
Educare (Includes, Head Start & Home Base)	1940	69		60,781	33	660
RTC-North Building	1971	38		49,939	16	320
RTC-South Building	1966	43		187,425	26	520
<b>Total</b>					<b>108</b>	<b>2,160</b>

<b>Grand Total of Standard Classrooms and Capacity</b>				<b>1,493</b>	<b>30,760</b>
--	--	--	--	--------------	---------------

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

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

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

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

**2009-2010 Schools With Accreditation Scores Reported to the State of Virginia (unaudited)**

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

Note: The above list shows all Richmond Public Schools for which accreditation scores are reported annually to the Virginia Department of Education. Up to date information on the accreditation status of each school may be obtained by calling the Richmond Public Schools Office of 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).

**Table 16**

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental Activities</b>									
Invested In Capital Assets, Net of Related Debt	\$ 204,892,717	\$ 199,865,572	\$ 191,556,995	\$ 198,513,944	\$ 257,995,107	\$ 276,834,506	\$ 304,606,896	\$ 311,326,711	\$ 280,800,936
Restricted	25,281,516	46,983,399	68,923,046	50,038,794	11,902,266	14,911,689	14,992,862	15,356,206	5,772,722
Unrestricted	<u>48,463,377</u>	<u>31,375,839</u>	<u>(10,050,293)</u>	<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>
Total Governmental Activities Net Assets	<u>\$ 278,637,610</u>	<u>\$ 278,224,810</u>	<u>\$ 250,429,748</u>	<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>
<b>Business-type Activities</b>									
Invested In Capital Assets, Net of Related Debt	\$ 242,713,267	\$ 280,898,657	\$ 274,968,276	\$ 277,073,800	\$ 305,313,014	\$ 302,815,193	\$ 316,259,057	\$ 351,767,886	\$ 369,683,330
Restricted	52,581,970	49,509,466	8,650,941	40,067,236	—	—	—	—	—
Unrestricted	<u>44,673,232</u>	<u>21,266,273</u>	<u>69,315,730</u>	<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>
Total Business-type Activities Net Assets	<u>\$ 339,968,469</u>	<u>\$ 351,674,396</u>	<u>\$ 352,934,947</u>	<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>
<b>Primary Government</b>									
Invested In Capital Assets, Net of Related Debt	\$ 447,605,984	\$ 480,764,229	\$ 466,525,271	\$ 475,587,744	\$ 563,308,121	\$ 579,649,699	\$ 620,865,953	\$ 663,094,597	\$ 650,484,266
Restricted	77,863,486	96,492,865	77,573,987	90,106,030	11,902,266	14,911,689	14,992,862	15,356,206	5,772,722
Unrestricted	<u>93,136,609</u>	<u>52,642,112</u>	<u>59,265,437</u>	<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>
Total Primary Government Activities Net Assets	<u>\$ 618,606,079</u>	<u>\$ 629,899,206</u>	<u>\$ 603,364,695</u>	<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>

**<sup>1</sup>Last Nine Years:**

The City of Richmond reports Statistical Information for the Last Nine Years, due to the availability of data.

**Table 17**

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Expenses</b>									
Governmental Activities:									
General Government	\$ 78,333,258	\$ 85,220,510	\$ 102,182,099	\$ 82,897,797	\$ 108,538,958	\$ 108,443,704	\$ 82,078,049	\$ 132,001,804	\$ 137,836,800
Public Safety and Judiciary	139,051,357	141,560,046	147,054,040	150,077,017	159,938,162	175,163,038	170,498,404	185,536,625	175,820,069
Highways, Streets, Sanitation and Refuse	55,742,911	76,549,273	76,654,334	80,327,346	75,459,598	72,673,872	90,808,054	59,964,571	61,502,223
Human Services	84,031,811	89,294,156	91,316,190	93,480,016	90,316,536	95,346,598	110,423,497	105,618,194	93,697,780
Culture and Recreation	24,035,635	26,127,447	24,856,175	14,914,204	21,978,162	24,350,136	41,009,121	25,635,473	26,009,978
Education	129,360,758	138,209,993	137,780,535	131,661,501	152,646,701	165,971,219	158,858,678	164,359,364	163,586,697
Transportation	6,276,550	6,114,308	6,699,852	6,766,376	8,216,356	9,405,588	10,460,000	11,950,000	11,600,000
Interest and Fiscal Changes	37,139,630	35,659,959	40,538,281	42,868,983	40,153,584	42,083,543	25,030,424	23,925,766	20,204,271
Extraordinary Item <sup>1</sup>	--	--	14,728,475	4,020,240	--	--	--	--	--
Total Governmental Activities Expenses	<u>553,971,910</u>	<u>598,735,692</u>	<u>641,809,981</u>	<u>607,013,480</u>	<u>657,248,057</u>	<u>693,437,698</u>	<u>689,166,227</u>	<u>708,991,797</u>	<u>690,257,818</u>
Business-type Activities:									
Gas	131,743,956	167,936,098	178,520,751	207,682,064	248,535,630	216,255,114	216,059,214	221,285,311	163,063,730
Water	36,059,991	34,294,537	36,523,533	39,004,189	41,362,442	44,232,832	46,158,648	49,074,068	49,934,491
Wastewater	38,893,054	37,587,401	40,115,362	45,976,722	44,944,833	51,596,901	48,364,007	53,000,556	50,679,153
Stormwater	--	--	--	--	--	--	--	--	7,613,092
Coliseum	3,981,767	4,066,451	4,152,274	4,973,332	5,249,095	5,968,440	5,846,334	5,718,103	5,171,178
Landmark Theatre	1,928,890	1,580,618	1,876,343	1,730,408	1,835,924	1,788,114	1,829,565	567,990	--
Cemeteries	1,447,502	1,602,606	1,389,982	1,344,285	1,416,174	1,399,208	1,641,821	1,472,725	1,399,493
Total Business-type Activities Expenses	<u>214,055,160</u>	<u>247,067,711</u>	<u>262,578,245</u>	<u>300,711,000</u>	<u>343,344,098</u>	<u>321,240,609</u>	<u>319,899,589</u>	<u>331,118,753</u>	<u>277,861,137</u>
Total Primary Government Expenses	<u>\$ 768,027,070</u>	<u>\$ 845,803,403</u>	<u>\$ 904,388,226</u>	<u>\$ 907,724,480</u>	<u>\$ 1,000,592,155</u>	<u>\$ 1,014,678,307</u>	<u>\$ 1,009,065,816</u>	<u>\$ 1,040,110,550</u>	<u>\$ 968,118,955</u>
<b>Program Revenues</b>									
Governmental Activities:									
Charges for Services:									
General Government	\$ 42,305,646	\$ 40,875,918	\$ 37,367,491	\$ 41,636,438	\$ 46,887,330	\$ 48,008,623	\$ 43,593,817	\$ 51,086,930	\$ 52,084,531
Culture and Recreation	549,118	663,061	611,105	561,893	759,632	109,692	719,586	686,911	727,597
Other Activities	19,724,718	20,715,420	27,671,318	20,602,746	29,109,017	27,368,011	30,450,928	29,948,260	30,759,315
Operating Grants and Contributions	143,351,487	143,710,347	133,650,110	149,167,449	147,151,168	159,269,020	169,105,387	155,689,284	151,878,522
Capital Grants and Contributions	3,498,180	10,610,426	10,516,738	8,227,292	3,714,468	18,929,229	12,566,194	5,228,211	5,545,450
Total Governmental Activities Program Revenues	<u>\$ 209,429,149</u>	<u>\$ 216,575,172</u>	<u>\$ 209,816,762</u>	<u>\$ 220,195,818</u>	<u>\$ 227,621,615</u>	<u>\$ 253,684,575</u>	<u>\$ 256,435,912</u>	<u>\$ 242,639,596</u>	<u>\$ 240,995,415</u>
Business-type Activities:									
Charges for Services:									
Gas	\$ 136,262,738	\$ 173,251,482	\$ 187,051,036	\$ 221,309,436	\$ 255,994,336	\$ 225,162,779	\$ 225,892,538	\$ 231,136,014	\$ 172,587,241
Water	45,309,368	42,239,247	45,205,312	44,853,864	47,689,474	49,995,955	51,616,053	54,406,899	57,386,552
Wastewater	43,881,354	44,784,105	46,317,014	48,599,478	51,484,083	55,541,836	56,795,731	58,803,531	60,220,635
Stormwater	--	--	--	--	--	--	--	--	9,537,834
Coliseum	1,454,450	2,337,854	2,358,184	2,068,567	2,284,149	2,149,644	2,202,374	1,829,195	1,463,233
Landmark Theatre	221,204	318,101	724,250	390,879	594,775	255,549	463,078	520	--
Cemeteries	1,329,445	1,386,577	1,440,051	1,412,205	1,458,283	1,395,957	1,423,292	1,368,588	1,320,251
Operating Grants and Contributions	<u>17,330,805</u>	<u>7,048,589</u>	<u>3,578,979</u>	<u>5,607,052</u>	<u>4,928,275</u>	<u>4,779,151</u>	<u>7,967,099</u>	<u>10,819,719</u>	<u>14,624,603</u>
Total Business-type Activities Program Revenues	<u>245,789,364</u>	<u>271,365,955</u>	<u>286,674,826</u>	<u>324,241,481</u>	<u>364,433,375</u>	<u>339,280,870</u>	<u>346,360,166</u>	<u>358,364,466</u>	<u>317,140,348</u>
Total Primary Government Program Revenues	<u>\$ 455,218,513</u>	<u>\$ 487,941,127</u>	<u>\$ 496,491,588</u>	<u>\$ 544,437,299</u>	<u>\$ 592,054,990</u>	<u>\$ 592,965,445</u>	<u>\$ 602,796,078</u>	<u>\$ 601,004,062</u>	<u>\$ 558,135,763</u>
<b>Net (Expense)/Revenue</b>									
Governmental Activities	\$ (344,542,761)	\$ (382,160,520)	\$ (431,993,219)	\$ (386,817,662)	\$ (429,626,442)	\$ (439,753,123)	\$ (432,730,315)	\$ (466,352,201)	\$ (449,262,403)
Business-type Activities	<u>31,734,204</u>	<u>24,298,243</u>	<u>24,096,580</u>	<u>23,530,481</u>	<u>21,089,277</u>	<u>18,040,261</u>	<u>26,460,577</u>	<u>27,245,713</u>	<u>39,279,211</u>
Total Primary Government Net Expense	<u>\$ (312,808,557)</u>	<u>\$ (357,862,277)</u>	<u>\$ (407,896,639)</u>	<u>\$ (363,287,181)</u>	<u>\$ (408,537,165)</u>	<u>\$ (421,712,862)</u>	<u>\$ (406,269,738)</u>	<u>\$ (439,106,488)</u>	<u>\$ (409,983,192)</u>

**Table 17**

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

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

(Continued)

**Table 17**

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

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

**<sup>1</sup>Extraordinary Item:**

Fiscal Year 2004 - Disaster Costs  
Fiscal Year 2006 - Disaster Costs  
Fiscal Year 2007 - Disaster Costs  
Fiscal Year 2008 - Disaster Costs  
Fiscal Year 2009 - Disaster Costs

**<sup>2</sup>Special Item:**

Fiscal Year 2002 - Gain on Sale of Land  
Fiscal Year 2003 - Gain on Sale of Land  
Fiscal Year 2005 - Gain on Sale of Land  
Fiscal Year 2008 - Gain on Sale of Land  
Fiscal Year 2005 & 2007 - Disaster Recovery

**<sup>3</sup>City Taxes:**

Fiscal Year 2002 - There was no requirement to report City Taxes by category.

**<sup>4</sup>Last Nine Years:**

The City of Richmond reports Statistical Information for the Last Nine Years, due to the availability of data.

Note: The changes in net assets 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.

**Table 18**

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

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ 8,821,969	\$ 18,597,316	\$ 21,328,801	\$ 14,150,287	\$ 22,216,671	\$ 16,144,418	\$ 15,894,601	\$ 16,908,547	\$ 2,094,186	\$ 16,598,886
Unreserved	<u>42,440,905</u>	<u>40,645,634</u>	<u>40,552,729</u>	<u>47,690,533</u>	<u>45,278,440</u>	<u>45,442,420</u>	<u>47,507,086</u>	<u>47,638,753</u>	<u>48,644,484</u>	<u>59,423,096</u>
Total General Fund	<u>\$ 51,262,874</u>	<u>\$ 59,242,950</u>	<u>\$ 61,881,530</u>	<u>\$ 61,840,820</u>	<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>
All Other Governmental Funds										
Reserved	\$ --	\$ 25,281,516	\$ 46,983,399	\$ 68,923,046	\$ 50,413,044	\$ 22,836,669	\$ 48,645,510	\$ 25,399,353	\$ 17,029,761	\$ 6,822,405
Unreserved, reported in:										
Special Revenue Funds	16,817,411	19,581,096	20,589,668	12,249,538	11,473,432	12,894,614	7,502,105	7,478,784	8,385,421	10,861,875
Capital Project Funds	27,756,774	34,500	34,500	--	--	--	--	--	(67,443,896)	--
Debt Service Fund	<u>2,041,583</u>	<u>--</u>	<u>11,461</u>	<u>11,461</u>	<u>11,461</u>	<u>(8,058)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total All Other Governmental Funds	<u>\$ 46,615,768</u>	<u>\$ 44,897,112</u>	<u>\$ 67,619,028</u>	<u>\$ 81,184,045</u>	<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>

Note: The changes in fund balances are explained in Management's Discussion and Analysis of the City's Comprehensive Annual Financial Report.



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

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Revenues</b>										
Taxes	\$ 292,646,985	\$ 299,399,915	\$ 306,292,416	\$ 317,204,260	\$ 334,498,995	\$ 350,466,022	\$ 409,441,193	\$ 435,695,263	\$ 427,338,579	\$ 425,707,122
Licenses, Permits and Privilege Fees	30,799,567	32,890,826	33,259,137	31,821,328	35,302,960	37,275,652	37,543,533	35,514,381	36,190,387	35,374,043
Intergovernmental	188,769,821	149,159,095	154,433,332	146,970,902	173,750,992	158,577,638	164,137,422	163,694,270	156,307,233	151,219,441
Service Charges	16,251,466	16,866,068	17,924,528	14,933,169	16,343,955	20,421,258	21,119,157	21,761,128	21,451,494	24,407,838
Fines and Forfeitures	6,376,530	8,646,605	7,774,458	8,559,606	10,328,752	11,429,454	11,023,780	10,706,248	9,246,562	9,760,055
Sales of Land	393,597	638,321	-	-	-	-	-	-	-	-
Payment in Lieu of Taxes	16,179,103	16,518,950	17,518,465	18,102,353	19,630,782	18,898,355	18,635,494	19,357,177	19,234,942	19,780,983
Investment Income	2,023,562	703,044	669,795	365,825	1,501,725	1,764,937	2,425,882	2,103,022	540,676	105,672
Miscellaneous	54,567,917	55,309,546	57,211,587	72,862,719	64,264,540	70,850,022	64,820,190	27,454,098	19,653,520	22,718,453
<b>Total Revenues</b>	<b>608,008,548</b>	<b>580,132,370</b>	<b>595,083,718</b>	<b>610,820,162</b>	<b>655,622,701</b>	<b>669,683,338</b>	<b>729,146,651</b>	<b>716,285,587</b>	<b>689,963,393</b>	<b>689,073,607</b>
<b>Expenditures</b>										
General Government	56,789,037	60,464,041	66,113,349	68,978,772	72,082,519	80,895,144	76,901,063	77,967,920	90,936,507	92,896,369
Public Safety and Judiciary	133,327,645	136,466,136	139,318,995	145,509,707	151,733,584	157,743,772	175,232,251	167,022,262	177,057,319	169,704,353
Highways, Streets, Sanitation and Refuse	43,149,174	44,018,321	46,004,841	44,054,142	54,373,540	57,844,351	62,404,860	61,007,410	44,632,867	46,687,139
Human Services	98,478,164	81,957,017	87,637,237	89,044,511	90,924,428	88,715,030	96,880,070	105,983,727	101,156,059	89,445,759
Culture and Recreation	20,999,465	21,604,557	22,101,310	23,539,612	19,628,668	19,540,997	21,399,788	22,420,288	22,869,119	21,791,546
Education	239,213,047	125,669,753	128,823,925	131,762,289	129,041,941	142,303,624	159,927,313	158,858,678	159,155,815	151,332,379
Non-Departmental	32,195,041	26,410,541	23,461,527	25,153,039	26,211,317	33,373,394	41,164,869	51,273,499	50,990,595	46,454,002
Capital Outlay	26,224,080	39,828,063	35,347,332	58,250,207	43,109,262	35,531,084	26,247,426	37,969,088	81,224,196	55,093,465
Debt Service:										
Principal Retirement	39,822,931	36,896,795	37,206,080	41,473,735	43,743,522	48,061,126	48,020,086	33,368,115	28,077,064	31,748,820
Interest Payments	37,113,785	34,692,049	34,974,162	40,304,483	40,812,004	39,385,830	38,490,977	25,054,610	24,805,037	19,193,765
Issuance Costs	891,649	1,054,532	382,904	683,283	625,909	671,476	846,451	-	955,068	806,838
<b>Total Expenditures</b>	<b>728,204,018</b>	<b>609,061,805</b>	<b>621,371,662</b>	<b>668,753,780</b>	<b>672,286,694</b>	<b>704,065,828</b>	<b>747,515,154</b>	<b>740,925,597</b>	<b>781,859,646</b>	<b>725,154,435</b>
<b>Other Financing Sources (Uses)</b>										
Transfers In	40,598,584	44,620,298	47,449,811	53,904,655	57,680,867	61,784,636	60,691,246	82,480,356	70,306,914	67,559,251
Transfers Out	(40,388,749)	(41,729,562)	(46,073,628)	(51,675,655)	(54,938,228)	(59,386,273)	(57,501,875)	(79,507,387)	(67,126,142)	(64,147,702)
Proceeds from Refunding Bonds	-	74,300,000	36,630,116	9,300,000	-	90,847,799	-	-	-	-
Payment to Escrow Agent	-	(74,300,000)	(36,630,116)	(9,300,000)	-	(90,622,799)	-	-	-	-
Proceeds from Issuance of Bonds	-	31,845,867	50,097,993	68,297,167	3,536,671	-	42,194,332	-	-	100,917,875
Premium on Issuance of Bonds	-	-	-	2,905,526	-	-	-	(762,900)	-	6,565,000
<b>Total Other Financing Sources (Uses)</b>	<b>209,835</b>	<b>34,736,603</b>	<b>51,474,176</b>	<b>73,431,693</b>	<b>6,279,310</b>	<b>2,623,363</b>	<b>45,383,703</b>	<b>2,210,069</b>	<b>3,180,772</b>	<b>110,894,424</b>
<b>Special Item</b>										
Gain on Sale of Land	-	638,321	174,264	-	-	-	-	-	-	-
Disaster Recovery	-	-	-	12,754,707	773,106	-	-	-	-	-
<b>Total Special Item</b>	<b>-</b>	<b>638,321</b>	<b>174,264</b>	<b>12,754,707</b>	<b>773,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Extraordinary Item</b>										
Disaster Costs	-	-	-	(14,728,475)	(4,020,240)	(323,858)	(402,390)	306,076	-	15,352
<b>Total Extraordinary Item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,728,475)</b>	<b>(4,020,240)</b>	<b>(323,858)</b>	<b>(402,390)</b>	<b>306,076</b>	<b>-</b>	<b>15,352</b>
<b>Net Change in Fund Balances</b>	<b>\$ (119,985,635)</b>	<b>\$ 6,445,489</b>	<b>\$ 25,360,496</b>	<b>\$ 13,524,307</b>	<b>\$ (13,631,817)</b>	<b>\$ (32,082,985)</b>	<b>\$ 26,612,810</b>	<b>\$ (22,123,865)</b>	<b>\$ (88,715,481)</b>	<b>\$ 74,828,948</b>
Debt Service as a Percentage of Noncapital Expenditure	10.7%	11.9%	14.6%	12.3%	12.7%	12.5%	11.7%	8.0%	7.7%	6.5%

Note: The changes in fund balances are explained in Management's Discussion and Analysis of the City's Comprehensive Annual Financial Report

**Table 20**

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

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

**<sup>1</sup>City Taxes:**

Fiscal Year 2002 - There was no requirement to report City Taxes by category.

**<sup>2</sup>Last Nine Years:**

The City of Richmond reports Statistical Information for the Last Nine Years, due to the availability of data.

Note: In FY09 the City classified current and delinquent taxes as a combined unit.

Table 21

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Real Estate	\$ 139,820,593	\$ 151,824,518	\$ 159,003,009	\$ 170,251,093	\$ 181,172,923	\$ 195,007,601	\$ 211,744,174	\$ 220,312,237	\$ 227,921,229	\$ 218,027,758
Sales-1% Local	24,977,517	22,202,874	20,123,954	24,067,131	26,302,100	27,116,326	31,019,396	31,274,790	30,935,300	26,093,786
Sales Tax for Education	—	—	—	—	—	—	27,558,938	26,959,337	25,312,005	24,943,835
Personal Property	42,719,428	42,133,029	41,488,407	41,918,417	45,091,878	43,819,129	42,147,896	44,734,218	51,107,922	44,081,997
Machinery and Tools	18,208,204	17,010,104	15,674,402	14,831,660	14,618,256	14,729,382	13,165,608	13,679,043	14,265,110	17,038,468
General Utility Sales	32,327,821	32,439,687	32,415,856	30,272,507	31,124,964	30,413,522	31,586,945	37,118,110	35,253,745	34,483,451
Bank Stock	5,135,665	5,161,545	2,854,562	2,362,154	2,904,338	2,891,777	3,085,172	3,317,298	4,494,835	8,247,534
Prepared Food	13,337,315	13,294,593	13,111,219	14,548,707	16,028,093	17,404,622	23,154,114	24,076,647	24,489,056	23,756,424
Lodging Tax	1,049,342	—	—	—	—	—	5,272,618	5,984,286	5,366,015	4,789,681
Admission	1,423,044	1,391,847	1,465,338	1,804,701	1,195,603	1,218,238	1,073,673	2,447,670	1,604,376	2,181,971
Real Estate Taxes - Delinquent	—	—	—	—	—	—	—	—	—	9,711,901
Personal Property Taxes - Delinquent	—	—	—	—	—	—	—	—	—	5,023,503
Delinquent Tax Payments - All Classes	7,892,623	7,956,401	12,546,757	10,303,069	9,589,601	11,083,065	11,812,062	19,581,751	—	—
Private Utility Poles and Conduits	91,814	91,538	93,137	93,506	150,549	94,894	95,067	95,186	96,164	156,478
Penalties and Interest	3,990,062	4,450,781	5,203,306	4,564,352	4,242,744	4,676,998	5,319,892	3,657,510	4,570,206	5,423,493
Titling Tax-Mobile Home	19,726	10,345	10,402	7,324	16,942	7,197	5,800	9,014	10,635	10,858
State Recordation	727,681	702,350	675,810	605,153	609,343	749,102	843,137	954,315	710,115	759,637
Property Rental 1%	—	—	236,383	158,960	120,684	144,979	136,469	126,334	126,534	101,748
Vehicle Rental Tax	926,150	730,303	955,513	868,115	864,415	752,941	1,004,229	889,582	626,040	424,599
ABC Board Receipts	—	—	400,770	—	—	—	—	—	—	—
Rolling Stock Tax	—	—	33,591	—	—	—	—	—	—	—
Telephone Commissions	—	—	—	547,411	466,562	356,249	416,003	477,935	449,292	450,000
Total General Governmental Tax Revenues	\$ 292,646,985	\$ 299,399,915	\$ 306,292,416	\$ 317,204,260	\$ 334,498,995	\$ 350,466,022	\$ 409,441,193	\$ 435,695,263	\$ 427,338,579	\$ 425,707,122

Note: In FY09 the City classified current and delinquent taxes as a combined unit.

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

Calendar Year	Real Property				Less:	Total Taxable	Tax Rate Per \$100 of Assessed Value			Estimated	Assessed Value
	Residential Property	Commercial Property	Personal Property	Machinery & Tools	Tax Exempt Real Property	Assessed Value	Real Property	Personal Property	Machinery & Tools	Actual Taxable Value	as a Percentage of Actual Value
2001	5,745,560,736	6,744,788,690	1,478,905,318	821,122,856	2,210,297,652	12,580,079,947	1.41	3.70	2.30	12,580,079,947	100.00%
2002	6,473,254,985	7,599,038,460	1,507,088,801	790,901,800	2,892,351,707	13,477,932,339	1.39	3.70	2.30	13,477,932,339	100.00%
2003	7,396,450,777	8,358,905,035	1,393,327,487	678,581,056	3,103,519,875	14,723,744,480	1.38	3.70	2.30	14,723,744,480	100.00%
2004	7,930,422,754	8,649,174,035	1,172,806,822	631,645,652	3,344,887,395	15,039,161,868	1.38	3.70	2.30	15,039,161,868	100.00%
2005	9,448,941,200	9,291,733,951	1,330,154,149	670,556,827	3,661,451,800	17,079,934,327	1.33	3.70	2.30	17,079,934,327	100.00%
2006	10,739,603,660	9,246,483,112	1,522,890,436	637,469,276	3,914,062,202	18,232,384,282	1.29	3.70	2.30	18,232,384,282	100.00%
2007	12,273,304,550	11,495,448,724	1,418,934,404	647,387,014	4,726,230,820	21,108,843,872	1.23	3.70	2.30	21,108,843,872	100.00%
2008	13,189,929,800	12,416,702,435	1,468,366,859	627,888,746	5,000,713,600	22,702,174,240	1.20	3.70	2.30	22,702,174,240	100.00%
2009	14,501,085,200	12,117,784,643	1,387,622,846	625,752,634	5,519,840,800	23,112,404,523	1.20	3.70	2.30	23,112,404,523	100.00%
2010	12,657,788,000	14,263,768,672	1,420,344,916	765,598,939	5,827,518,000	23,279,982,527	1.20	3.70	2.30	23,279,982,527	100.00%

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>
2001	1.41	147,235,718	139,820,593	95.0%	4,336,433	144,157,026	97.9%
2002	1.39	162,359,912	153,719,867	94.7%	5,221,188	158,941,055	97.9%
2003	1.38	175,100,400	165,330,253	94.4%	9,498,935	174,829,188	99.8%
2004	1.38	184,806,582	179,024,489	96.9%	7,715,852	186,740,341	101.0%
2005	1.33	201,274,826	191,839,265	95.3%	7,619,922	199,459,187	99.1%
2006	1.29	214,819,901	206,416,778	96.1%	6,901,572	213,318,350	99.3%
2007	1.23	224,815,976	218,210,831	97.1%	5,696,407	223,907,238	99.6%
2008	1.20	233,179,816	221,199,403	94.9%	15,227,545	236,426,948	101.4%
2009	1.20	236,538,376	223,155,601	94.3%	6,001,432	229,157,033	96.9%
2010	1.20	234,474,521	222,858,692	95.0%	9,711,902	232,570,594	99.2%

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>
2001	3.70	50,255,928	42,719,428	85.0%	5,835,595	48,555,023	96.6%
2002	3.70	48,353,865	42,133,029	87.1%	5,068,925	47,201,954	97.6%
2003	3.70	46,689,746	41,662,589	89.2%	3,864,364	45,526,953	97.5%
2004	3.70	46,468,895	42,080,193	90.6%	3,297,269	45,377,462	97.7%
2005	3.70	48,443,250	43,739,697	90.3%	4,868,959	48,608,656	100.3%
2006	3.70	50,187,847	43,230,723	86.1%	4,328,616	47,559,339	94.8%
2007	3.70	52,721,272	44,112,841	83.7%	5,826,972	49,939,813	94.7%
2008	3.70	53,094,279	43,226,559	81.4%	2,687,649	45,914,208	86.5%
2009	3.70	53,145,714	45,087,886	84.8%	5,957,159	51,045,045	96.0%
2010	3.70	53,716,305	45,700,784	85.1%	4,740,164	50,440,948	93.9%

**Current Tax Collections<sup>1</sup>:** These columns represent the amount and percentage on the tax levy within the respective taxyear 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 reporting period.

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

Source: City of Richmond - Department of Finance

**Table 23**

**CITY OF RICHMOND, VIRGINIA  
REAL ESTATE ASSESSED VALUES OF LARGEST TAXPAYERS  
As of January 1, 2010**

2010				2001			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Rank</b>	<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Rank</b>
Philip Morris Inc. & Philip Morris USA	\$ 710,722,000	3.37%	1	Philip Morris Inc. & Philip Morris USA	\$ 220,125,800	2.32%	1
Hines Riverfront Plaza LP	247,500,000	1.17%	2	Boston Properties	153,000,000	1.61%	2
James Center Property LLC	187,998,000	0.89%	3	Crestar Bank (SunTrust Banks, Inc.)	140,353,500	1.48%	3
Dominion Resources, Inc	144,411,000	0.68%	4	Federal Reserve Bank of Richmond	84,781,500	0.89%	4
Chippenham Hospital Inc (HCA)	105,605,000	0.50%	5	Ethyl Corporation	70,675,300	0.75%	5
Federal Reserve Bank of Richmond	103,928,000	0.49%	6	Bank of America	65,169,400	0.69%	6
Foundry Park I LLC	89,060,000	0.42%	7	One James Center Associates	63,570,000	0.67%	7
Parmenter 919 Main St. LP	83,574,000	0.40%	8	Whitehall Robins	61,886,000	0.65%	8
Riverside Owner LLC	78,151,000	0.37%	9	Chippenham Hospital Inc	57,859,000	0.61%	9
Gambles Hill LLC	74,921,000	0.36%	10	AAPOP, LLP	50,000,000	0.53%	10
American Retirement Corp	70,000,000	0.33%	11	Two James Center Associates	49,900,000	0.53%	11
First States Investors 3500 LLC	69,571,000	0.33%	12	Dominion Resources Inc	39,000,000	0.41%	12
SunTrust Bank	63,519,000	0.30%	13	ARC Imperial Services	33,540,000	0.35%	13
Stony Point Fashion Park Associates LLC	54,132,000	0.26%	14	Alleghany Warehouse Co, Inc	32,773,000	0.35%	14
Robins A H Co, Inc	48,212,000	0.23%	15	S J W Limited Partnership	25,310,000	0.27%	15
Media General, Inc	46,067,000	0.22%	16	SCDHC-Southwood, LLC	21,201,500	0.22%	16
Miller & Rhoads Building LLC (Hilton)	42,010,000	0.20%	17	Marriott Corporation	20,548,000	0.22%	17
Total of Taxpayers	2,219,381,000	10.52%		Total of Taxpayers	1,189,693,000	12.55%	
All Other Properties	18,874,657,672	89.48%		All Other Properties	8,290,259,527	87.45%	
Totals	\$ 21,094,038,672	100.00%		Totals	\$ 9,479,952,527	100.00%	

Source: City's Real Estate Assessor

**CITY OF RICHMOND, VIRGINIA  
PRINCIPAL EMPLOYERS  
As of June 30, 2010**

2010				2001			
<b>Employer</b>	<b>Approximate Number of Employees</b>	<b>Percentage of Principal Employment</b>	<b>Rank</b>	<b>Employer</b>	<b>Approximate Number of Employees</b>	<b>Percentage of Principal Employment</b>	<b>Rank</b>
Commonwealth of Virginia	26,845	15.74%	1	Commonwealth of Virginia	41,500	29.29%	1
Federal Government	15,800	9.27%	2	Federal Government	16,000	11.29%	2
Chesterfield County	10,845	6.36%	3	Capital One	9,878	6.97%	3
Henrico County	10,694	6.27%	4	City of Richmond	8,957	6.32%	4
Richmond City	8,583	5.03%	5	Philip Morris, USA	6,524	4.60%	5
Virginia Commonwealth University Health	7,244	4.25%	6	Circuit City Stores, Inc.	5,324	3.76%	6
Capital One Financial Corp.	6,828	4.00%	7	Columbia HCA Healthcare	4,780	3.37%	7
HCA Inc.	6,679	3.92%	8	Sun Trust Banks, Inc.	4,195	2.96%	8
Dominion Resources Inc	5,721	3.35%	9	Dominion Resources	4,007	2.83%	9
Bon Secours Richmond Health System	5,626	3.30%	10	Ukrop's Super Markets Inc	3,716	2.62%	10
Altria Group Inc.	4,613	2.71%	11	Verizon Virginia, Inc	3,340	2.36%	11
Hanover County	4,038	2.37%	12	Bon Secours Richmond Health System	3,337	2.35%	12
SunTrust Banks, Inc.	3,815	2.24%	13	DuPont	3,305	2.33%	13
Ukrop's Super Markets Inc	3,331	1.95%	14	Bank of America	3,250	2.29%	14
WellPoint Inc.	3,050	1.79%	15	Trigon Healthcare Inc.	2,969	2.10%	15
Bank of America Corp.	2,900	1.70%	16	Honeywell International Inc.	2,839	2.00%	16
Wells Fargo & Co.	2,858	1.68%	17	First Union Corp	2,500	1.76%	17
Verizon Communications	2,789	1.64%	18	Alcoa, Inc	2,144	1.51%	18
Total of Principal Employers	132,259	77.56%		Total of Principal Employers	128,565	90.73%	
Other Principal Employers <sup>1</sup>	38,263	22.44%			13,134	9.27%	
Totals	170,522	100.00%		Totals	141,699	100.00%	

**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.

**Table 24**

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

<b>Fiscal Year</b>	<b>Less:</b>		<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
	<b>Gross Revenue</b>	<b>Direct Operating Expenses</b>		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2001	\$ 250,206,000	\$ 202,824,000	\$ 47,382,000	\$ 11,369,282	\$ 20,070,628	\$ 31,439,910	1.51
2002	222,293,385	174,842,378	47,451,007	8,960,861	21,019,119	29,979,980	1.58
2003	257,454,148	200,480,366	56,973,782	9,378,904	23,896,768	33,275,672	1.71
2004	273,973,867	214,894,187	59,079,680	14,015,416	27,051,440	41,066,856	1.44
2005	311,528,607	248,572,360	62,956,247	15,117,801	27,684,009	42,801,810	1.47
2006	354,513,119	267,435,241	87,077,878	13,877,566	28,234,697	42,112,263	2.07
2007	332,534,070	264,341,546	68,192,524	15,512,828	28,242,331	43,755,159	1.56
2008	335,154,223	270,811,760	64,342,463	20,562,701	29,429,144	49,991,845	1.29
2009	347,058,210	278,970,601	68,087,609	20,508,027	29,939,215	50,447,242	1.35
2010	286,569,755	211,454,537	75,115,218	21,104,375	34,343,862	55,448,237	1.35

**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

**Table 25**

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

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 1,028,005,177	\$ 1,117,994,174	\$ 1,196,677,008	\$ 1,325,845,739	\$ 1,507,923,335	\$ 1,665,270,552	\$ 1,904,252,245	\$ 2,060,991,864	\$ 2,109,902,904	\$ 2,109,403,867
Total net applicable to limit	<u>629,602,521</u>	<u>681,368,153</u>	<u>689,578,088</u>	<u>738,231,520</u>	<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>
Legal Debt Margin	<u>\$ 398,402,656</u>	<u>\$ 436,626,021</u>	<u>\$ 507,098,920</u>	<u>\$ 587,614,219</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	61.25%	60.95%	57.62%	55.68%	45.45%	38.19%	33.29%	28.75%	28.68%	29.88%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Assessed Value (Taxable)	\$ 21,094,038,672
Debt limit (10% of total assessed value)	2,109,403,867
General Obligation Bonds	<u>630,231,266</u>
Legal Debt Margin	<u>\$ 1,479,172,601</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 preceeding assessment for real estate taxes. The Total Net Debt Applicable to Limit shown on 6/30/2010 does not include \$553,815,742 of self-supporting Public Utility Revenue Bonds, \$13,980,000 of Certificates of Participation, and \$9,739,788 of Lease Revenue Bonds that by State law are not required to be included in calculations for legal margin for the creation of additional debt.

**Table 26**

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>						<b>Business-Type Activities</b>			<b>Percentage of</b>	
	<b>General Obligation Bonds</b>	<b>Virginia Public School Authority Bonds</b>	<b>General Obligation Notes</b>	<b>HUD Section 108 Notes</b>	<b>Lease Revenue Bond</b>	<b>Certificates of Participation Series 2001A</b>	<b>General Obligation Bonds</b>	<b>Utility Revenue Bonds</b>	<b>Total Primary Government</b>	<b>Personal Income</b>	<b>Per Capita</b>
2001	329,225,115	3,921,755	21,400,000	6,985,000	-	18,840,000	342,544,106	128,453,301	851,369,277	13.26%	4,294
2002	353,531,356	3,836,492	12,850,000	6,475,000	-	18,840,000	285,968,639	264,061,852	945,563,339	14.42%	4,764
2003	376,693,205	3,483,946	5,290,000	6,765,000	-	18,840,000	278,982,829	260,504,754	950,559,734	13.89%	4,798
2004	418,075,775	3,263,521	1,820,000	6,125,000	-	18,225,000	270,503,062	256,891,626	974,903,984	13.17%	4,938
2005	392,957,068	3,042,389	7,000,000	5,595,000	-	17,585,000	259,195,982	320,815,598	1,006,191,037	13.19%	5,084
2006	376,095,157	2,820,514	5,600,000	5,020,000	12,100,000	16,920,000	246,092,420	320,513,843	985,161,934	11.71%	4,951
2007	387,222,408	2,597,288	4,700,000	4,465,000	11,555,580	16,230,000	234,580,147	414,194,548	1,075,544,971	12.13%	5,360
2008	354,881,308	2,372,353	8,500,000	3,910,000	10,981,807	15,510,000	222,734,874	406,325,632	1,025,215,974	11.28%	5,054
2009	327,097,155	2,145,328	63,560,000	3,355,000	10,377,099	14,760,000	208,811,286	551,289,644	1,181,395,512	N/A	5,778
2010	400,951,978	1,916,098	33,220,000	2,800,000	9,739,788	13,980,000	191,239,793	553,815,743	1,207,663,400	N/A	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 of the City's Comprehensive Annual Financial Report

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

								Percentage of	
								Estimated	
								Actual Taxable	
Fiscal	General Obligation	Virginia Public	General	HUD Section	Lease Revenue	Certificates of		Value of	
Year	Bonds	School	Obligation	108 Notes	Bond	Participation		Property	Debt Per Capita
		Authority Bonds	Notes			Series 2001A	Total		
2001	671,769,221	3,921,755	21,400,000	6,985,000	-	18,840,000	722,915,976	3.02%	3,646
2002	639,499,995	3,836,492	12,850,000	6,475,000	-	18,840,000	681,501,487	2.91%	3,434
2003	655,676,034	3,483,946	5,290,000	6,765,000	-	18,840,000	690,054,980	2.79%	3,483
2004	688,578,837	3,263,521	1,820,000	6,125,000	-	18,225,000	718,012,358	2.98%	3,637
2005	652,153,050	3,042,389	7,000,000	5,595,000	-	17,585,000	685,375,439	2.50%	3,463
2006	622,187,577	2,820,514	5,600,000	5,020,000	12,100,000	16,920,000	664,648,091	2.30%	3,340
2007	621,802,555	2,597,288	4,700,000	4,465,000	11,555,580	16,230,000	661,350,423	2.02%	3,296
2008	577,616,182	2,372,353	8,500,000	3,910,000	10,981,807	15,510,000	618,890,342	3.00%	3,051
2009	535,908,441	2,145,328	63,560,000	3,355,000	10,377,099	14,760,000	630,105,868	2.99%	3,082
2010	592,191,771	1,916,098	33,220,000	2,800,000	9,739,788	13,980,000	653,847,657	3.09%	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 of the City's Comprehensive Annual Financial Report



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

Fiscal		Personal Income (Amounts expressed	Per Capita Personal	Median	School	City Unemployment	State Unemployment
<u>Year</u>	<u>Population(1)</u>	<u>in thousands</u>	<u>Income(2)</u>	<u>Age</u>	<u>Enrollment(3)</u>	<u>Rate(4)</u>	<u>Rate(4)</u>
2001	198,264	6,422,779	32,395	N/A	26,840	4.3%	3.3%
2002	198,480	6,557,843	33,040	37.5	26,136	6.0%	4.4%
2003	198,098	6,844,354	34,550	36.7	25,266	6.2%	4.5%
2004	197,432	7,399,970	37,481	35.9	25,054	6.0%	4.0%
2005	197,915	7,630,295	38,553	35.4	24,726	5.5%	3.8%
2006	198,992	8,409,514	42,261	34.0	24,247	4.6%	3.2%
2007	200,655	8,864,854	44,180	34.0	23,987	4.4%	3.1%
2008	202,867	9,088,603	44,801	35.3	24,226	5.8%	4.0%
2009	204,451	N/A	N/A	35.5	23,200	10.2%	7.1%
2010	N/A	N/A	N/A	N/A	22,994	10.5%	7.1%

(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. Data reflects annual benchmark revision issued in February of each year. Unemployment rates are not seasonally adjusted.

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

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

<sup>1</sup> Last Nine Years:

The City of Richmond reports Statistical Information for the Last Nine Years, due to the availability of data.

Source: Various City departments

**Table 29**

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

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Function</b>									
Governmental Activities:									
Police									
Physical Arrests	13,924	14,252	15,911	17,536	17,034	19,210	20,064	20,425	14,487
Parking Violations	116,050	96,079	101,813	103,594	19,455	73,335	101,675	104,380	134,151
Traffic Violations	27,657	23,150	21,224	30,516	22,474	25,047	28,195	30,965	31,518
Fire									
Number of calls answered	26,222	25,817	28,258	30,956	31,746	28,234	19,864	29,098	29,587
Inspections	2,142	2,774	3,662	1,853	2,104	2,660	1,322	1,090	5,336
Highways and Streets									
Street resurfacing (miles)	141	95	82	70	102	85	70	62	122
Potholes repaired	7,691	14,833	12,167	21,011	10,691	7,500	898	6,128	11,409
Sanitation and Refuse									
Refuse collected (tons/day)	317	317	307	N/A	338	293	335	374	291
Recyclables collected (tons/day)	41	41	39	38	37	35	25	213	21
Culture and Recreation									
Parks permits issued	579	505	482	539	610	584	543	598	579
Business-type Activities:									
Gas									
Maximum daily sendout (MCF)	124,752	162,574	151,823	163,129	129,755	151,996	147,713	160,509	139,351
Annual Sendout (MCF)	16,718,496	19,168,315	17,952,764	18,500,224	16,620,288	16,551,672	17,722,952	17,056,844	16,006,116
Water									
Average daily consumptions (MGD)	85	78	88	75	67	63	66	62	58
Maximum daily consumptions (MCD)	127	127	105	95	98	98	90	90	89
Water in Storage (gallons)	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Wastewater									
Average daily sewage treatment (MGD)	46	54	60	64	51	59	49	49	55
Maximum daily sewage treatment (MGD)	80	78	85	85	83	84	84	84	96
Coliseum									
Average daily attendance per activity	997	1,010	1,013	883	921	1,220	1,193	4,169	4,895
Average daily number of events	0	0	0	0	0	0	0	0	0
Landmark Theatre									
Total tickets sold for all activities	N/A	145,296	141,726	129,598	140,097	150,596	139,506	122,645	156,448
Total attendances for all activities	N/A	15,773	14,303	221,602	220,615	180,155	196,893	195,790	177,105
Cemeteries									
Number of interments	1,067	1,079	1,080	1,050	973	777	841	901	790
Number of lot sales	36	20	24	22	17	23	18	14	16
Number of single grave sales	635	688	700	646	382	664	601	568	504
Number of foundations	793	645	649	637	627	525	532	560	494

**<sup>1</sup>Last Nine Years:**

The City of Richmond reports Statistical Information for the Last Nine Years, due to the availability of data.

Source: Various City departments

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

**Table 30**

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

Function	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police									
Stations	7	7	7	7	7	10	4	8	7
Patrol Units	135	133	132	128	232	222	323	204	173
Fire									
Stations	20	20	20	20	20	20	20	20	20
Fire trucks	46	46	46	46	46	55	64	51	54
Highways and Streets									
Streets (miles)	1,867	1,867	1,867	1,865	1,857	1,865	1,858	822	822
Streetlights	32,856	32,977	33,063	33,184	32,900	33,188	33,000	30,548	30,783
Traffic Signals	450	453	456	460	502	511	465	468	476
Sanitation and Refuse									
Collection Trucks	N/A	N/A	33	38	45	38	37	47	34
Culture and Recreation									
Parks acreage	2,801	2,801	2,801	2,801	2,807	2,805	2,805	2,818	2,808
Parks	55	58	58	58	67	71	71	71	71
Baseball/Softball Diamonds	54	54	54	54	55	48	48	48	48
Athletic Fields	25	25	25	25	27	31	31	31	31
Golf Courses (Driving Range/Par 3 Course)	0	1	1	1	1	1	1	1	1
Swimming Pools	10	10	9	9	9	9	9	8	9
Tennis Courts	141	141	141	138	138	130	130	130	140
Community Centers	18	18	18	18	24	24	24	24	20
Theatres	2	2	2	2	2	1	2	2	2
Coliseums	1	1	1	1	1	1	1	1	1
Gas									
Miles of Service Lines	1,736	1,766	1,777	1,796	1,818	1,850	1,868	1,694	1,721
Number of Gate Stations	6	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
Water Pumping Stations	12	12	12	13	13	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
Miles of Interceptors	42	42	42	47	47	47	47	47	47
Sewer Pumping Stations	3	3	3	3	3	5	5	5	5

Source: Various City departments

## ACKNOWLEDGEMENTS

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

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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 Mr. Harley Tomey, Richmond Public Schools, 301 North Ninth Street, Richmond, Virginia 23219, (804) 780-7911. The ADA Coordinator is Ms. Valarie Abbott Jones, 2015 Seddon Way, 1st Floor, Richmond, VA 23230-4117 (804) 780-6211. The Title IX Officer is Ms. Angela C. Lewis, Richmond Public Schools, 301 North Ninth Street, Richmond, Virginia 23219, (804) 780-7716. The United States Department of Education's Office of Civil Rights may also be contacted at P. O. Box 14620, Washington, DC 20044-4620, (202) 208-2545.

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